*You should read the following discussion and analysis in conjunction with our consolidated financial statements, included in the Accountants' Report in Appendix I, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with the IFRS Accounting Standards ("**IFRSs**").*

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this document, including the sections headed "Risk Factors" and "Our Business," and elsewhere in this document. For further details, see "Forward-Looking Statements."

OVERVIEW

We are a fabless memory chip provider in the Chinese Mainland, specializing in the research and development, design and sales of code storage flash memory. Code storage flash memory is primarily designed to store code during system boot-up and operation, which requires high levels of stability and reliability. We offer a broad range of code storage flash memory with a density ranging from 1Mbit to 8Gbit. According to CIC, we are one of over 20 fabless companies globally offering code storage flash memory with a range of density specifications; and we ranked:

- ***Fifth*** globally among all fabless companies in terms of revenue generated from code storage flash memory in 2025;
- ***Fourth*** globally among all fabless companies in terms of revenue generated from SLC NAND Flash in 2025; and
- ***Fifth*** globally among all fabless companies in terms of revenue generated from NOR Flash in 2025.

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our total revenue was RMB662.9 million, RMB442.1 million, RMB519.2 million, RMB126.3 million and RMB224.1 million, respectively. We recorded net loss of RMB14.0 million and RMB37.1 million in 2023 and 2024, and we had net profit of RMB27.2 million in 2025. We recorded net loss of RMB2.7 million in the three months ended March 31, 2025 and net profit of RMB75.9 million in the three months ended March 31, 2026.

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with IFRSs as issued by the International Accounting Standards Board. The preparation of the historical financial information in conformity with IFRSs requires the use of certain material accounting policy information. It also requires management to make judgments, estimates and assumptions in the process of applying our Group's accounting policies. Judgments made by management in the application of IFRSs that have significant effect on the historical financial information and major sources of estimation uncertainty are discussed in Note 3 and Note 4 of Appendix I.

KEY FACTORS AFFECTING OUR PERFORMANCE

We believe the following are some of the key factors that have affected and will continue to affect our business, results of operations, and financial condition:

Industry Cycle

As a fabless IC design company, our business and financial performance are inherently influenced by the cyclical nature of the semiconductor industry, which moves through recurring phases of expansion, peak, downturn, and recovery. These cycles are driven by various factors, including macroeconomic conditions, capital expenditure trends, technological advancements, inventory adjustments and shifts in end-market supply and demand dynamics.

During the Track Record Period, our performance was impacted by a cyclical downturn in the global IC industries we involved. According to CIC, (i) the global market size of flash memory in terms of revenue has declined from US$71.5 billion in 2021 to US$40.9 billion in 2023, which saw a turning point in 2024; and (ii) the global market size of analog IC experiences a moderate decline from 2022 to 2024. The industry cycle has had, and will continue to have, a significant impact on the demand for and pricing of our chips on offer. The downturn period was characterized by inventory buildups, persistent pricing pressure, and weakened market sentiment, despite continued underlying demand for semiconductor products. Throughout this downturn, competition intensified significantly with many industry players aggressively lowering prices to maintain or expand their market share, which led to a substantial decline in average selling prices across multiple categories of IC products. According to CIC, the global market size of flash memory saw a turning point in 2024. Meanwhile, the maturity and widespread adoption of AI technologies has become a key market driver, expected to sustain continuous market growth. Against this backdrop, the upgoing cycle of the flash memory industry is expected to extend beyond the historical pattern of approximately two years and enter a new phase continuously driven by technological innovation and high-end applications. Concurrently, the global market size of flash memory is projected to reach US$538.5 billion by 2030 with a CAGR of 48.5% from 2025 to 2030, demonstrating a continuous recovery trajectory and strong demand.

Downstream Market Demand

Our performance depends on the continued growth of the various verticals into which we sell our semiconductor products, including the verticals for network communications, AI communications, consumer electronics, smart home, IoT, industrial and medical, automotive electronics and computers and peripherals. We leverage our strengths in technology, quality and services to meet varied needs from customers across different downstream industries. Our business scale, results of operations and financial condition will depend on our ability to maintain business relationships with existing customers and expand our customer base, especially for new products aligned with downstream market demand.

Our ability to consistently empower our customers and maintain sustainable growth is shaped by how effectively and promptly we respond to fast evolving industry trends, as well as evolving customer and end-user preferences across key vertical applications such as net communications, smart home, industrial, consumer electronics and smart vehicles markets. The overall consumer demand and growth trends are often characterized by volatility and unpredictability, which will remain critical factors driving demand for our products, thereby influencing our financial performance.

R&D Investments and Product Competitiveness

Rapid technological advancements and changing customer preferences are affecting the semiconductor industry. As a fabless IC design company, we have to continuously invest in R&D to deliver innovative products to satisfy market demands for higher performance, lower power consumption and greater reliability to obtain and maintain our competitiveness. It is crucial to keep and improve our ability to successfully launch new products and respond to technological trends, therefore maintaining and promoting our market share and profitability.

We have invested and plan to continue investing significant resources in our R&D activities. During the Track Record Period, our R&D expenses were RMB85.2 million, RMB65.9 million, RMB47.3 million, RMB11.9 million and RMB16.0 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, representing 12.9%, 14.9%, 9.1%, 9.5% and 7.1% of our total revenue during those periods, respectively. As of March 31, 2026, our R&D team consisted of 74 members, representing 44.8% of our total employees as of the same date. Our R&D investment have resulted in various technological achievements. See "Business — Research and Development — R&D Achievements." We believe the further enhancement of our technologies is central to our future development. We will continue to invest in our R&D activities, including talent recruitment, and to deepen cooperation with global foundries and assembly and testing service providers to ensure we remain at the forefront of fields.

Our major business operations face intensifying competition, driven by an increasing number of domestic brand suppliers and a growing availability of homogeneous products in the low and mid capacity segments. In response to this competitive environment, our strategy remains firmly rooted in the optimization of our product portfolio. We aim to differentiate ourselves by emphasizing our strengths in product capacity, reliability, and cost-effectiveness, which are designed to solidify our market position and mitigate the pressures arising from increased commoditization in certain product categories.

Product Mix

Our financial performance relies on our ability to innovate and to develop and offer a comprehensive portfolio of products that align with technological trends and customer preferences. We maintain a diversified product portfolio comprising code storage flash memory, analog IC and MCU, which caters to a broad range of applications within network communications, AI communications, consumer electronics, smart home, IoT, industrial and medical, automotive electronics and computers and peripherals fields. This diversification is a strategic strength, allowing us to mitigate risks associated with cyclical downturns in individual segments and capitalize on cross-sector growth opportunities.

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our gross profit margin were 15.5%, 14.0%, 22.8%, 14.4% and 55.6%, respectively. The selling prices and gross profit margin of different products category and series are different due to, among others, the differences in product complexity, R&D investment and costs. For example, during the Track Record Period, our SLC NAND products generated comparatively higher gross margins, benefitting from reliable, high-density storage solutions. Our product mix may change in response to the market condition and technological changes in the end markets to which our products are adopted. Significant changes in product mix can directly affect our profitability due to varying gross profit margin attributable to different products and series, which in turn affects our results of operations.

We strategically aim to enrich our portfolio and maintain a strong focus on higher-margin product categories. Through the continuous refinement of our product mix and sustained investment in technological innovation, we are committed to sustaining healthy financial performance and driving long-term, profitable growth.

Supply Chain Management

As a fabless IC design firm dedicate to R&D, design and sales of ICs for general-purpose applications, we rely on third-party foundries for wafer fabrication and OSAT partners for assembly and testing. It is important for us to establish strong and long-term partnerships with key partners and to secure access to more stable capacity allocation and foster close collaboration with our partners on production end, especially when high industry demand occurs. Accurate forecasting and communication of wafer demand with our partners can also help us avoid costly delays and supply bottlenecks.

In the meantime, our production costs and delivery capabilities are subject to factors such as wafer manufacturing capacity, raw material price fluctuations, and delivery lead times. The majority of our cost of sales consists of the cost of wafers and outsourced assembly and testing. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our cost of sales from wafer amounted to RMB477.8 million, RMB316.0 million, RMB321.0 million, RMB85.7 million and RMB83.2 million, respectively, representing 85.3%, 83.1%, 80.1%, 79.2% and 83.7% of our total cost of sales in the respective periods. Therefore, our ability to secure sufficient capacity from our suppliers and manage procurement costs has been and will continue to be critical to optimize our procurement lead times and minimize inventory holding costs while ensure continuous production flow.

Operational Efficiency

Our ability to manage and optimize operational efficiency has a significant impact on determining our profitability and overall financial performance. Key components of our operating expenses include R&D expenses, administrative expenses, and distribution and selling expenses. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our R&D expenses were RMB85.2 million, RMB65.9 million, RMB47.3 million, RMB11.9 million and RMB16.0 million, respectively, accounting for 12.9%, 14.9%, 9.1%, 9.5% and 7.1% of our total revenue in the corresponding period. During the same period, our administrative expenses were RMB23.0 million, RMB25.5 million, RMB19.7 million, RMB5.0 million and RMB7.2 million, respectively, accounting for 3.5%, 5.8%, 3.8%, 3.9% and 3.2% of our total revenue in the corresponding periods. During the same period, our distribution and selling expenses were RMB24.3 million, RMB29.1 million, RMB23.9 million, RMB6.3 million and RMB8.6 million, respectively, accounting for 3.7%, 6.6%, 4.6%, 5.0% and 3.8% of our total revenue in the corresponding periods.

Effective cost management and resource allocation remain central to our strategy for maintaining operational efficiency while supporting ongoing business growth. We remain committed to continuously improving our operational efficiency across all areas, ensuring we can adapt to market demands, sustain profitability, and capitalize on growth opportunities in the semiconductor industry.

Our Effort to Improve Financial Performance

Prior to the Track Record Period, we had been profit-making in 2019, 2020, 2021 and 2022. During the Track Record Period, we recorded net losses of RMB14.0 million and RMB37.1 million in 2023 and 2024. We achieved a turnaround from a net loss of RMB37.1 million with the net loss margin of -8.4% in 2024 to a net profit of RMB27.2 million in 2025, representing a net profit margin of 5.2%. Our gross profit increased significantly by 91.1% from RMB61.9 million in 2024 to RMB118.2 million

in 2025, with the corresponding gross profit margin expanding from 14.0% to 22.8%. In the three months ended March 31, 2025 and 2026, our gross profit margin increased from 14.4% to 55.6%. Correspondingly, our profitability experienced an acceleration. We achieved a significant turnaround from a net loss of RMB2.7 million in the three months ended March 31, 2025 to a net profit of RMB75.9 million in the three months ended March 31, 2026, representing a net profit margin of 33.9%. This profit elasticity was primarily driven by the substantial expansion of our gross profit margin, resulting from increasing average selling prices amid industry supply constraints and our strategic stocking and ability to pass on cost increases to our customers, coupled with strong positive operating leverage as our operating expenses remained relatively stable against a significantly expanded revenue base.

We recorded fluctuations in our financial information, but our comprehensive product matrix and robust product delivery capability have laid a solid foundation for our business sustainability and long-term development. In the future, we aim to maintain sustainable profitability primarily through: (i) driving revenue growth; (ii) optimizing our product mix to improve gross profit margin; (iii) optimizing supply chain layout and strengthening stable supply capacity; (iv) strengthening R&D capabilities; and (v) adopting prudent order and inventory management.

- **Driving revenue growth.** Our future revenue growth depends significantly on our ability to deepen relationships with our existing key accounts. We plan to enhance product competitiveness and deliver prompt respond to customer needs to strengthen customer stickiness. We expect to capture additional monetization opportunities through recurring purchase. We will also proactively develop new key accounts. In addition to deeply cultivating advantageous fields such as network communications and consumer electronics, we aim to focus on AI-related industries to acquire incremental key accounts. We have entered AI communications application scenario and are continuously expanding our customer base.

