

SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you, and is qualified in its entirety by and should be read in conjunction with, the full text of this document. You should read the whole document before you decide to [REDACTED] in the [REDACTED].

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

OVERVIEW

Who We Are

We are a provider of power semiconductor devices with an established market presence in China, focusing on the research and development, design and sales of high-performance power semiconductor devices, especially our WLCSP products, one of our key products with advanced semiconductor packaging technology and known for their compact size, strong thermal performance and impact resistance. Our power semiconductor devices are components used to control, convert and manage electrical power, ensuring electricity is delivered at the right voltage and current for different devices, which are consisted of (i) medium-and-low-voltage products, which are further divided, in terms of packaging methods, into WLCSP and non-WLCSP products, and are widely used in consumer electronics, automotive electronics and industrial power supplies, and (ii) high-voltage products, which are designed to withstand higher voltages and operate reliably in more demanding environments, and are widely used in automotive electronics and industrial applications.

We focus on the design, R&D and sales of our products while outsourcing a majority of wafer manufacturing, packaging and testing processes to trusted third-party partners. Meanwhile, we retain in-house capabilities for certain critical wafer manufacturing and packaging and testing processes, which primarily includes (i) key back-end wafer processing steps, mainly including wafer plating, back grinding and backside metallization, that are critical to achieving low on-resistance, efficient heat dissipation and high current-carrying capacity of devices, and directly affect product yield and reliability, and (ii) WLCSP packaging and testing processes, that ensure the autonomy and control of advanced packaging technologies. Based on this model, we are able to identify and address technical issues at an earlier stage of development, implement design and process modifications more efficiently, and reduce reliance on third-party packaging and testing service providers, and therefore can shorten the turnaround time between product design, prototype validation and engineering iterations, thereby accelerating product development and product iteration. Such mixed business model combines the flexibility of outsourcing standardized manufacturing with in-house manufacturing capabilities, allowing us to maintain supply chain flexibility and achieve effective cost and quality control. For further information on our business model, see “Business — Our Business Model.”

Our in-house capabilities for certain critical wafer manufacturing and packaging and testing processes are maintained at our Zhuhai factory. The establishment of our Zhuhai factory in 2024 has contributed significantly to our financial performance and profit margins. Following the commencement of mass production at our Zhuhai factory by the end of 2024, we achieved reduced outsourcing costs and improved economies of scale. For example, the per-unit cost of our WLCSP products manufactured in-house was consistently lower than that of outsourced processing. As the proportion of WLCSP products manufactured in-house continuously increased, the overall per-unit cost of WLCSP products decreased by approximately 23.4% from 2024 to 2025, and by approximately 7.7% for the five months ended 31 May 2026 as compared to the corresponding period in 2025. Our gross profit margin of

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WLCSP products increased from 18.6% in 2024 to 31.7% in 2025. Our gross profit margin decreased from 28.8% in the five months ended May 31, 2025 to 23.9% in the five months ended May 31, 2026, with the improved cost efficiency partially offsetting industry-wide pricing pressure and mitigated the overall contraction in our gross margin. For a detailed discussion, please refer to “Financial Information — Review of Historical Results of Operations — Revenue,” “Cost of Sales,” and “Gross Profit and Gross Profit Margin.” According to CIC, we are one of the few power semiconductor device providers in China that have in-house capabilities for both critical wafer manufacturing processes and advanced packaging and testing. For further information on the typical challenges our mixed business model faces compared with IDM and fabless models, see “Industry overview — Overview of the Power Semiconductor Device industry — Industry Chain of Power Semiconductor Device Industry” and “— Competitive Overview of China’s Power Semiconductor Device Industry — Competitive Landscape of China’s Power Semiconductor Device Industry.”

