Application Proof of

Guangzhou Shiyuan Electronic Technology Company Limited
廣州視源電子科技股份有限公司

(the "**Company**")

(A joint stock company incorporated in the People's Republic of China with limited liability)

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Guangzhou Shiyuan Electronic Technology Company Limited
廣州視源電子科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
[REDACTED]	:	[REDACTED]

Joint Sponsors, **[REDACTED]**

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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. You should read this Document in its entirety before you decide to invest in the **[REDACTED]**.

There are risks associated with any investment. Some of the particular risks in investing in the **[REDACTED]** *are set out in "Risk Factors" of this Document. You should read that section carefully before you decide to invest in the* **[REDACTED]**.

OVERVIEW

Who We Are

We are a specialist in intelligent control and a leader in the global commercial display industry, and we have established market leadership in interactive flat panel displays ("**IFPD**s") for both education and enterprise collaboration applications and liquid crystal display ("**LCD**") controller boards.

- ***Global leader in education IFPDs:*** In 2024, our *seewo*-branded education IFPDs accounted for 17.5% of the global market by revenue, ranking first worldwide, according to Frost & Sullivan.

- ***Global leader in conference IFPDs:*** In 2024, our *MAXHUB*-branded conference IFPDs accounted for 25.0% of the Chinese market by revenue, ranking first in mainland China, and 9.9% of the global market by revenue, ranking second worldwide, according to Frost & Sullivan.

- ***Global leader in LCD controller boards:*** In 2024, we held a 23.8% share of the global LCD controller board market by shipment volume, ranking first worldwide, according to Frost & Sullivan. In 2024, we served as the supplier of LCD controller boards to nine of the world's top ten television brands ranked by shipment volume in the same year, according to Frost & Sullivan.

We started from LCD controller boards and have since expanded into the broader market of intelligent control components, addressing a wide range of use cases with high growth potential, including household appliances (white goods), automotives, energy storage, as well as robotics components.

At the same time, we have established an ecosystem encompassing intelligent terminals and use-case specific solutions, offering a comprehensive portfolio of commercial display products and systems, AV equipment and systems, computing solutions, and other related hardware and domain-specific artificial intelligence-powered ("**AI-powered**") software solutions designed around key application scenarios, particularly in education and enterprise collaboration. Going forward, we are well positioned to capitalize on growth opportunities driven by the digital transformation of education, while further expanding our enterprise collaboration solutions beyond traditional meeting scenarios to broader enterprise environments and diversified industries, including manufacturing, telecom, finance, media and new retail.

Our Evolution

We began our journey in 2005, specializing in LCD controller boards for integration into televisions, monitors and other displays. We subsequently achieved a technological breakthrough by launching the industry's first "three-in-one" LCD controller board solution (which integrates the power module, display control and backlight driver into a single board), significantly enhancing production efficiency and reducing manufacturing costs of our customers. Dedicated to innovation and customer experience, we have been the global market leader by shipment volume in this product category for years, according to Frost & Sullivan.

Leveraging our deep expertise in display technologies, we identified an opportunity to innovate how people learn and collaborate through display solutions. In 2009, we launched our *seewo* brand, introducing the first IFPD product designed for the educational market in China. By 2012, *seewo* had become the leading IFPD brand for education in mainland China by revenue, according to Frost & Sullivan.

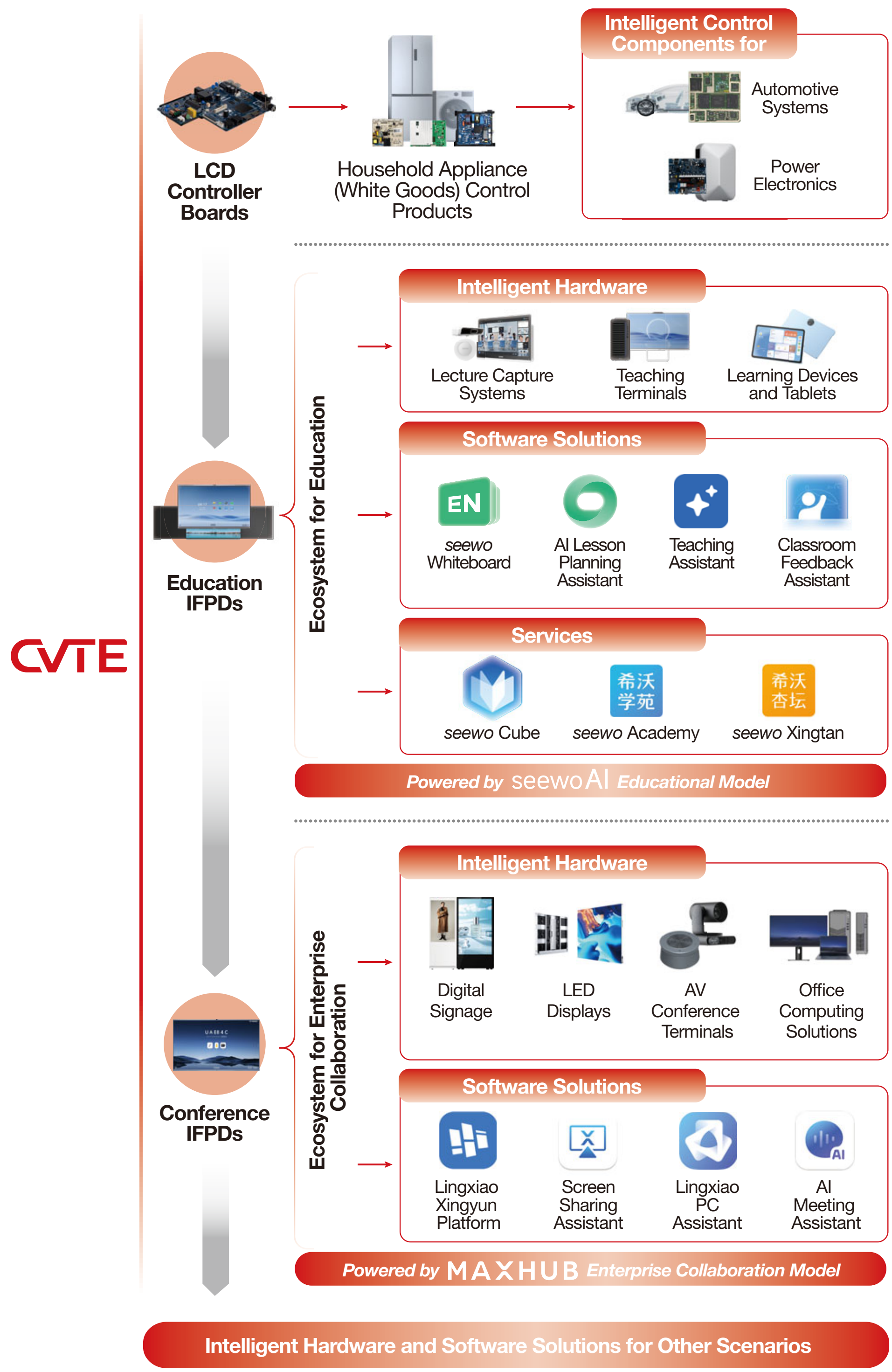
In 2017, capitalizing on emerging market opportunities, we expanded into the enterprise segment with the launch of the *MAXHUB* brand, offering IFPDs tailored for corporate environment to enhance communication, productivity, and collaboration. As one of the first-movers in this product category, *MAXHUB* has been the leading conference IFPD brand in mainland China by revenue for years, according to Frost & Sullivan.