- **Optimizing our product mix to improve gross profit margin.** We will strategically adjust the product portfolio to gradually increase the proportion of higher-margin products such as high-performance NORD-based NOR Flash and SLC SPI NAND Flash. By aligning sales strategies, resource allocation and customer development with high value-added products and applications, we aim to steadily enhance overall gross profit margins and improve the quality of revenue, thereby supporting profitability improvement.

- **Optimizing supply chain layout and strengthening stable supply capacity.** We will further optimize our global supply chain layout, deepen strategic partnerships with wafer foundries and OSAT partners, and establish a stable and secure supply chain system. We will enhance supply chain resilience through entering into long-term procurement agreements with key suppliers, diversifying sourcing arrangements, strengthening production capacity assurance, and improving delivery efficiency and on-time delivery rates. Stable and efficient supply chain operations will help reduce operational costs and disruptions, supporting stable business development and profitability.

- **Strengthening R&D capabilities.** We will uphold our strategy of driving growth through technological innovation and continuously increase R&D investment. We will deepen the implementation of our "Memory+" and "AI+" dual-pillar strategies, advance iterative development of our core NOR Flash and SLC NAND Flash product lines, and accelerate the development of analog IC and MCU to build comprehensive general-purpose chip solutions. We will push forward mass production breakthroughs on advanced process nodes and the next-generation NORD process platform to improve chip integration and reduce product costs. Meanwhile, we will develop CIM AI chips and high-performance motor driver ICs to

achieve synergy across product lines. These initiatives will enhance product value, strengthen customer stickiness, increase customer value, and consolidate our leading market position, thereby supporting sustainable improvements in profitability.

- **Adopting prudent order and inventory management.** We will continue to optimize our inventory management mechanisms based on demand forecasting, sales trends and supply-demand matching, to optimize inventory structure and reduce obsolescence risks. We will flexibly adjust procurement and inventory plans in response to industry cycles and market fluctuations, strengthen order management and accounts receivable turnover, and maintain sound cash flow. Effective cost control and risk mitigation will reduce unnecessary losses and support stable profitability.

MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS

We have identified certain accounting policies that are significant to the preparation of our financial statements. Material accounting policies that are significant for understanding our financial condition and results of operations are set forth in detail in Note 3 of Appendix I. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Actual results could differ from those estimates. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and other factors that we believe to be relevant under the circumstances. Since our financial reporting process inherently relies on the use of estimates and assumptions, actual results may differ from these estimates under different assumptions or conditions. When reviewing our financial statements, you should consider our selection of key accounting policies and the judgments and other uncertainties affecting the application of such policies. We believe that the material accounting policy information and estimates such as basis of consolidation, revenue from contracts with customers and inventories as detailed in Note 3 of Appendix I are critical and involve the most important estimates and judgments we used in preparing our financial statements.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(unaudited)			
Revenue	662,877	100.0	442,134	100.0	519,180	100.0	126,331	100.0	224,112	100.0
Cost of sales	(560,210)	(84.5)	(380,272)	(86.0)	(400,948)	(77.2)	(108,173)	(85.6)	(99,438)	(44.4)
Gross profit	102,667	15.5	61,862	14.0	118,232	22.8	18,158	14.4	124,674	55.6
Other income	7,589	1.1	9,524	2.2	7,231	1.4	1,397	1.1	402	0.2
Other gains and losses	(590)	(0.1)	(1,608)	(0.4)	(3,387)	(0.7)	(124)	(0.1)	(1,170)	(0.5)
Impairment losses under expected credit loss ("ECL") model, net of reversal	(1,805)	(0.3)	1,202	0.3	(595)	(0.1)	(427)	(0.3)	(1,516)	(0.7)
Distribution and selling expenses	(24,254)	(3.7)	(29,096)	(6.6)	(23,943)	(4.6)	(6,349)	(5.0)	(8,577)	(3.8)
Administrative expenses	(22,978)	(3.5)	(25,520)	(5.8)	(19,683)	(3.8)	(4,979)	(3.9)	(7,203)	(3.2)
Research and development expenses	(85,222)	(12.9)	(65,866)	(14.9)	(47,318)	(9.1)	(11,944)	(9.5)	(15,966)	(7.1)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Finance costs	(677)	(0.1)	(2,892)	(0.7)	(1,932)	(0.4)	(549)	(0.4)	(600)	(0.3)
(Loss) profit before tax	(25,270)	(3.8)	(52,394)	(11.9)	21,426	4.1	(4,817)	(3.8)	86,806	38.7
Income tax credit (expenses)	11,244	1.7	15,258	3.5	5,790	1.1	2,115	1.7	(10,917)	(4.9)
(Loss) profit for the year/period	**(14,026)**	**(2.1)**	**(37,136)**	**(8.4)**	**27,216**	**5.2**	**(2,702)**	**(2.1)**	**75,889**	**33.9**
Other comprehensive (expense) income										
Item that may be reclassified subsequently to profit or loss:										
Exchange differences arising on translation of foreign operations	(284)	0.0	(558)	(0.1)	1,023	0.2	57	0.0	623	0.3
Total comprehensive (expense) income for the year/period	**(14,310)**	**(2.2)**	**(37,694)**	**(8.5)**	**28,239**	**5.4**	**(2,645)**	**(2.1)**	**76,512**	**34.1**

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Revenue by Types of goods

During the Track Record Period, we derived revenue from contract by products including (i) NOR, (ii) SLC NAND, (iii) MCP, and (iv) others. The table below sets forth our revenue breakdown by types of goods:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
NOR	241,692	36.5	159,296	36.0	170,017	32.7	39,481	31.3	55,932	25.0
SLC NAND	318,562	48.1	215,723	48.8	279,945	54.0	67,991	53.8	149,396	66.7
MCP	73,221	11.0	42,950	9.7	38,064	7.3	9,751	7.7	12,213	5.4
Others[(1)]	29,402	4.4	24,165	5.5	31,154	6.0	9,108	7.2	6,571	2.9
Total	**662,877**	**100.0**	**442,134**	**100.0**	**519,180**	**100.0**	**126,331**	**100.0**	**224,112**	**100.0**

(1) Others mainly include: analog IC and MCU.

The table below sets forth the average selling price range and the sales volume of our products:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Sales volume	*Average Selling Price[(1)]*	*Sales volume*	*Average Selling Price[(1)]*	*Sales volume*	*Average Selling Price[(1)]*	*Sales volume*	*Average Selling Price[(1)]*	*Sales volume*	*Average Selling Price[(1)]*
	(sales volume in thousands, average selling price in RMB)									
NOR	369,811	0.65	293,641	0.54	311,358	0.55	65,629	0.60	76,825	0.73
SLC NAND	60,763	5.24	55,153	3.91	65,064	4.30	17,468	3.89	11,461	13.04
MCP	3,964	18.47	2,498	17.20	2,096	18.16	571	17.07	421	29.02
Others[(2)]	23,234	1.27	44,715	0.54	84,158	0.37	15,962	0.57	34,398	0.19

(1) Average selling price is calculated through dividing revenue by the relevant sales volume during the same year, which represented the average price at which our products were sold to our customers.

(2) Others mainly include: analog IC and MCU.

Our revenue decreased from RMB662.9 million in 2023 to RMB442.1 million in 2024. This decrease was primarily due to two underlying factors: (i) a decline in our average selling prices. We implemented a strategic inventory buildup when upstream wafer procurement costs were relatively low in 2023 to secure cost-effective production capacity. Entering 2024, in response to the resulting high inventory levels and the prevalent price reduction strategies adopted by competitors during the initial phase of the industry recovery, we proactively implemented strategic pricing adjustments to accelerate inventory digestion, and to provide competitive pricing support to our key customers as well as maintain long-term business partnerships. Consequently, the average selling prices of our core products, NOR Flash and SLC NAND Flash, decreased by 16.9% and 25.4% from 2023 to 2024, respectively; (ii) a lower overall sales volume as a result of reduced customer demand for our products, which was observed following market attention arising from our previous A-share listing application in early 2024. See "History, Development and Corporate Structure — Previous A-Share Listing Application." As our customers may have required time to assess the situation and adjust their procurement plans, demand for our products was temporarily affected, which led to a decrease in our sales volume and revenue, resulting in a temporary operational lag during the initial industry recovery phase. In addition, as part of our strategic product mix optimization, we reduced our exposure to certain low-margin NOR Flash market segments, which also contributed to the decline in our NOR Flash sales volume. Consequently, we had a temporary operational lag in the first half of 2024, as our transaction volume of orders in the four quarters of 2024 decreased by approximately 10%, 21%, 3%, and 5% year-on-year, respectively. The significant narrowing of the decline in the second half of 2024 demonstrates the transient nature of this event.

Our revenue increased from RMB442.1 million in 2024 to RMB519.2 million in 2025, primarily driven by the strong sales performance of our SLC NAND and NOR flash products, which benefited from the continued recovery of the flash memory industry in 2025. Specifically, (i) due to the relatively long cycle for the release of new production capacity, short-term supply struggled to keep pace with rapidly growing demand, resulting in a supply-demand imbalance and rising prices. Consequently, the market entered a phase of simultaneous increase in both volume and price, creating favorable conditions for the growth of our revenue; and (ii) the successful stabilization of our customer

partnerships following the dissipation of the impact from the aforementioned transitional impact, together with the initial results of our strategic product mix optimization efforts, further contributed to the recovery in our sales volume and revenue.

Our revenue increased by 77.4% from RMB126.3 million in the three months ended March 31, 2025 to RMB224.1 million in the three months ended March 31, 2026. This substantial growth was primarily driven by the accelerated recovery of the code storage flash memory industry and structural supply shortage primarily due to surging demand for AI-related memory products, leading the industry to enter a phase of pronounced supply-demand imbalance in early 2026 as major upstream manufacturers announced production capacity reductions for SLC NAND wafers. The resulting supply tightening, coupled with resilient downstream demand, led to significant increases in the average selling prices of our core products, particularly SLC NAND Flash. In addition, our NOR Flash products benefited from the volume production and shipment based on our proprietary NORD process platform, which enabled us to capture incremental market share through cost-competitive pricing. The revenue growth was further supported by our strengthened relationships with our existing customers and the expansion of new customers, who demonstrated strong procurement capacity.

Revenue by Geographic Markets

The following table sets forth a breakdown of our revenue by geographical markets:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Chinese Mainland	445,019	67.1	290,694	65.7	394,471	76.0	87,672	69.4	182,298	81.3
Overseas										
Hong Kong	157,930	23.8	91,995	20.8	59,000	11.4	22,883	18.1	13,948	6.2
Asia-Pacific	59,682	9.0	59,237	13.4	32,825	6.3	15,776	12.5	4,805	2.1
East Asia[(1)]	39,756	6.0	37,573	8.5	13,622	2.6	10,105	8.0	4,008	1.8
South-East Asia[(2)]	19,926	3.0	21,664	4.9	19,203	3.7	5,671	4.5	797	0.4
Others[(3)]	246	0.1	208	0.1	32,884	6.3	—	—	23,061	10.3
Subtotal	**217,858**	**32.9**	**151,440**	**34.3**	**124,709**	**24.0**	**38,659**	**30.6**	**41,814**	**18.7**
Total	**662,877**	**100.0**	**442,134**	**100.0**	**519,180**	**100.0**	**126,331**	**100.0**	**224,112**	**100.0**

(1) East Asia include: Macau, Taiwan, Korea and Japan.

(2) South-East Asia mainly include: Singapore and Vietnam.

(3) Other mainly include: India, Italy, Germany, Turkey and Dubai.