Our Diversified Product Portfolio and Applications

We offer a comprehensive portfolio of power semiconductor devices, which are categorized into (i) medium-and-low-voltage power semiconductor devices and (ii) high-voltage power semiconductor devices based on a voltage rating of 600V as a general threshold. The 600V threshold is widely recognized in the power semiconductor industry as the standard boundary between medium-and-low-voltage and high-voltage devices, as it represents the minimum voltage rating generally required for devices designed to operate directly from the power grid with an appropriate safety margin. Specifically,

- ***Medium-and-low-voltage products:*** In terms of the power semiconductor device structure, our medium-and-low-voltage products mainly include Trench MOSFETs and SGT MOSFETs. These products are widely used in consumer electronics, automotive electronics and industrial applications. Our medium-and-low-voltage power semiconductor devices are further divided, in terms of packaging methods, into (i) WLCSP products using advanced WLCSP packaging processing techniques, which represent a commonly adopted advanced packaging technology in the semiconductor industry, and (ii) non-WLCSP products, which are packaged using other methods, such as PDFN, DFN, TOLL and SOP methods. Our WLCSP products, known for their compact size, strong thermal performance and impact resistance, are key components in lithium battery protection for smartphones, tablets and wearables. Our non-WLCSP products are widely applied across consumer, industrial and automotive electronics, including but not limited to mobile phone power management and chargers, drones and automotive domain control systems. While WLCSP products are typically used in compact portable devices, our non-WLCSP products remain essential across a broader range of application scenarios.
- ***High-voltage products:*** In terms of the power semiconductor device structure, our high-voltage products mainly include IGBT, SJ MOSFETs and Planar MOSFETs. Designed for the need of high-voltage, high-power density and reliability in demanding environments, these products are extensively used in application scenarios such as automotive electronics and industrial applications.

Our WLCSP Technology

We have strategically invested in the WLCSP technology, recognizing its critical role in driving the performance of power semiconductor devices and enabling downstream applications. WLCSP is a packaging technique that uses advanced processes without resin or wire bonding. WLCSP offers several advantages, including compact size, outstanding electrical performance, and excellent heat dissipation capabilities, and is widely used in high performance applications such as intelligent cockpits and wearable devices. According to CIC, our WLCSP products (i) feature a package thickness of as low as 0.095mm, significantly

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thinner than traditional packaging; (ii) achieve a chip-to-package area ratio close to 1:1, larger than traditional packaging; and (iii) reduce package volume by approximately 66% compared to traditional BGA/QFN packaging.

Our In-house Manufacturing and Packaging Capabilities

Our in-house capabilities for certain critical wafer manufacturing and packaging and testing processes are maintained at our Zhuhai factory, which commenced operations in 2024. Our Zhuhai factory specializes in wafer processing and advanced packaging and testing. Our Zhuhai factory is certified under IATF 16949 for automotive quality management. Equipped with state-of-the-art manufacturing equipment, the Zhuhai factory supports the commercialization of our proprietary technologies.

At our Zhuhai factory, we conduct (i) certain specific back-end wafer processing steps such as wafer plating, back grinding and backside metallization; and (ii) WLCSP packaging and testing processes to support efficient delivery while meeting stringent quality and customization demands. Building on our existing production processes, we have continuously expanded our production capacity and enhanced our manufacturing capabilities to support the growth in our sales volume and evolving customer demand.

The factory also includes a high-standard reliability testing laboratory that is accredited by China National Accreditation Service for Conformity Assessment (“CNAS”). Testing conducted at, and certifications issued by our laboratory is recognized by CNAS. According to CIC, this is one of the few most advanced laboratories and with the largest investment among power semiconductor device companies in Southern China. The laboratory primarily conducts long-term stability, environmental adaptability and lifespan testing for our power semiconductor devices to ensure their performance under complex operating conditions.