Revenue by Sales Channel

The following table sets forth a breakdown of our revenue by sales channel:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Distributor sales	561,775	84.7	314,811	71.2	432,830	83.4	85,886	68.0	197,413	88.1
Direct sales	101,102	15.3	127,323	28.8	86,350	16.6	40,445	32.0	26,699	11.9
Total	**662,877**	**100.0**	**442,134**	**100.0**	**519,180**	**100.0**	**126,331**	**100.0**	**224,112**	**100.0**

See "Business — Marketing And Sales — Our Sales Network."

Cost of Sales

Cost of Sales by Nature

Our cost of sales primarily consisted of (i) cost of wafer, (ii) cost of wafer testing, (iii) cost of packaging and testing, and (iv) cost of manufacturing. The following table sets forth a breakdown of our cost of sales by nature:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Wafer	477,820	85.3	315,992	83.1	321,022	80.1	85,681	79.2	83,247	83.7
Wafer testing	9,364	1.7	6,886	1.8	8,285	2.1	2,220	2.1	2,147	2.2
Packaging and testing	59,365	10.6	41,409	10.9	53,121	13.2	14,809	13.7	10,521	10.6
Manufacturing	13,662	2.4	15,986	4.2	18,520	4.6	5,463	5.1	3,523	3.5
Total	**560,210**	**100.0**	**380,272**	**100.0**	**400,948**	**100.0**	**108,173**	**100.0**	**99,438**	**100.0**

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by types of goods:

	Year ended December 31,						Three Months ended March 31,			
	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 in thousands, except for percentage)									
							(unaudited)			
NOR	20,066	8.3	23,587	14.8	26,723	15.7	6,077	15.4	16,536	29.6
SLC NAND	64,070	20.1	29,470	13.7	77,509	27.7	9,649	14.2	100,898	67.5
MCP	12,955	17.7	8,552	19.9	11,107	29.2	2,025	20.8	6,799	55.7
Others	5,576	19.0	253	1.0	2,893	9.3	407	4.5	441	6.7
Total	**102,667**	**15.5**	**61,862**	**14.0**	**118,232**	**22.8**	**18,158**	**14.4**	**124,674**	**55.6**

Other Income

Our other income primarily consisted of (i) interest income from bank balances, and (ii) government grants. The following table sets forth a breakdown of our other income:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Interest income from bank balances	903	11.9	1,627	17.1	1,980	27.4	643	46.0	136	33.8
Government grants	6,283	82.8	7,773	81.6	5,079	70.2	582	41.7	—	—
Others	403	5.3	124	1.3	172	2.4	172	12.3	266	66.2
Total	**7,589**	**100.0**	**9,524**	**100.0**	**7,231**	**100.0**	**1,397**	**100.0**	**402**	**100.0**

Other Gains and Losses

Our other gains and losses primarily consisted of (i) loss on disposal of property, plant and equipment, (ii) gain on changes in fair value of financial assets at FVTPL, and (iii) net foreign exchange (losses) gains. The following table sets forth a breakdown of our other gains and losses:

	Year ended December 31,			Three Months ended March 31,	
	2023	2024	2025	2025	2026
	Amount	*Amount*	*Amount*	*Amount*	*Amount*
	(RMB in thousands)				
				(unaudited)	
Loss on disposal of property, plant and equipment	(1,630)	(2,673)	(66)	(19)	(325)
(Loss) gain on early termination of leases	(93)	188	—	—	—
Gain on changes in fair value of financial assets at FVTPL	1,910	37	244	—	48
Net foreign exchange (losses) gains	(814)	962	(2,644)	(111)	(932)
Donations	—	—	(910)	—	—
Others	37	(122)	(11)	6	39
Total	**(590)**	**(1,608)**	**(3,387)**	**(124)**	**(1,170)**

Impairment Losses under Expected Credit Loss ("ECL") Model, Net of Reversal

Our impairment losses under ECL model, net of reversal primarily consisted of impairment losses reversed or recognized on trade receivables and other receivables. We recorded net impairment losses under ECL model amounted to RMB1.8 million and RMB0.6 million in 2023 and 2025, and we had net reversal on impairment losses under ECL model of RMB1.2 million in 2024. In the three months ended 31 March, 2025 and 2026, we recorded net impairment losses under ECL model amounted to RMB0.4 million and RMB1.5 million.

Distribution and Selling Expenses

Our distribution and selling expenses primarily consisted of (i) staff cost, (ii) business development expenses, and (iii) travel expenses. The following table sets forth a breakdown of our distribution and selling expenses:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Staff cost	19,163	79.0	23,781	81.7	19,365	80.9	5,294	83.4	7,669	89.4
Business development expenses	2,589	10.7	2,572	8.8	2,850	11.9	629	9.9	422	4.9
Travel expenses	1,341	5.5	1,441	5.0	1,142	4.8	244	3.8	234	2.8
Depreciation and amortization expenses	648	2.7	734	2.5	298	1.2	93	1.5	54	0.6
Others	513	2.1	568	2.0	288	1.2	89	1.4	198	2.3
Total	**24,254**	**100.0**	**29,096**	**100.0**	**23,943**	**100.0**	**6,349**	**100.0**	**8,577**	**100.0**

Administrative Expenses

Our administrative expenses primarily included (i) staff cost, (ii) agent service expenses, and (iii) depreciation and amortization expenses. The following table sets forth a breakdown of our administrative expenses:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Staff cost	12,074	52.5	15,544	60.9	11,585	58.9	3,363	67.5	4,309	59.8
Agent service expenses	3,004	13.1	2,238	8.8	1,890	9.6	244	4.9	802	11.1
Depreciation and amortization expenses	3,178	13.8	3,365	13.2	2,322	11.8	579	11.6	557	7.7
Office expenses	1,619	7.0	849	3.3	264	1.3	98	2.0	62	0.9
Travel Expenses	328	1.4	195	0.8	223	1.1	55	1.1	133	1.8
Others	2,775	12.2	3,329	13.0	3,399	17.3	640	12.9	1,340	18.7
Total	**22,978**	**100.0**	**25,520**	**100.0**	**19,683**	**100.0**	**4,979**	**100.0**	**7,203**	**100.0**

Research and Development Expenses

Our research and development expenses primarily consisted of (i) staff cost; (ii) depreciation and amortization expenses; and (iii) technical service expenses. The following table sets forth a breakdown of our research and development expenses:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Staff cost	67,163	78.8	48,292	73.3	38,396	81.1	9,566	80.0	11,127	69.7
Depreciation and amortization expenses	12,077	14.2	10,789	16.4	6,474	13.7	1,793	15.0	1,564	9.8
Technical service expenses	1,014	1.2	401	0.6	166	0.4	47	0.4	19	0.1
Outsourcing process expenses	1,228	1.4	2,444	3.7	43	0.1	20	0.2	—	—
Research and development consumables	689	0.8	1,340	2.0	520	1.1	211	1.8	2,434	15.2
Others	3,051	3.6	2,600	4.0	1,719	3.6	442	3.6	822	5.2
Total	**85,222**	**100.0**	**65,866**	**100.0**	**47,318**	**100.0**	**11,944**	**100.0**	**15,966**	**100.0**

Finance Costs

Our finance costs included (i) interest expenses on borrowings, and (ii) interest expenses on lease liabilities. The following table sets forth a breakdown of our finance costs:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Interest expense on borrowings	75	11.1	2,107	72.9	1,324	68.5	383	69.8	447	74.5
Interest expense on lease liabilities	602	88.9	785	27.1	608	31.5	166	30.2	153	25.5
Total	**677**	**100.0**	**2,892**	**100.0**	**1,932**	**100.0**	**549**	**100.0**	**600**	**100.0**

Income Tax (Credit)/Expense

Our income tax credit primarily included deferred tax, which consisted of the tax effects arising from our cumulative tax losses and other temporary differences. We recorded income tax credit of RMB11.2 million, RMB15.3 million, RMB5.8 million and RMB2.1 million in 2023, 2024, 2025 and the three months ended March 31, 2025 respectively. We recorded income tax expenses of RMB10.9 million in the three months ended March 31, 2026. We have been qualified as a high-tech enterprise since 2017 and enjoyed a preferential EIT rate of 15% which is subject to periodic renewal. In 2023, we renewed our "High-tech Enterprise Certificate", which is valid for 3 years and will expire in October 2026. Accordingly, we were entitled to the preferential EIT rate at 15% for the Track Record Period. Our subsidiaries, Shanghai XCTX Technology Limited, SiliconBay Technology Co.,Ltd., Bohr Micro (Shenzhen) Technology Co., Ltd., Chengdu Bohr Micro Technology Co., Ltd., Linkon Microelectronics Limited and PleiAI Technology (Shenzhen) Limited are subject to "small and thin-profit enterprises" benefits from a preferential tax rate of 20% under the EIT Law during the Track Record Period. Meanwhile, these subsidiaries also enjoyed tax holiday of reduction on annual taxable income. During the Track Record Period, these subsidiaries enjoyed 75% reduction on annual taxable income on first RMB3,000,000. Our subsidiaries in Hong Kong are subject to Hong Kong profit tax. Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2.0 million of profits of a Hong Kong subsidiary will be taxed at 8.25%, and profits above HK$2.0 million will be

taxed at 16.5%. Accordingly, the Hong Kong Profits Tax of the Hong Kong subsidiary is calculated at 8.25% on the first HK$2.0 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2.0 million for the Track Record Period.

As of the Latest Practicable Date, we paid all relevant taxes that were due and applicable to us and had no material disputes or unresolved tax issues with relevant tax authorities.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Three Months Ended March 31, 2025 Compared with Three Months Ended March 31, 2026

Revenue

Our revenue increased by 77.4% from RMB126.3 million in the three months ended March 31, 2025 to RMB224.1 million in the three months ended March 31, 2026. This increase was primarily driven by the accelerated recovery of the flash memory industry in early 2026 and structural supply shortage primarily due to surging demand for AI-related memory products, leading to a strong supply-demand imbalance and simultaneous increases in both sales volume and average selling price across our core product lines.

NOR

Our revenue from NOR chips increased by 41.7% from RMB39.5 million in the three months ended March 31, 2025 to RMB55.9 million in the three months ended March 31, 2026, primarily due to (i) a 21.7% increase in average selling price from RMB0.60 per unit in the three months ended March 31, 2025 to RMB0.73 per unit in the three months ended March 31, 2026; and (ii) a 17.1% increase in sales volume from 65.6 million units to 76.8 million units. The increase in average selling price was primarily driven by the continued recovery of the overall flash memory market. The volume growth was primarily attributable to the volume production and shipment of our 2Mbit-64Mbit capacity products based on the NORD process platform and the increase demand from downstream customers.

SLC NAND

Our revenue from SLC NAND chips increased significantly by 119.7% from RMB68.0 million in the three months ended March 31, 2025 to RMB149.4 million in the three months ended March 31, 2026, primarily due to a 235.2% increase in average selling price from RMB3.89 per unit to RMB13.04 per unit, partially offset by a 34.4% decrease in sales volume from 17.5 million units to 11.5 million units. The substantial increase in average selling price was primarily driven by the pronounced supply-demand imbalance in the SLC NAND market, as major upstream wafer manufacturers successively announced production capacity reductions, resulting in a significant tightening of supply that was unable to keep pace with sustained downstream demand. The decrease in sales volume was primarily attributable to the limited availability of upstream wafer supply, as well as our strategic allocation of limited inventory to higher-value customers and applications.

MCP

Our revenue from MCP chips increased by 25.2% from RMB9.8 million in the three months ended March 31, 2025 to RMB12.2 million in the three months ended March 31, 2026, primarily due to a 70.0% increase in average selling price from RMB17.07 per unit to RMB29.02 per unit, partially offset by a 26.3% decrease in sales volume from 571 thousand units to 421 thousand units. The significant increase in average selling price was primarily driven by the continued recovery of the overall flash

memory market and the tightening supply in SLC NAND, which constitutes the key components of MCP. The decrease in sales volume was primarily attributable to the reduction in downstream demand resulted from the surge in average selling price, leading to an adjustment in the procurement plan.

Others

Revenue from our other products decreased by 27.9% from RMB9.1 million in the three months ended March 31, 2025 to RMB6.6 million in the three months ended March 31, 2026. This decrease was primarily driven by a 66.7% decrease in average selling price from RMB0.57 per unit to RMB0.19 per unit, partially offset by a 115.5% increase in sales volume from 16.0 million units to 34.4 million units. The volume surge was mainly driven by the continued market penetration of our analog IC products, which experienced strong demand growth. However, as these products carry a significantly lower unit price compared to our MCU products which constituted a larger proportion of this category in the prior period, the shift in product mix towards higher-volume but lower-priced analog IC products resulted in a lower blended average selling price for this category.

Cost of Sales

Our cost of sales decreased by 8.1% from RMB108.2 million in the three months ended March 31, 2025 to RMB99.4 million in the three months ended March 31, 2026. The cost of sales in the three months ended March 31, 2026 primarily reflected our successful stocking strategy under structural supply shortage circumstances and our continuous efforts to implement cost optimization measures.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased significantly by 586.6% from RMB18.2 million in the three months ended March 31, 2025 to RMB124.7 million in the three months ended March 31, 2026. Our overall gross profit margin increased substantially from 14.4% to 55.6%. This improvement was primarily attributable to (i) the substantial increase in the average selling price of our SLC NAND products, driven by the pronounced supply-demand imbalance in the SLC NAND market following upstream capacity reductions, as well as our strategic stocking and our ability to pass on cost increases to our customers, resulting in the gross profit margin of our SLC NAND products surging from 14.2% to 67.5%; (ii) the improvement in the gross profit margin of our NOR products from 15.4% to 29.6%, benefiting from both the industry-wide price recovery and the cost reduction advantages of our proprietary NORD process platform; and (iii) the improvement in the gross profit margin of our MCP products from 20.8% to 55.7%, driven by the overall industry recovery and the same supply-demand dynamics as our SLC NAND products.

Other Income

Our other income decreased by 71.2% from RMB1.4 million in the three months ended March 31, 2025 to RMB0.4 million in the three months ended March 31, 2026, primarily due to a RMB0.6 million decrease in government grants, as a one-off government grant received in the first quarter of 2025 was not repeated in the corresponding period of 2026.

Other Gains and Losses

Our other net losses increased from RMB0.1 million in the three months ended March 31, 2025 to RMB1.2 million in the three months ended March 31, 2026. This increase in losses was primarily attributable to a RMB0.8 million increase in net foreign exchange losses, primarily due to the exchange losses on our US dollar-denominated trade receivables resulted from the exchange fluctuation.

Impairment Losses under Expected Credit Loss ("ECL") Model, Net of Reversal

Our net impairment losses under ECL model increased from RMB0.4 million in the three months ended March 31, 2025 to RMB1.5 million in the three months ended March 31, 2026. This increase was primarily attributable to the provision of expected credit losses on trade receivables from certain overseas customers with credit terms exceeding 90 days.

Distribution and Selling Expenses

Our distribution and selling expenses increased by 35.1% from RMB6.3 million in the three months ended March 31, 2025 to RMB8.6 million in the three months ended March 31, 2026. This increase was primarily attributable to a RMB2.4 million increase in our staff costs, primarily due to higher bonus provision allocated on a quarterly basis in accordance with our annual budget.

Administrative Expenses

Our administrative expenses increased by 44.7% from RMB5.0 million in the three months ended March 31, 2025 to RMB7.2 million in the three months ended March 31, 2026. This increase was primarily attributable to (i) a RMB0.9 million increase in staff costs, primarily due to higher bonus provision in line with our improved business performance; and (ii) a RMB0.7 million increase in others, mainly due to an increase in the disposal of defective materials.

Research and Development Expenses

Our research and development expenses increased by 33.7% from RMB11.9 million in the three months ended March 31, 2025 to RMB16.0 million in the three months ended March 31, 2026. This increase was primarily attributable to (i) a RMB2.2 million increase in research and development consumables, primarily due to the disposal of defective products identified during our research and development testing and verification processes; and (ii) a RMB1.6 million increase in staff costs, primarily due to higher bonus provision allocated on a quarterly basis in accordance with our annual budget.

Finance Costs

Our finance costs remained relatively stable at RMB0.5 million in the three months ended March 31, 2025 and RMB0.6 million in the three months ended March 31, 2026, primarily attributable to an increase in interest expense on borrowings, partially offset by a decrease in interest expense on lease liabilities.

Income Tax Credit (Expense)

We recorded an income tax expense of RMB10.9 million in the three months ended March 31, 2026, compared with an income tax credit of RMB2.1 million in the three months ended March 31, 2025. This shift from tax credit to tax expense was primarily because we generated a substantial profit before tax of RMB86.8 million in the three months ended March 31, 2026.

Profit (Loss) for the Period

As a result of the foregoing, we recorded a profit of RMB75.9 million in the three months ended March 31, 2026, compared with a loss of RMB2.7 million in the three months ended March 31, 2025. This turnaround from loss to profit demonstrates our continuous revenue growth under the flash memory industry recovery and supply-demand dynamics.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2025

Revenue

Our revenue increased by 17.4% from RMB442.1 million in 2024 to RMB519.2 million in 2025. This increase was primarily driven by the significant growth in sales of our SLC NAND and NOR flash products, which benefited from the continued recovery of the flash memory industry in 2025. Specifically, (i) a supply-demand imbalance and rising prices resulted from the industry has caused simultaneous increase in both volume and price, leading to strong downstream demand and favorable pricing conditions for our products; and (ii) the successful stabilization of our customer partnerships together with our strategic product mix optimization further contributed to the recovery in our sales volume and revenue.

NOR

Our revenue from NOR chips increased by 6.7% from RMB159.3 million in 2024 to RMB170.0 million in 2025, primarily due to a 6.0% increase in sales volume from 293.6 million units in 2024 to 311.4 million units in 2025 while the average selling price remained relatively stable, slightly increasing from RMB0.54 per unit to RMB0.55 per unit. The volume growth reflects rising market demand in key downstream applications, coupled with the initial production and shipment of our newly developed 2Mbit-64Mbit capacity products based on the NORD process platform.

SLC NAND

Our revenue from SLC NAND chips increased significantly by 29.8% from RMB215.7 million in 2024 to RMB279.9 million in 2025, primarily due to (i) a 10.0% increase in average selling price from RMB3.91 per unit in 2024 to RMB4.30 per unit in 2025; and (ii) an 18.0% increase in sales volume from 55.2 million units in 2024 to 65.1 million units in 2025. Specifically, (i) the increase in average selling price was primarily driven by the supply-demand imbalance in the flash memory market as the industry continued to recover in 2025, with short-term supply struggling to keep pace with rapidly growing demand, resulting in rising prices; and (ii) the increase in sales volume was primarily attributable to our active participation in bidding projects for core network communication customers and the expansion of our cooperation share with leading customers in industries such as financial payment and robotic vacuums.

MCP

Our revenue from MCP decreased by 11.4% from RMB43.0 million in 2024 to RMB38.1 million in 2025, primarily due to 16.1% decrease in sales volume from 2.5 million units in 2024 to 2.1 million units in 2025, partially offset by a 5.6% increase in ASP from RMB17.20 per unit to RMB18.16 per unit. The decline in sales volume was mainly because certain key customers in this segment gradually reduced their demand for MCP products due to adjustments in their end products. Additionally, we proactively controlled our price reduction levels and reduced our participation in price competition. Despite the volume decline, our MCP products maintained a relatively high ASP, as they involve high design and packaging complexity, high resource integration requirements, and face less market competition compared to other products.

Others

Revenue from our other products increased by 28.9% from RMB24.2 million in 2024 to RMB31.2 million in 2025. This increase was primarily driven by a significant 88.2% increase in sales volume from 44.7 million units to 84.2 million units, partially offset by a decrease in ASP from RMB0.54 per unit to RMB0.37 per unit. This trend was predominantly driven by the market penetration strategy for our Analog IC business. As this segment was in its initial expansion phase, our primary objectives were to rapidly increase market share and penetrate the supply chains of key accounts. We have therefore actively engaged in market competition through more competitive pricing to establish the market foothold and drive the observed volume surge.

Cost of Sales

Our cost of sales increased by 5.4% from RMB380.3 million in 2024 to RMB401.0 million in 2025. This increase was generally in line with the increase in our revenue, primarily due to (i) higher wafer testing costs driven by our product mix optimization towards products with enhanced reliability design; and (ii) increased assembly and testing costs resulting from rising raw material prices at our outsourced testing facilities.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased significantly by 91.1% from RMB61.9 million in 2024 to RMB118.2 million in 2025. Our gross profit margin increased from 14.0% in 2024 to 22.8% in 2025. This substantial improvement was primarily attributable to: (i) the sequential increases in the ASP of our SLC NAND products driven by the industry recovery with tightened supply and resilient downstream demand. The improved performance and reliability of our product mix also contributed to stronger market demand; (ii) the strategy to limit our exposure to low-margin markets and customers, focusing instead on developing higher-quality customer relationships and promoting high-margin products to optimize resource allocation and improve profitability; and (iii) the cost reduction benefits brought by our NORD process platform for consumer electronics applications, which improved the gross margin of our NOR products.

Other Income

Our other income decreased by 24.1% from RMB9.5 million in 2024 to RMB7.2 million in 2025, primarily due to a RMB2.7 million decrease in government grants as certain non-recurring grants received in 2024 were not repeated in 2025. This decrease was partially offset by a RMB0.4 million increase in interest income, mainly due to a larger balance of US dollar deposits which carried higher interest rates compared to RMB deposits.

Other Gains and Losses

Our other net losses increased from RMB1.6 million for the year ended December 31, 2024 to RMB3.4 million for the year ended December 31, 2025. This increase in losses was primarily attributable to: (i) a RMB3.6 million deterioration in net foreign exchange differences, shifting from a gain of RMB1.0 million in 2024 to a loss of RMB2.6 million in 2025, primarily due to exchange rate fluctuations on our US dollar-denominated assets; and (ii) a RMB0.9 million donation expense incurred in 2025 to support emergency relief and reconstruction efforts following a major fire incident in Hong Kong. These losses were partially offset by a RMB2.6 million decrease in loss on disposal of property, plant and equipment, as we recorded a RMB2.7 million loss from the disposal of idle photomasks in 2024, compared to RMB19,000 in 2025.

Impairment Losses under Expected Credit Loss ("ECL") Model, Net of Reversal

We recorded a reversal of impairment losses of RMB1.2 million in 2024, compared to an impairment loss of RMB0.6 million in 2025. The impairment loss in 2025 was primarily due to the increased provision on trade receivables, driven by the longer aging profile of outstanding balances from certain major customers.

Distribution and Selling Expenses

Our distribution and selling expenses decreased by 17.7% from RMB29.1 million in 2024 to RMB23.9 million in 2025, primarily attributable to a RMB4.4 million decrease in staff costs, mainly resulting from the streamlining of our sales team to optimize our cost structure.

Administrative Expenses

Our administrative expenses decreased by 22.9% from RMB25.5 million in 2024 to RMB19.7 million in 2025, primarily attributable to (i) a RMB4.0 million decrease in staff costs, largely due to a RMB3.6 million reduction in severance payments as our personnel optimization program was substantially completed in 2024, as well as a decrease in the total number of administrative employees; and (ii) a RMB1.0 million decrease in depreciation and amortization expenses, as certain fixed assets and intangible assets became fully depreciated or amortized.

Research and Development Expenses

Our research and development expenses decreased by 28.2% from RMB65.9 million in 2024 to RMB47.3 million in 2025, primarily attributable to: (i) a RMB9.9 million decrease in staff costs, resulting from a reduction in the total number of R&D employees from 80 as of December 31, 2024 to 74 as of December 31, 2025. This reduction was part of our strategic adjustment in 2024 to optimize marginal positions and temporarily scale back investments in power management and MCU products to ensure the smooth progression of our core storage projects; and (ii) a RMB4.3 million decrease in depreciation and amortization expenses, primarily related to the normal expiration of our intangible assets.