Through the establishment and ramp-up of our Zhuhai factory, we shifted a greater portion of production in-house, which translated into a clear improvement in profitability. In particular, the per-unit cost of our WLCSP products manufactured in-house was consistently lower than that of outsourced processing. As the proportion of WLCSP products manufactured in-house continuously increased, the overall per-unit cost of WLCSP products decreased by approximately 23.4% from 2024 to 2025, and by approximately 7.7% for the five months ended 31 May 2026 as compared to the corresponding period in 2025. Our gross profit margin increased from 17.4% in 2024, prior to the commencement of operations, to 23.6% in 2025. This improvement was primarily driven by reduced reliance on external contractors and lower outsourcing fees, as well as economies of scale achieved as production volume increased, allowing fixed costs to be spread over a larger output base. Our gross profit margin decreased from 22.4% in the five months ended May 31, 2025 to 17.9% in the five months ended May 31, 2026. This decline was primarily attributable to market-driven pricing adjustments. Our sustained cost efficiency partially offset the industry impact on pricing, thereby limiting the overall margin contraction. The expansion of in-house capacity also enhanced our cost competitiveness and operational responsiveness, supporting higher transaction volumes and stronger customer relationships.

High-growth Market Opportunities

Power semiconductor devices, as core components for power conversion and circuit control, are closely tied to downstream markets. The industry is experiencing robust growth driven by stable consumer electronics demand, the widespread adoption of new energy vehicles, accelerated deployment of renewable energy and the rise of AI technologies. According to CIC, the Chinese power semiconductor device market grew from RMB80.7 billion in 2021 to RMB109.0 billion in 2025, with a CAGR of 7.8%, and is projected to reach RMB180.4 billion by 2030, representing a CAGR of 10.4% from 2026 to 2030.

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Opportunities from Advanced Packaging Technology

The demand for smaller, lighter and higher-performing electronic products continues to drive advancements in packaging technologies, especially the WLCSP technology. With further technological maturity and cost optimization, WLCSP is expected to expand into a broader range of semiconductor products, driving innovation in the industry. According to CIC, the Chinese WLCSP MOSFET industry grew from RMB2.1 billion in 2021 to RMB3.1 billion in 2025, with a CAGR of 9.4%, and is projected to reach RMB5.5 billion by 2030, representing a CAGR of 14.3% from 2026 to 2030.

OUR STRENGTHS

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth: (i) our recognized market position and track record in China’s power semiconductor industry; (ii) our strategic focus on WLCSP products to capitalize on key industry trends; (iii) our R&D capabilities driving product performance and cost competitiveness; (iv) our customer-centric approach driving long-term partnerships with leading customers; (v) our mixed business model combining supply chain flexibility with in-house control of core manufacturing processes; and (vi) our seasoned management team building a smart and digitalized business and a team of strong execution capability.

OUR STRATEGIES

We plan to pursue the following strategies: (i) continue to invest in the development and application of advanced packaging technologies, including WLCSP; (ii) maintain our R&D-driven strategy and increase R&D investment; (iii) focus on core application scenarios and continuously explore new application scenarios; (iv) enhance our supply chain resilience and quality through both in-house development and external collaboration; and (v) prudently pursue strategic partnerships and investment opportunities.

OUR CUSTOMERS AND SUPPLIERS

For the years ended December 31, 2023, 2024, 2025, and the five months ended May 31, 2026, our five largest customers in each period together generated RMB280.4 million, RMB335.6 million, RMB469.0 million and RMB239.9 million of revenues, respectively, accounting for 48.7%, 53.8%, 57.6% and 67.9% of our total revenue, respectively. In addition, revenues generated from our largest customer in each period accounted for 13.8%, 16.6%, 23.1% and 29.7% of our total revenues for the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2026, respectively. For further details, see “Business — Our Customers.”

For the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026, purchases from our five largest suppliers in each year amounted to RMB359.8 million, RMB397.3 million, RMB493.3 million and RMB218.8 million, respectively, representing 80.5%, 81.1%, 71.3% and 70.1% of our total purchases, respectively. In addition, purchases from our largest supplier in each year accounted for 29.5%, 47.7%, 21.7% and 19.9% of our total purchases for the years ended December 31, 2023, 2024, 2025, and for the five months ended May 31, 2026, respectively. For further details, see “Business — Our Suppliers.”

COMPETITION

The power semiconductor device industry in which we operate is intensely competitive and characterized by rapid technological evolution, fast changes in customer demands and preferences, frequent introduction of new products and services and constant emergence of new industry standards and practices.