Finance Costs

Our finance costs decreased by 33.2% from RMB2.9 million in 2024 to RMB1.9 million in 2025, primarily attributable to a RMB0.8 million decrease in interest expenses on borrowings as our overall borrowing levels decreased and a RMB0.2 million decrease in interest on lease liabilities, reflecting the lower carrying amount of lease liabilities following regular monthly lease payments.

Income Tax Credit

Our income tax credit decreased significantly by 62.1% from RMB15.3 million in 2024 to RMB5.8 million in 2025. Although we achieved overall profitability in 2025, we still recorded a tax loss after tax adjustments. However, the newly incurred tax losses in 2025 were significantly smaller than those in previous years, resulting in a correspondingly smaller deferred tax credit recognized for the year.

Profit (Loss) for the Year

As a result of the foregoing, we achieved profit for the year amounted to RMB27.2 million in 2025, compared to loss for the year amounted to RMB37.1 million in 2024.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2024

Revenue

Our revenue decreased by 33.3% from RMB662.9 million in 2023 to RMB442.1 million in 2024. This decline was primarily the result of a reduction in our average selling prices and our sales volume. Specifically, (i) the decline in our average selling prices was our strategic pricing adjustments to accelerate the digestion of the inventory accumulated through our strategic procurement in 2023, and to navigate the prevalent aggressive price reduction strategies adopted by competitors to capture market share during the initial phase of the industry recovery as well as to provide competitive pricing support to our key customers to maintain long-term business partnerships. These measures led to a 16.9% and 25.4% decrease in the average selling prices of our NOR Flash and SLC NAND Flash products, respectively; (ii) our sales volume decreased primarily as a result of reduced customer demand for our products. Such reduction was observed following the emergence of market attention arising from our previous A-share listing application in early 2024. See "History, Development and Corporate Structure — Previous A-Share Listing Application". As our customers may have required time to assess the situation and adjust their procurement plans, demand for our products was temporarily affected, which led to a decrease in our sales volume and revenue, resulting in a temporary operational lag during the initial industry recovery phase. In addition, as part of our strategic product mix optimization, we reduced our exposure to certain low-margin NOR Flash market segments, which also contributed to the decline in our NOR Flash sales volume. As a result, our overall order transaction volumes decreased by 10.1% and 20.8% year-on-year in the first and second quarters of 2024, respectively. However, the significant narrowing of the decline in the second half of 2024 demonstrates the transient nature of the impact.

NOR

Our revenue from NOR chips decreased by 34.1% from RMB241.7 million in 2023 to RMB159.3 million in 2024, primarily due to (i) a 20.6% decrease in sales volume from 369.8 million units in 2023 to 293.6 million units in 2024; and (ii) a 16.9% decrease in average selling price from RMB0.65 per unit in 2023 to RMB0.54 per unit in 2024. The sales volume decline reflected the demand decline after the aforementioned temporary operational lag following market attention arising from our previous A-share listing application. In addition, as part of our strategic product mix optimization, we proactively reduced our exposure to certain low-margin NOR Flash market segments, which also contributed to the decline in sales volume. Meanwhile, the price reduction was a strategic pricing adjustment implemented to digest our accumulated inventory, and respond to the intense price competition, as well as provide competitive pricing support to our key customers to maintain long-term business partnerships.

SLC NAND

Our revenue from SLC NAND chips decreased by 32.3% from RMB318.6 million in 2023 to RMB215.7 million in 2024, primarily due to (i) a 25.4% decrease in average selling price from RMB5.24 per unit in 2023 to RMB3.91 per unit in 2024; and (ii) a 9.2% decrease in sales volume from 60.8 million units in 2023 to 55.2 million units in 2024. Similar to our NOR products, the volume decline was a result of the demand decline of our products, while the substantial price reduction reflected our strategic pricing adjustments.

MCP

Our revenue from MCP chips decreased by 41.3% from RMB73.2 million in 2023 to RMB43.0 million in 2024, primarily due to (i) a 6.9% decrease in average selling price from RMB18.47 per unit in 2023 to RMB17.20 per unit in 2024; and (ii) a 37.0% decrease in sales volume from 4.0 million units in 2023 to 2.5 million units in 2024. This decrease in sales volume was primarily attributable to product adjustments by certain customers resulting in weakened demand of MCP products, coupled with a broader downward trend in market prices.

Others

Our revenue from other products decreased by 17.8% from RMB29.4 million in 2023 to RMB24.2 million in 2024. This decrease was primarily driven by a significant 57.5% decrease in the average selling price from RMB1.27 per unit to RMB0.54 per unit, which more than offset a 92.5% increase in sales volume from 23.2 million units to 44.7 million units. The decrease in the overall average selling price was primarily attributable to the decline in the unit selling price of our MCU products, which constituted the principal component of our other products category.

Cost of Sales

Our cost of sales decreased by 32.1% from RMB560.2 million in 2023 to RMB380.3 million in 2024. This decrease was generally in line with the decrease in our revenue, primarily due to the lower cost of wafers associated with our declined sales volume. Specifically, our cost of wafers decreased from RMB477.8 million in 2023 to RMB316.0 million in 2024. The decrease in cost of sales was slightly less pronounced than the decline in revenue, partially due to rising costs for packaging and testing materials, such as gold wire and substrates, which experienced cost inflation during the period.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased by 39.7% from RMB102.7 million in 2023 to RMB61.9 million in 2024. Our gross profit margin decreased from 15.5% in 2023 to 14.0% in 2024. This contraction was fundamentally driven by our strategic pricing adjustments, which were implemented to accelerate the digestion of inventory built up during our strategic procurement in 2023, and respond to the intense competitive pricing pressure during the initial industry recovery phase, as well as provide competitive pricing support to our key customers to maintain long-term business partnerships. These adjustments led to lower average selling prices for our core products, including a 16.9% and 25.4% decrease in the average selling prices of our NOR Flash and SLC NAND Flash products, respectively, thereby directly compressing our unit gross profit margin. Furthermore, the decrease in our overall sales volume, primarily resulting from reduced customer demand observed following market attention arising from our previous A-share listing application in early 2024, not only reduced our absolute gross profit, but also forced the fixed cost component of our cost of sales to be spread over a smaller revenue base, further contributing to the decline in our gross profit margin.

Other Income

Our other income increased by 25.5% from RMB7.6 million in 2023 to RMB9.5 million in 2024, primarily attributable to (i) a RMB1.5 million increase in government grants, reflecting enhanced national support for the IC industry and continuous growth of our R&D capabilities; and (ii) a RMB0.7 million increase in interest income from bank balances, resulting from our stronger cash flow position in 2024 which allowed for the placement of excess funds into structured bank deposits.

Other Gains and Losses

We recorded other losses of RMB0.6 million in 2023, which further increased significantly by 172.5% amounted to RMB1.6 million in 2024, primarily attributable to (i) a RMB1.9 million decrease in fair value gains on financial assets of our bank structured deposits, (ii) a RMB1.0 million increase in losses on disposal of property, plant and equipment; and (iii) a RMB1.8 million decrease in net foreign exchange gains due to exchange rate fluctuations.

Impairment Losses under Expected Credit Loss ("ECL") Model, Net of Reversal

We recorded net impairment losses under ECL model of RMB1.8 million in 2023 and net reversal on impairment losses under ECL model of RMB1.2 million in 2024. This turnaround was primarily due to the collection of certain long-outstanding trade and other receivables in 2024, driven by our enhanced credit control measures.

Distribution and Selling Expenses

Our distribution and selling expenses increased by 20.0% from RMB24.3 million in 2023 to RMB29.1 million in 2024, primarily attributable to a RMB4.6 million increase in our staff costs. The higher staff costs was mainly resulted from the expansion of our overseas sales team to support our international expansion efforts, as well as the accrual and payment of year-end bonuses in 2024 to incentivize our sales team, whereas no such bonuses were accrued in 2023.

Administrative Expenses

Our administrative expenses increased by 11.1% from RMB23.0 million in 2023 to RMB25.5 million in 2024, primarily attributable to (i) a RMB3.5 million increase in our staff costs, resulting from severance payments related to our personnel optimization initiatives, as well as higher year-end bonuses and employee benefits; partially offset by (ii) a RMB0.8 million decrease in our office expenses, mainly attributable to relocation expenses and other incidental costs incurred in 2023 for warehouse relocation.

Research and Development Expenses

Our research and development expenses decreased by 22.7% from RMB85.2 million in 2023 to RMB65.9 million in 2024, primarily attributable to (i) a RMB18.9 million decrease in staff cost resulting from a reduction in the total number of R&D employees from 126 at the end of 2023 to 76 at the end of 2024, as we optimized marginal positions and temporarily scaled back investments in power management and MCU products to focus resources on our core storage projects; (ii) a RMB1.3 million decrease in depreciation and amortization expenses related to the normal expiration of the three-year amortization period for certain EDA software licenses; partially offset by (iii) a RMB1.2 million increase in outsourcing process expenses, mainly attributable to the payment for ESD protection solutions and IO circuit design services rendered in 2023.

Finance Costs

Our finance costs increased significantly by 327.2% from RMB0.7 million in 2023 to RMB2.9 million in 2024, primarily attributable to (i) a 2,709.3% increase from RMB75.0 thousand in 2023 to RMB2.1 million in 2024 of interest expenses on bank borrowings, as we commenced utilizing bank

loans in December 2023 to supplement our working capital; and (ii) a 30.4% increase from RMB0.6 million in 2023 to RMB0.8 million in 2024 of interest expenses on lease liabilities, following our office relocation.

Income Tax Credit

We incurred income tax credit of RMB11.2 million in 2023 and RMB15.3 million in 2024, which was generally in line with the trend of loss before income tax.

Loss for the Year

As a result of the foregoing, our loss for the year increased by 164.8% from RMB14.0 million in 2023 to RMB37.1 million in 2024.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Non-current Assets and Non-current Liabilities

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Non-current Assets				
Property, plant and equipment	68,597	50,642	41,873	40,371
Right-of-use assets	20,854	13,610	11,813	11,058
Intangible assets	9,236	3,657	1,762	4,709
Deferred tax assets	28,712	43,656	49,245	38,328
Prepayments for property, plant and equipment	1,077	3,378	12	12,065
	128,476	**114,943**	**104,705**	**106,531**
Non-current Liabilities				
Borrowings	—	—	15,010	53,700
Deferred tax liabilities	515	201	—	—
Lease liabilities	16,943	12,524	10,891	10,244
	17,458	**12,725**	**25,901**	**63,944**

Current Assets and Current Liabilities

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	(RMB in thousands)				(unaudited)
Current Assets					
Inventories	363,409	317,861	294,003	424,336	552,151
Trade and other receivables	165,144	128,051	162,748	192,766	245,392
Financial assets at fair value through profit or loss ("**FVTPL**")	—	—	35,000	—	—
Cash and cash equivalents	105,152	128,949	101,318	149,484	164,326
	634,005	**574,861**	**593,069**	**766,586**	**961,868**
Current Liabilities					
Trade and other payables	58,092	49,709	59,997	80,675	76,412
Contract liabilities	51	69	1,774	655	988
Borrowings	60,036	71,052	46,025	87,392	127,300
Lease liabilities	5,546	3,128	3,165	3,027	2,889
	123,725	**123,958**	**110,961**	**171,749**	**207,589**
Net Current Assets	**510,280**	**450,903**	**482,108**	**594,837**	**754,279**

Net Current Assets

Comparison between May 31, 2026 and March 31, 2026

Our net current assets increased by 26.8% from RMB594.8 million as of March 31, 2026 to RMB754.3 million as of May 31, 2026, primarily attributable to (i) a RMB127.8 million increase in inventories, mainly driven by an increase in finished goods and raw materials; (ii) a RMB52.6 million increase in trade and other receivables, reflecting an increase in prepayments primarily used for purchasing wafers from suppliers; and (iii) a RMB14.8 million increase in cash and cash equivalents, primarily funded by an increase in short-term and long-term bank borrowings; partially offset by (iv) a RMB39.9 million increase in short-term borrowings drawn down.

Comparison between March 31, 2026 and December 31, 2025

Our net current assets increased by 23.4% from RMB482.1 million as of December 31, 2025 to RMB594.8 million as of March 31, 2026, primarily attributable to (i) a RMB130.3 million increase in inventories, driven by our strategic procurement of SLC NAND wafers to secure supply ahead of anticipated further price increases and to prepare for sales fulfillment in the second half of 2026; (ii) a RMB48.2 million increase in cash and cash equivalents, primarily funded by new bank borrowings; and (iii) a RMB30.0 million increase in trade and other receivables, reflecting higher trade receivables from increased sales; partially offset by (iv) a RMB41.4 million increase in short-term borrowings drawn down to fund the inventory buildup; and (v) a RMB20.7 million increase in trade and other payables, primarily driven by higher trade payables to wafer suppliers.

Comparison between December 31, 2025 and December 31, 2024

Our net current assets increased by 6.9% from RMB450.9 million as of December 31, 2024 to RMB482.1 million as of December 31, 2025, primarily attributable to (i) a RMB35.0 million increase in financial assets at FVTPL, representing our investments in bank structured deposits using idle cash to generate higher returns; and (ii) a RMB34.7 million increase in trade and other receivables, driven by increased trade receivables from major customers and higher prepayments to suppliers to secure capacity amid the market upturn; partially offset by (iii) a RMB23.9 million decrease in inventories as we successfully depleted existing stock during the market recovery; and (iv) a RMB27.6 million decrease in cash and cash equivalents, primarily due to the aforementioned purchase of structured deposits.

Comparison between December 31, 2024 and December 31, 2023

Our net current assets decreased by 11.6% from RMB510.3 million as of December 31, 2023 to RMB450.9 million as of December 31, 2024, primarily attributable to (i) a decrease in inventories of RMB45.5 million, reflecting our strategy to accelerate the digestion of accumulated stock during the initial industry recovery phase, coupled with reduced new procurement to preserve cash flow; (ii) a decrease in trade and other receivables of RMB37.4 million, mainly resulting from enhanced credit control measures and our decision to shorten the credit terms for distributors to accelerate cash collection; partially offset by (iii) an increase in cash and cash equivalents of RMB23.8 million, driven by the aforementioned improvements in working capital management; and (iv) an increase in borrowings of RMB11.0 million to supplement our liquidity needs.

DISCUSSION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Property, Plant and Equipment

Our property, plant and equipment consisted of (i) leasehold improvements, (ii) machineries, (iii) motor vehicles, and (iv) furniture, fixtures and office equipment. The following table sets out a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Leasehold improvements	7,447	6,046	5,004	4,774
Machineries	59,412	43,744	36,375	35,126
Motor vehicles	53	53	53	53
Furniture, fixtures and office equipment	1,685	799	441	418
Total	**68,597**	**50,642**	**41,873**	**40,371**

Our property, plant and equipment decreased from RMB68.6 million as of December 31, 2023 to RMB50.6 million as of December 31, 2024, primarily due to (i) we controlled asset procurement in 2024 to preserve cash flow; (ii) a decrease in our machineries of RMB15.7 million related to regular depreciation charges; and (iii) a decrease in our leasehold improvements of RMB1.4 million related to regular depreciation charges. Our property, plant and equipment further decreased to RMB41.9 million as of December 31, 2025, primarily due to regular depreciation charges on our existing equipment, partially offset by the acquisition of new photomasks during the year. Our property, plant and

equipment decreased slightly from RMB41.9 million as of December 31, 2025 to RMB40.4 million as of March 31, 2026, primarily due to regular depreciation charges on our existing equipment, partially offset by the acquisition of new photomasks.

Right-of-use Assets

Our right-of-use assets consisted of our leased properties. Our right-of-use assets decreased from RMB20.9 million as of December 31, 2023 to RMB13.6 million as of December 31, 2024, primarily due to our relocation to a new leased office space in Shenzhen in April 2024, coupled with regular monthly amortization charges. Our right-of-use assets further decreased to RMB11.8 million as of December 31, 2025, primarily due to the regular monthly amortization. As of March 31, 2026, our right-of-use assets remained stable at RMB11.1 million, primarily because the regular monthly amortization.

Intangible Assets

Our intangible assets consisted of office software and patents. The following table sets out a breakdown of our intangible assets as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Office software	9,017	3,492	1,650	4,610
Patents	219	165	112	99
Total	**9,236**	**3,657**	**1,762**	**4,709**

Our intangible assets decreased from RMB9.2 million as of December 31, 2023 to RMB3.7 million as of December 31, 2024, primarily due to the completion of a three-year EDA software license amortization which was purchased in 2021. Our intangible assets further decreased to RMB1.8 million as of December 31, 2025, primarily due to the ongoing amortization of our office software and other intangible assets. Our intangible assets increased from RMB1.8 million as of December 31, 2025 to RMB4.7 million as of March 31, 2026, primarily due to the software we newly acquired in the second half of 2025 and the first quarter of 2026.

Inventories

Our inventories consisted of (i) raw materials and work in progress, (ii) finished goods, and (iii) goods in transit. The following table sets out a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Raw materials and work in progress	250,591	223,403	218,451	341,426
Finished goods	206,116	187,606	152,050	158,207
Goods in transit	26	—	—	150
	456,733	411,009	370,501	499,783
Less: allowance for inventories	(93,324)	(93,148)	(76,498)	(75,447)
Total	**363,409**	**317,861**	**294,003**	**424,336**

Our inventories decreased from RMB363.4 million as of December 31, 2023, to RMB317.9 million as of December 31, 2024, primarily attributable to (i) a RMB27.2 million decrease in raw materials and work in progress and (ii) a RMB18.5 million decrease in finished goods. The overall reduction was primarily driven by our strategy to prioritize the digestion of accumulated inventory through sales and reducing new procurement. Our inventories further decreased from RMB317.9 million as of December 31, 2024, to RMB294.0 million as of December 31, 2025, primarily attributable to (i) a RMB35.6 million decrease in finished goods, primarily reflecting the successful sales and depletion of our NAND products driven by strong downstream demand; and (ii) a RMB5.0 million decrease in raw materials and work in progress, as tested wafers were sent to outsourced facilities for further processing, changing their status to materials for consigned processing. Our inventories increased significantly from RMB294.0 million as of December 31, 2025 to RMB424.3 million as of March 31, 2026, primarily attributable to (i) a RMB123.0 million increase in raw materials and work in progress, mainly driven by the increased procurement of SLC NAND wafers from our upstream supplier to secure supply ahead of anticipated further capacity reductions; and (ii) a RMB6.2 million increase in finished goods, primarily relating to the replenishment of NAND and NAND MCP finished products to meet market demand. The strategic inventory buildup reflects our proactive approach to securing production capacity and raw materials in anticipation of continued strong demand and potential further supply tightening in the second half of 2026.

During the Track Record Period, we recorded write-down of inventories when the estimated net realizable value of our inventories declines below their carrying amount. We recorded write-down of inventories of RMB43.5 million, RMB23.6 million, RMB11.2 million and RMB3.4 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. As of December 31, 2023, 2024, 2025 and March 31, 2026, we had provisions for inventories of RMB93.3 million, RMB93.1 million, RMB76.5 million and RMB75.4 million, respectively. Based on our prudent estimation and judgment, and in accordance with our accounting policies, we believe that we have made sufficient write-down of inventories.

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

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 year	321,241	234,056	236,832	373,035
1 to 2 years	33,714	67,686	21,952	17,338
Over 2 years	8,454	16,119	35,219	33,962
Total	**363,409**	**317,861**	**294,003**	**424,336**

The following table sets forth our inventory turnover days for the years/periods indicated:

	Year ended December 31,			Three Months ended March 31,
	2023	2024	2025	2026
Inventory turnover days[(1)]	215	327	279	330

(1) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories for a year/period divided by cost of sales for the relevant year/period and multiplied by 365 days or 90 days.

Our inventory turnover days increased from 215 days in 2023 to 327 days in 2024, primarily attributable to strategic inventory buildup during 2023 to 2024 when procurement costs were relatively low, coupled with a slower shipment pace during 2024. Our inventory turnover days decreased to 279 days in 2025, reflecting our sales volume and revenue increased significantly in the second half of the year as the market recovered, leading to a faster overall inventory turnover. Our inventory turnover days increased from 279 days in 2025 to 330 days in the three months ended March 31, 2026, primarily because we strategically accelerated our procurement of raw materials and wafers during the period to secure production capacity, resulting in a higher average inventory balance relative to the cost of sales for the period.

As of May 31, 2026, RMB172.2 million, or 40.6% of inventories as of March 31, 2026, had been used, consumed or sold. The level of utilization and sales of inventories subsequent to the Track Record Period and up to May 31, 2026 was consistent with our normal operating cycle and reflects the timing of customer orders and our product delivery schedules. We therefore do not consider there to be a material risk of inventory impairment, and consider our existing provisions for inventories are sufficient to cover any potential losses.

Trade and Other Receivables

The following table sets out a breakdown of our trade and other receivables as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Trade receivables	92,606	62,508	72,443	102,601
Less: allowance for credit losses	(4,630)	(3,125)	(3,622)	(5,130)
	87,976	59,383	68,821	97,471
Other receivables	6,418	5,745	6,051	5,451
Less: allowance for credit losses	(217)	(525)	(851)	(250)
	6,201	5,220	5,200	5,201
Note receivables	2,000	1,239	—	—
Prepayments to suppliers and prepaid operation expenses	28,803	29,890	53,972	54,440
Prepaid income tax	2,372	2,342	2,342	—
Value-added tax recoverable	38,092	29,977	30,022	32,206
Deferred issue costs	—	—	2,391	3,448
Total	**165,444**	**128,051**	**162,748**	**192,766**

Our trade and other receivables decreased from RMB165.4 million as of December 31, 2023, to RMB128.1 million as of December 31, 2024, primarily attributable to (i) a RMB30.1 million decrease in trade receivables resulting from our enhanced credit control measures, specifically the shortening of the credit terms for our distributors with a target period of 30 days in mid-2024; (ii) a RMB1.0 million decrease in net other receivables, due to the recovery of a security deposit following the termination of a previous office lease; and (iii) a RMB8.1 million decrease in value-added tax recoverable.

Our trade and other receivables increased from RMB128.1 million as of December 31, 2024, to RMB162.7 million as of December 31, 2025, primarily attributable to (i) a RMB24.1 million increase in prepayments to suppliers, mainly driven by increased wafer procurement in response to growing market

demand amid industry recovery; (ii) a RMB9.4 million increase in net trade receivables, primarily due to the higher outstanding balances; and (iii) a RMB**[REDACTED]** increase in deferred issue costs representing the capitalized portion of our **[REDACTED]** expenses; partially offset by (iv) a RMB1.2 million decrease in note receivables as we endorsed all bank acceptance bills to our suppliers to settle payables and reduce capital occupation costs.

Our trade and other receivables increased from RMB162.7 million as of December 31, 2025 to RMB192.8 million as of March 31, 2026, primarily attributable to a RMB28.7 million increase in net trade receivables, reflecting the significant growth in our revenue during the period. This increase was partially offset by a RMB2.3 million decrease in prepaid income tax, as the tax prepayments made in prior periods were utilized.