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According to CIC, the Chinese power semiconductor device industry remains relatively concentrated, with the top ten participants accounting for over half of domestic market share in terms of revenue. These companies lead in core power technologies covering silicon, silicon carbide and gallium nitride and have long dominated high-end applications such as consumer electronics, automotive electronics, industrial applications, and emerging AI sectors, thus forming a stable supply framework.

Meanwhile, Chinese companies, although relatively smaller in scale, have rapidly expanded their market share by leveraging their technological innovation capabilities, driven largely by domestic demand and growth of the downstream industry. While most Chinese companies remain focused on the low- to mid-end segments, their role in the global landscape is expected to grow as localization advances and investments in process upgrades and packaging technologies deepen. Bridging the technological gap with established overseas companies remains a key priority, particularly as China pushes for greater self-sufficiency and competitiveness in core power semiconductor device components. See “Industry Overview” for more information about the competitive landscape we face.

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry, (ii) risks relating to conducting business in the jurisdictions we operate and (iii) risks related to the [REDACTED]. Some of the major risks we face include, but are not limited to: (i) the industry in which we operate is highly competitive. If we fail to compete successfully against other market players, our business, financial condition and results of operations may be materially and adversely affected; (ii) new scientific and technological outcomes or trends could make our products uncompetitive and obsolete; (iii) our products are primarily used by end customers of certain industries and sectors. Factors that adversely affect these industries and sectors or any particular end customers may adversely affect our business, financial condition and results of operations; (iv) we generated a substantial portion of our revenue through our distribution network. Any decrease in sales from, or loss of our distributors may have adverse impacts on our business, financial condition and results of operations; and (v) the size of the markets in which we operate and the demand for our products may not increase as quickly as we anticipate due to a variety of factors, which would materially and adversely affect our business, financial condition, results of operations and prospects.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Summary of Consolidated Statements of Profit or Loss

The following table sets out key items of our consolidated statements of profit or loss for the years indicated:

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
Revenue	575,477	100.0	624,259	100.0	814,135	100.0	347,187	100.0	353,267	100.0
Cost of sales	(488,075)	(84.8)	(515,370)	(82.6)	(621,974)	(76.4)	(269,310)	(77.6)	(290,036)	(82.1)
Gross profit	87,402	15.2	108,889	17.4	192,161	23.6	77,877	22.4	63,231	17.9
Profit for the year	13,977	2.4	19,353	3.1	50,516	6.2	26,529	7.6	(510)	(0.1)

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Revenue by Products

The following table sets forth a breakdown of our revenue by products, in absolute amounts and as percentages of our total revenue, for the periods indicated:

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Medium-and-low-voltage power semiconductor devices	536,089	93.1	561,565	90.0	765,658	94.0	321,967	92.7	342,815	97.0
WLCSP products	161,345	28.0	243,872	39.1	321,037	39.4	160,672	46.3	96,686	27.4
Non-WLCSP products	374,744	65.1	317,693	50.9	444,621	54.6	161,295	46.4	246,129	69.6
High-voltage power semiconductor devices	6,801	1.2	10,076	1.6	13,113	1.7	6,605	1.9	4,264	1.2
Others ⁽¹⁾	32,587	5.7	52,618	8.4	35,359	4.3	18,615	5.4	6,188	1.8
Total	575,477	100.0	624,259	100.0	814,135	100.0	347,187	100.0	353,267	100.0

Note:

- (1) Others primarily included our revenue from sales of wafers and provision of processing services and reliability testing services.