The following table sets out an aging analysis of our trade receivables net of allowance for credit losses presented based on the invoice dates at the end of each reporting period:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
0–90 days	84,640	53,395	56,732	90,362
91–365 days	3,336	5,988	12,089	7,109
Total	**87,976**	**59,383**	**68,821**	**97,471**

During the Track Record Period, we applied an internal credit rating system to manage credit risk exposure for trade receivables. Our average expected credit loss rate for trade receivables classified under the "Normal" rating remained stable at 5%, while receivables classified under the "Loss" rating were fully impaired at a 100% loss rate. The estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. We regularly review the grouping and the historical default rates to ensure relevant information about specific debtors is updated.

For other financial assets measured at amortised cost, including other receivables, note receivables, and bank balances, we have applied the general approach in IFRS 9 to measure the loss allowance at 12-month ECL, as there has been no significant increase in credit risk since initial recognition. The expected credit losses for these assets are determined by an assessment of the probability of default. We consider the provision of impairment allowance for the remaining balances of these assets to be insignificant. See Note 34 to Appendix I.

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

	Year ended December 31,			Three Months ended March 31,
	2023	2024	2025	2026
Trade receivables turnover days[(1)]	39	61	45	57

(1) Trade receivables turnover days are calculated using the average of opening balance and closing balance of trade receivables for a year/period divided by revenue for the relevant year/period and multiplied by 365 days or 90 days.

Our trade receivables turnover days increased from 39 days in 2023 to 61 days in 2024, primarily attributable to increased sales to a customer with a credit term of 150 days, which lengthened our overall trade receivables turnover days. Our trade receivables turnover days then decreased to 45 days in 2025, primarily attributable to our tightened credit policies towards the end of 2025 in response to the emerging upward trend in storage prices. Our trade receivables turnover days increased from 45 days in 2025 to 57 days in the three months ended March 31, 2026, primarily because the significant revenue growth during the first quarter of 2026 resulted in a higher outstanding trade receivables balance that are not yet due.

As of May 31, 2026, RMB82.5 million, or 80.4% of our trade receivables as of March 31, 2026, had been settled.

Trade and Other Payables

The following table sets out a breakdown of our trade and other payables as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Trade payables	28,512	25,701	32,696	50,698
Payroll payables	7,106	11,051	12,848	10,754
Other tax payables	1,100	597	602	1,020
Deposit payables	18,997	10,761	9,544	13,838
Accrued issued costs and **[REDACTED]** expenses	—	—	3,073	1,295
Other payables and accruals	2,377	1,599	1,234	3,070
	58,092	**49,709**	**59,997**	**80,675**

Our trade and other payables decreased from RMB58.1 million as of December 31, 2023 to RMB49.7 million as of December 31, 2024, primarily attributable to (i) a RMB2.8 million decrease in trade payables due to a reduced procurement volume; (ii) a RMB8.2 million decrease in deposit payables as certain key customers utilized their existing deposits to offset purchase payments, while others transitioned from paying deposits to applying for credit terms; partially offset by (iii) a RMB3.9 million increase in payroll payables as we accrued performance-based year-end bonus in 2024 to incentivize our employees whereas no such bonus was accrued in 2023. Our trade and other payables increased to RMB60.0 million as of December 31, 2025, primarily attributable to (i) a RMB7.0 million increase in trade payables, primarily relating to the increased procurement of NOR wafers; (ii) a RMB3.1 million increase in accrued issue costs and **[REDACTED]** expenses in accordance with the payment schedules of our professional parties; and (iii) a RMB1.8 million increase in payroll payables, reflecting the accrual of RMB8.0 million in year-end bonuses for 2025, which were subsequently paid in March 2026; partially offset by (iv) a RMB1.2 million decrease in deposit payables as certain customers utilized their deposits to offset purchase payments. Our trade and other payables increased from RMB60.0 million as of December 31, 2025 to RMB80.7 million as of March 31, 2026, primarily attributable to (i) a RMB18.0 million increase in trade payables driven by our increased procurement of wafers and packaging materials to support the strategic inventory buildup; (ii) a RMB4.3 million increase in deposit payables, as certain overseas customers paid deposits to secure product supply amid

the tight market conditions; and (iii) a RMB1.9 million increase in other payables and accruals; partially offset by (iv) a RMB2.1 million decrease in payroll payables, primarily due to the payment of year-end bonuses accrued as of December 31, 2025 which were paid in March 2026.

The following table sets out an aging analysis of our trade payables presented based on the invoice date at the end of each reporting period:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
0–60 days	24,026	21,573	31,846	44,783
61–180 days	4,447	3,926	287	5,253
181–365 days	39	39	524	388
Over 365 days	—	163	39	274
Total	**28,512**	**25,701**	**32,696**	**50,698**

The following table sets forth our trade payables turnover days for the Track Record Period:

	Year ended December 31,			Three Months ended March 31,
	2023	2024	2025	2026
Trade payables turnover days[(1)]	40	26	27	39

(1) Trade payables turnover days are calculated using the average of opening balance and closing balance of trade payables for a year/period divided by cost of sales used for the relevant year/period and multiplied by 365 days or 90 days.

Our trade payables turnover days decreased from 40 days in 2023 to 26 days in 2024. The relatively higher turnover days in 2023 were primarily due to our strategic buildup of inventory while procurement costs were low, resulting in a larger balance of unsettled monthly supplier invoices at year-end. In 2024, as we reduced new procurement, the outstanding payables balance decreased accordingly. Our trade payables turnover days remained stable at 26 days in 2024 and 27 days in 2025. Our trade payables turnover days increased from 27 days in 2025 to 39 days in the three months ended March 31, 2026, primarily because certain suppliers extended their credit terms as our procurement volume increased, resulting in a higher outstanding payables balance relative to the cost of sales for the period.

As of May 31, 2026, RMB39.7 million, or 78.3% of our trade payables as of March 31, 2026, had been settled.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from proceeds from our business operations and capital contribution from shareholders. As of December 31, 2023, 2024, 2025 and March 31, 2026, we had cash and cash equivalents of approximately RMB105.2 million, RMB128.9 million, RMB101.3 million and RMB149.5 million, respectively. After the **[REDACTED]**, we intend to finance our future capital requirements through cash generated from our business operations and the net **[REDACTED]** from the **[REDACTED]**. We do not anticipate any changes to the availability of financing to fund our operations in the future.

Going forward, we anticipate that our operating cash flows, available bank borrowings, and the net **[REDACTED]** from the **[REDACTED]** will collectively fulfill our working capital, capital expenditures, and liquidity needs. Our capacity to meet financial commitments will hinge on our operational performance and cash flow generation, which are influenced by economic conditions and various external factors. Should our current funds prove inadequate, we will consider securing additional credit or engaging in equity financing.

Our Directors are of the view that, taking into account our available resources including cash and bank balances on hand and bank borrowings, we have sufficient working capital for our present requirements and for the next 12 months from the date of this document.

Cash Flow

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

	Year ended December 31,			Three Months ended March 31,	
	2023	**2024**	**2025**	**2025**	**2026**
	(RMB in thousands)				
				(unaudited)	
Net cash (used in) from operating activities	(192,386)	59,866	55,360	20,209	(45,426)
Net cash from (used in) investing activities	150,508	(9,768)	(44,302)	(1,809)	16,730
Net cash from (used in) financing activities	54,237	(26,698)	(37,069)	(31,144)	77,171
Net increase (decrease) in cash and cash equivalents	12,359	23,400	(26,011)	(12,744)	48,475
Cash and cash equivalents at beginning of year	93,900	105,152	128,949	128,949	101,318
Effect of foreign exchange rate changes, net	(1,107)	397	(1,620)	(56)	(309)
Cash and cash equivalents at end of year	**105,152**	**128,949**	**101,318**	**116,149**	**149,484**

Net Cash (Used in) From Operating Activities

In the three months ended March 31, 2026, we had net cash used in operating activities of RMB45.4 million, which primarily consisted of profit before tax of RMB86.8 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) write down for inventories of RMB3.4 million; (ii) net impairment losses recognized under ECL model of RMB1.5 million; and (iii) net foreign exchange losses of RMB0.9 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in inventories of RMB128.8 million; (ii) an increase in trade and other receivables of RMB32.8 million; and (iii) an increase in trade and other payables of RMB19.4 million.

In 2025, we had net cash from operating activities of RMB55.4 million, which primarily consists of profit before tax of RMB21.4 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) write down for inventories of RMB11.2 million; (ii) depreciation of property, plant and equipment of RMB3.8 million; and (iii) depreciation of right-of-use assets of RMB3.1 million. The amount was further adjusted by changes in

working capital, primarily including (i) an increase in trade and other receivables of RMB32.9 million; (ii) a decrease in inventories of RMB32.0 million; and (iii) an increase in trade and other payables of RMB9.6 million.

In 2024, we had net cash from operating activities of RMB59.9 million, which primarily consisted of loss before tax of RMB52.4 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) write down for inventories of RMB23.6 million; (ii) amortization of intangible assets of RMB5.6 million; and (iii) depreciation of property, plant and equipment of RMB4.8 million. The amount was further adjusted by changes in working capital, primarily including (i) a decrease in inventories of RMB41.6 million; (ii) a decrease in trade and other receivables of RMB38.6 million; and (iii) a decrease in trade and other payables of RMB8.4 million.

In 2023, we had net cash used in operating activities of RMB192.4 million, which primarily consisted of loss before tax of RMB25.3 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) write down for inventories of RMB43.5 million; (ii) share-based payment expenses of RMB6.8 million; and (iii) depreciation of right-of-use assets of RMB6.0 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in inventories of RMB96.4 million, as we proactively increased inventory levels when upstream wafer procurement costs were low to secure cost-effective production capacity; (ii) a decrease in trade and other payables of RMB87.4 million, driven by the settlement of outstanding supplier invoices and a decrease in deposit payables as customers utilized existing deposits; and (iii) an increase in trade and other receivables of RMB40.1 million, resulting from longer aging profiles of outstanding balances from certain customers during the cyclical downturn.

Net Cash From (Used in) Investing Activities

In the three months ended March 31, 2026, our net cash from investing activities was RMB16.7 million, which primarily consisted of (i) proceeds from disposal of financial assets at FVTPL of RMB35.0 million; (ii) purchases of and prepayments for property, plant and equipment of RMB16.7 million; and (iii) purchase of intangible assets of RMB1.8 million.

In 2025, our net cash used in investing activities were RMB44.3 million, which primarily consisted of (i) purchases of financial assets at FVTPL of RMB214.0 million; (ii) purchases of property, plant and equipment of RMB11.2 million; partially offset by (iii) proceeds from disposal of financial assets at FVTPL of RMB179.2 million.

In 2024, our net cash used in investing activities was RMB9.8 million, which primarily consisted of (i) purchases of financial assets at FVTPL of RMB15.0 million; (ii) purchases of property, plant and equipment of RMB11.4 million; partially offset by (iii) proceeds from disposal of financial assets at FVTPL of RMB15.0 million.

In 2023, our net cash from investing activities was RMB150.5 million, which primarily consisted of (i) proceeds from disposal of financial assets at FVTPL of RMB529.7 million; partially offset by (ii) purchases of financial assets at FVTPL of RMB337.0 million; and (iii) purchases of property, plant and equipment of RMB39.9 million.

Net Cash From (Used in) Financing Activities

In the three months ended March 31, 2026, our net cash from financing activities was RMB77.2 million, which primarily consisted of (i) additions of borrowings of RMB80.0 million; (ii) issue costs paid of RMB1.5 million; and (iii) repayment of lease liabilities of RMB0.8 million.

In 2025, our net cash used in financing activities were RMB37.1 million, which primarily consisted of (i) repayment of borrowings of RMB87.0 million; (ii) dividends paid of RMB20.6 million; partially offset by (iii) additions of borrowings of RMB77.0 million.

In 2024, our net cash used in financing activities were RMB26.7 million, which primarily consisted of (i) repayment of borrowings of RMB171.0 million; (ii) dividends paid of RMB30.9 million; partially offset by (iii) additions of borrowings of RMB182.0 million.