Gross Profit and Gross Profit Margin by Products

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

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
Sales of products										
Medium-and-low-voltage power semiconductor devices	113,011	21.1	122,460	21.8	188,840	24.7	76,518	23.8	63,943	18.7
WLCSP products	32,855	20.4	45,243	18.6	101,660	31.7	46,263	28.8	23,097	23.9
Non-WLCSP products	80,156	21.4	77,217	24.3	87,180	19.6	30,255	18.8	40,846	16.6
High-voltage power semiconductor devices	538	7.9	(2,354)	(23.4)	(5,586)	(42.6)	(1,890)	(28.6)	633	14.8
Others ⁽¹⁾	4,833	14.8	10,990	20.9	10,181	28.8	5,476	29.4	1,529	24.7
Subtotal	118,382	20.6	131,096	21.0	193,435	23.8	80,104	23.1	66,105	18.7
Write-down of inventories	30,980		22,207		1,274		2,227		2,874	
Total	87,402	15.2	108,889	17.4	192,161	23.6	77,877	22.4	63,231	17.9

Note:

- (1) Others primarily included sales of wafers and provision of processing services and reliability testing services.

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NON-IFRS FINANCIAL MEASURE

To supplement our consolidated financial statements presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) as additional financial measures. These measures are not required by, nor presented in accordance with IFRS. We believe that such non-IFRS measures facilitate comparisons of operating performance across periods and among companies by eliminating the potential impact of certain items. They provide useful information to [REDACTED] and other stakeholders in understanding and evaluating our consolidated results of operations in a manner consistent with how they assist our management. Nevertheless, our presentation of adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS. We define adjusted net profit (non-IFRS measure) as profit for the year/period adjusted for share-based payments and [REDACTED]. The following table sets forth a reconciliation of our profit/(loss) for the year/period to adjusted net profit (non-IFRS measure) for the years/periods indicated.

	For the year ended December 31,			Five months ended May 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net profit/(loss) for the year/period	13,977	19,353	50,516	26,529	(510)
Add:					
Share-based payment expenses ⁽¹⁾	(2,395)	298	5,357	1,506	3,966
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net profit for the year/period (non-IFRS measure) . .	11,582	19,651	67,066	28,035	9,812

Note:

- (1) We recognized a reversal of share-based payment expense of RMB2.4 million in 2023, primarily due to the departure of core management personnel.

Summary of Selected Items of Financial Positions

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

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	203,299	284,178	348,156	459,428
Total current assets	542,163	526,942	591,129	571,581
Total assets	745,462	811,120	939,285	1,031,009
Total non-current liabilities . .	30,804	79,701	65,773	118,203
Total current liabilities	113,932	111,078	197,386	233,235
Total liabilities	144,736	190,779	263,159	351,438
Net current assets	428,231	415,864	393,743	338,346
Net Assets	600,726	620,341	676,126	679,571

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Our net assets exhibited an increasing trend from 2023 to 2025, mainly as a result of profit recorded in each year. Compared with December 31, 2025, our net assets remained relatively stable at RMB679.6 million as of May 31, 2026.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow statement information for the periods indicated:

	Year ended December 31,			Five months ended May 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net cash generated from/(used in) operating activities.	31,165	58,154	89,062	(21,647)	(54,127)
Net cash used in investing activities.	(50,323)	(150,579)	(97,186)	(40,807)	(64,407)
Net cash generated from/(used in) financing activities.	29,975	52,639	23,700	(142)	49,022
Net increase/(decrease) in cash and cash equivalents	10,817	(39,786)	15,576	(62,596)	(69,512)
Cash and cash equivalents at the beginning of the year	201,548	212,170	172,476	172,476	187,496
Effect of foreign exchange rate changes, net	(195)	92	(556)	(308)	(177)
Cash and cash equivalents at the end of the year.	212,170	172,476	187,496	109,572	117,807

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the periods indicated:

	As of or for the year ended December 31,			As of or for five months ended May 31,
	2023	2024	2025	2026
Gross profit margin	15.2%	17.4%	23.6%	17.9%
Net profit margin.	2.4%	3.1%	6.2%	(0.1)%
Return on equity ⁽¹⁾	2.3%	3.2%	7.8%	(0.1)%
Return on total assets ⁽²⁾	2.0%	2.5%	5.8%	(0.1)%
Current ratio ⁽³⁾	4.8	4.7	3.0	2.5
Gearing ratio ⁽⁴⁾	24.1%	30.8%	38.9%	51.7%

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Notes:

- (1) Return on equity was calculated based on net profit of the respective year/period, divided by the arithmetic mean of the opening and closing balances of total equity and multiplied by 100%.
- (2) Return on total assets was calculated based on net profit of the respective year/period, divided by the arithmetic mean of the opening and closing balances of total assets and multiplied by 100%.
- (3) Current ratio was calculated dividing current assets by current liabilities as of the dates indicated.
- (4) Gearing ratio is calculated by total liability divided by total equity as at the end of the respective dates and multiplied by 100%.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

From time to time, we may be involved in disputes or legal proceedings arising from the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial conditions. For more information about the laws and regulations that we are subject to, see “Regulatory Overview.”

OUR CONTROLLING SHAREHOLDERS

Immediately after the completion of the [REDACTED] and assuming that the [REDACTED] is not exercised, Mr. Li together with the entities controlled by him, namely, Zhoushan Tuowei and Zhoushan Jicheng, will together be interested in and control [REDACTED] Shares, representing approximately [REDACTED]% of our total issued Shares and voting rights in our Company. Therefore, Mr. Li, Zhoushan Tuowei and Zhoushan Jicheng will constitute a group of Controlling Shareholders upon the [REDACTED]. See “Relationship with Our Controlling Shareholders” for more details.

PRE-[REDACTED] INVESTMENTS

We received equity financing from our Pre-[REDACTED] Investors to support our expanding business operations. As of the Latest Practicable Date, all of the proceeds from Pre-[REDACTED] Investment had been utilized. See “History, Development and Corporate Structure — Pre-[REDACTED] Investments — Information on Our Pre-[REDACTED] Investors” for more details.

[REDACTED]

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[REDACTED]

DIVIDENDS

Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, as appropriate. No dividends have been paid or declared by our Company during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or pre-determined dividend payout ratio.

After completion of the [REDACTED], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important.

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the [REDACTED] Range stated in this document), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) from the [REDACTED] after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used for the establishment of a new production base.
- Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used to strengthen our R&D capabilities and fund key R&D projects.

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- Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used to prudently pursue strategic investments and acquisitions.
- Approximately [REDACTED]% of the net [REDACTED], or approximately HK\$[REDACTED], is expected to be used for working capital and general corporate purposes.

For further details, please see “Future Plans and Use of [REDACTED]”.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] and other fees (such as the discretionary incentive fee) incurred in connection with the [REDACTED]. We estimate that our [REDACTED] expenses will be approximately RMB[REDACTED] (or HK\$[REDACTED], representing [REDACTED]% of the gross [REDACTED] from the [REDACTED]) (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range) and no exercise of the [REDACTED]), of which (i) approximately RMB[REDACTED], directly attributable to the issue of our [REDACTED], will be subsequently charged to equity upon completion of the proposed [REDACTED], (ii) RMB[REDACTED] and RMB[REDACTED] have been expensed in our consolidated statements of profit or loss for the year ended December 31, 2025 and the five months ended May 31, 2026, respectively, and (iii) approximately RMB[REDACTED] is expected to be expensed in our consolidated statements of profit or loss after May 31, 2026. Among such estimated total [REDACTED] expenses, we expect to pay [REDACTED] expenses of RMB[REDACTED], professional fees for our legal advisors and reporting accountants of RMB[REDACTED] and other fees and expenses of RMB[REDACTED].

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Since May 31, 2026 and up to the Latest Practicable Date, we have maintained stable business operations. Our revenue continued to increase compared to the same period in 2025, primarily driven by higher sales volume resulting from growing downstream demand in the industrial application sector, primarily including the industrial-grade unmanned aerial vehicle (UAV) systems and energy storage applications. At the same time, we had a decrease in sales to smartphone manufacturers, automotive electronics sector and in wafer sales.

No Material Adverse Change

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since May 31, 2026, being the end date of our latest consolidated financial statements, and there has been no event since May 31, 2026 that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.