In 2023, our net cash from financing activities were RMB54.2 million, which primarily consisted of (i) additions of borrowings of RMB60.0 million; partially offset by (ii) repayment of lease liabilities of RMB5.1 million; and (iii) interest paid of RMB0.6 million.

INDEBTEDNESS

As of December 31, 2023, 2024, 2025, March 31, 2026 and May 31, 2026, our indebtedness included borrowings and lease liabilities. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	(RMB in thousands)				
					(Unaudited)
Borrowings	60,036	71,052	61,035	141,092	236,000
Lease liabilities	22,489	15,652	14,056	13,271	12,706
Total	**82,525**	**86,704**	**75,091**	**154,363**	**248,706**

Borrowings

Our borrowings increased from RMB60.0 million as of December 31, 2023 to RMB71.1 million as of December 31, 2024, primarily due to we sought to maintain the continuity of our bank credit facilities by drawing down amounts across various banks, thereby preserving our credit ratings and ensuring liquidity. Our total borrowings decreased from RMB71.1 million as of December 31, 2024 to RMB61.0 million as of December 31, 2025, primarily due to the partial repayment of short-term bank loans upon maturity. As of December 31, 2025, we maintained short-term borrowings of RMB46.0 million and secured a new three-year long-term loan of RMB15.0 million in late 2025 to support our anticipated increase in procurement needs amid rising raw material prices. As of March 31, 2026, our borrowings increased to RMB141.1 million compared with RMB61.0 million as of December 31, 2025. This increase was primarily due to our strategy to secure additional short-term bank loans to support our anticipated increase in procurement needs and build up inventory amid rising raw material prices and strong downstream demand. Our borrowings increased from RMB141.1 million as of March 31, 2026 to RMB236.0 million as of May 31, 2026, primarily due to an increase of RMB40.0 million in short-term bank loans and an increase of RMB55.0 million in long-term bank loans to support our

operational needs and procurement activities. See Note 25 of Appendix I. The changes in our borrowings were mainly for general corporate purpose and in line with the needs of our working capital management in the ordinary course of our business.

As of May 31, 2026, we had unutilized banking facilities of approximately RMB164.3 million.

Lease Liabilities

Our lease liabilities decreased from RMB22.5 million as of December 31, 2023 to RMB15.7 million as of December 31, 2024, primarily due to the termination of our previous office lease and our relocation to a new office premise in Shenzhen, coupled with regular monthly lease payments. Our lease liabilities further decreased to RMB14.1 million as of December 31, 2025, resulting from the regular monthly payments under our lease contracts. Our lease liabilities slightly decreased from RMB13.3 million as of March 31, 2026 to RMB12.7 million as of May 31, 2026, primarily due to the regular monthly lease payments made under our existing lease contracts. See Note 26 of Appendix I.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024, 2025 and March 31, 2026, we did not have any material contingent liabilities. Save as disclosed above, we did not have any bank and other loan, or any loan capital issued and outstanding or agreed to be issued, bank overdraft, borrowing or similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases or finance lease commitments, guarantees or other material contingent liabilities as of the Latest Practicable Date for our indebtedness statement. We did not have any material covenants and undertakings on outstanding debts, guarantees, pledge of key assets or other contingent obligations, and breaches during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that there has not been any material change in our indebtedness since May 31, 2026 up to the date of this document. Our Directors confirm that we did not have any material defaults in payment of bank loans and other borrowings, breaches of covenants, or experience any material difficulty in obtaining bank loans and other borrowings during the Track Record Period and up to the date of this document.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years/dates indicated:

	As of/Year ended December 31,			As of/ Year ended March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Gross profit margin (%)[(1)]	15.5	14.0	22.8	55.6
Current ratio[(2)]	5.1	4.6	5.3	4.4
Inventory turnover days[(3)]	215	327	279	330
Gearing ratio[(4)]	0.13	0.16	0.13	0.24

(1) Gross profit margin equals gross profit divided by revenue and multiplied by 100%.

(2) Current ratio equals current assets divided by current liabilities as of the same date.

(3) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories for a year/period divided by cost of sales for the relevant year/period and multiplied by 365 days or 90 days.

(4) Gearing ratio equals total debts, comprising borrowings and lease liabilities, divided by total equity as of the end of the relevant year/period.

Gross Profit Margin

Our gross profit margin decreased from 15.5% in 2023 to 14.0% in 2024, primarily driven by our strategic pricing adjustments to accelerate inventory digestion and respond to intense market competition during the initial industry recovery phase. Our gross profit margin increased significantly from 14.0% in 2024 to 22.8% in 2025, primarily driven by the continued recovery of the flash memory industry, with short-term supply struggling to keep pace with rapidly growing demand, resulting in a supply-demand imbalance and sequential increases in the ASP of our SLC NAND and related products. Our gross profit margin further increased significantly from 22.8% in 2025 to 55.6% in the three months ended March 31, 2026, primarily driven by the pronounced supply-demand imbalance which led to a substantial increase in the average selling prices of our core products, as well as our strategic stocking and ability to pass on cost increases to our customers.

Current Ratio

Our current ratio decreased from 5.1 as of December 31, 2023 to 4.6 as of December 31, 2024, primarily due to the decrease in our current assets, mainly inventories and trade receivables, driven by our strategic destocking and accelerated cash collection efforts. Our current ratio increased from 4.6 as of December 31, 2024 to 5.3 as of December 31, 2025, primarily attributable to a decrease in our current liabilities, mainly resulting from a lower balance of short-term borrowings and the slight increase of our current assets, driven by higher trade and other receivables and the purchase of RMB35.0 million in bank structured deposits. Our current ratio decreased from 5.3 as of December 31, 2025 to 4.4 as of March 31, 2026, primarily attributable to a significant increase in our current liabilities, mainly driven by the higher balance of short-term borrowings secured to support our procurement needs, which outpaced the increase in our current assets.

Inventory Turnover Days

Our inventory turnover days increased from 215 days in 2023 to 327 days in 2024, primarily attributable to the substantial inventory balance carried over from our strategic buildup in 2023, coupled with a slower shipment pace during the first half of 2024. Our inventory turnover days decreased from 327 days in 2024 to 279 days in 2025, primarily because the market recovered and downstream demand surged in the second half of the year, our sales volume and revenue increased significantly, leading to the rapid depletion of existing stock and a faster overall inventory turnover cycle. Our inventory turnover days increased from 279 days in 2025 to 330 days in the three months ended March 31, 2026, primarily because we strategically accelerated our procurement of SLC NAND wafers and raw materials during the period to secure production capacity and build inventory reserves ahead of anticipated further supply tightening, resulting in a higher average inventory balance.

Gearing Ratio

Our gearing ratio increased from 0.13 as of December 31, 2023 to 0.16 as of December 31, 2024, primarily reflecting the increase in our bank borrowings to supplement working capital, combined with a decrease in total equity due to the loss recorded for the year and the payment of dividends. Our gearing ratio decreased from 0.16 as of December 31, 2024 to 0.13 as of December 31, 2025, primarily due to a reduction in our total debts, as our short-term borrowings decreased from RMB71.1 million to RMB46.0 million following the aforementioned repayment and selective renewal of bank loans in preparation for the **[REDACTED]**. Our gearing ratio increased from 0.13 as of December 31, 2025 to

0.24 as of March 31, 2026, primarily driven by the substantial increase in our total debts resulting from the new bank borrowings obtained during the first quarter of 2026 to finance our working capital requirements and inventory buildup strategy.

CAPITAL EXPENDITURES

At the end of each of the Track Record Period, we did not have any significant capital expenditures. We plan to continue capital expenditures to support our business growth and expansion strategy. See "Future Plans and **[REDACTED]** — **[REDACTED]**." We intend to fund these expenditures with available financial resources, including cash generated from operations and **[REDACTED]** from the **[REDACTED]**.

CAPITAL COMMITMENTS

At the end of each of the Track Record Period, we did not have any significant capital commitments.

RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see "Appendix I — Accountants' Report."

Our Directors are of the view that each of the related party transactions as set out in Note 30 of Appendix I were conducted in the ordinary course of business on an arm's-length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we have not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. Furthermore, we did not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We did not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

FINANCIAL RISKS DISCLOSURE

We are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate and currency risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. See Note 34 of Appendix I.

DIVIDENDS

In 2023, 2024, 2025 and the three months ended March 31, 2026, we declared and paid final dividends in respect of the previous year of nil, RMB30.9 million, RMB20.6 million and nil, respectively. Such dividends were funded by our historical accumulated retained profits. The ratio of the dividends declared and paid in 2023, 2024, 2025 and the three months ended March 31, 2026 to our

retained profits at the beginning of the respective year/period was nil, 16.2%, 15.1% and nil, respectively. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. Our current and future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of both. Any future declarations and payments of dividend will be at the discretion of our Directors and will spend on our actual and expected results of operation, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions and other factors which our Directors consider relevant. According to applicable PRC laws and our Articles of Association, we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. If our statutory common reserve fund is insufficient to cover our historically accumulated losses, our current and future net profit will be first applied to make up the losses.

WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, operating cash flows, available financing facilities, and the estimated **[REDACTED]** from the **[REDACTED]**, our Directors are of the view that, we have sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this document.

DISTRIBUTABLE RESERVES

As of March 31, 2026, we did not have any distributable reserves.

[REDACTED]

[REDACTED] represent professional fees, **[REDACTED]** commissions and other fees incurred in connection with the **[REDACTED]**. We estimate that our **[REDACTED]** will be approximately HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]**) and no exercise of the **[REDACTED]**), representing **[REDACTED]**% of the **[REDACTED]** (based on the mid-point of our indicative price range for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) of the **[REDACTED]**. During the Track Record Period, we incurred **[REDACTED]** of RMB**[REDACTED]**, which was charged to the consolidated statements of profit or loss. Among our **[REDACTED]**, approximately HK$**[REDACTED]** is expected to be recognized as a deduction in equity directly upon completion of the **[REDACTED]**, and approximately HK$**[REDACTED]** has been or will be charged to our consolidated statement of comprehensive income. By nature, our **[REDACTED]** are composed of approximately HK$**[REDACTED]** **[REDACTED]** related expenses and fees (including **[REDACTED]** commissions, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), approximately HK$**[REDACTED]** non-**[REDACTED]**-related expenses and fees including approximately HK$**[REDACTED]** for fees for legal advisors and reporting accountant and approximately HK$**[REDACTED]** for other non-**[REDACTED]**-related fees and expenses.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

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

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

While we incurred net losses in 2023 and 2024, we have experienced positive turnaround in our business and financial performance, recording a net profit in 2025 and in the three months ended March 31, 2026. This improvement has been driven by a broad recovery in the global flash memory market, which showed significant growth in 2024 and has continued to strengthen into 2026. In particular, the global markets for NOR Flash and SLC NAND Flash have demonstrated strong recovery and growth prospects. Influenced by theses favorable industry trends, coupled with our implementation of the strategic initiatives, we have achieved a notable increase our revenue, average selling prices, gross profit margin and profitability subsequent to the Track Record Period.

Subsequent to the Track Record Period and up to the date of this document, influenced by the continued favorable industry trends and our strategic initiatives, our business and financial performance have continued to improve. We have recorded continued growth in sales volumes and significant increases in the average selling prices of our core products, driven by both the broader market price recovery and our proactive optimization of product mix towards higher-margin products. As a result, our revenue, gross profit margin, and net profitability have all continued to improve compared to the same period of 2025, and we have successfully maintained the profitable position achieved during the Track Record Period. We believe these positive developments signal a favorable outlook for our sustained growth going forward.

Our Directors have confirmed that up to the date of this document, there has been no material adverse change in our financial position since March 31, 2026, and there has been no event since March 31, 2026 that would materially affect the information as set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

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