In 2018, we began to place greater emphasis on driving sales of our intelligent devices and solutions, such as IFPDs, in overseas markets. In 2023, we achieved a key milestone in our international growth by entering into a close collaboration with Microsoft Teams.

To address a wide range of use cases with high growth potential in the broader market of intelligent control components, we ventured into the market of household appliance (white goods) control components. By 2021, we have developed a large and growing portfolio of key customers, fueling the fast growth of this product category. As of the Latest Practicable Date, our products were adopted by four of the top five global white goods brands in terms of revenue in 2024, according to Frost & Sullivan.

In 2023, we took a major step toward building integrated intelligent devices and solutions ecosystems for education and enterprise collaboration by launching our domain-specific multimodal LLMs, the *seewo* educational model and the *MAXHUB* enterprise collaboration model, which power a suite of tailored software solutions.

The following diagram illustrates our products and solutions.



Our Growth Opportunities

Intelligent devices and solutions

We believe that the adoption level of digital education solutions remains relatively low in many overseas markets, indicating significant untapped potential. In addition, the broad trend of utilizing AI-powered tools in education is expected to propel the adoption of IFPD and AV equipment as part of digital education solutions. The global market size for education IFPDs is projected to grow at a CAGR of 8.9% from RMB20.0 billion in 2024 to RMB30.7 billion in 2029. Additionally, the global market size for commercial AV equipment in the education sector is projected to grow from RMB86.6 billion in 2024 to RMB119.1 billion in 2029, maintaining a CAGR of 6.6%.

In the enterprise sector, rising demand for smarter, more flexible, and diversified meeting solutions is reshaping the global enterprise collaboration landscape. The global market size for conference IFPDs is projected to grow at a CAGR of 7.4% from RMB9.1 billion in 2024 to RMB13.0 billion in 2029. Additionally, the global market size for AV equipment for enterprise collaboration is projected to grow from RMB403.9 billion in 2024 to RMB493.7 billion by 2029, maintaining a CAGR of 4.1%. At the same time, we have observed a growing and diversified demand for customized display and marketing solutions across a wide range of industries, including manufacturing, telecom, finance, media and new retail.

Intelligent control components

The LCD controller board market, as a mature segment of the display control industry, is expected to remain stable in the coming years. Looking ahead, we see significant growth opportunities for our intelligent control components from high-potential sectors such as household appliances (white goods), automotives, energy storage, and robotics components.

The household appliance (white goods) industry is rapidly evolving toward intelligent functionality, driving increased demand for intelligent control components. The global market size for intelligent control components in household appliances (white goods) is projected to grow at a CAGR of 7.7% from RMB122.8 billion in 2024 to reach RMB177.8 billion in 2029.

In the automotive sector, the ongoing shift toward electrification and smart technologies is driving growth in the global automotive electronics market. The global market size for intelligent control components in automotive electronics is expected to grow at a CAGR of 7.7% from RMB1,033.0 billion in 2024 to RMB1,493.9 billion in 2029.

In addition, global demand for high-efficiency, green energy technologies continues to rise, supported by favorable policy trends, which, in turn, drives demand for power electronics components. The global market size for power electronics components is projected to grow at a CAGR of 3.5% from RMB254.3 billion in 2024 to RMB301.4 billion in 2029.

Our Business Model

We mainly offer two categories of products and solutions: (i) intelligent devices and solutions, which primarily include commercial display products and systems, office and industrial computing solutions, and AV equipment and systems; and (ii) intelligent control components, which primarily include LCD controller boards and household appliance (white goods) control components.

Beyond standalone display and collaboration hardware, we are advancing towards integrated intelligent display and collaboration ecosystems, offering a comprehensive portfolio of commercial display products and systems, related hardware, domain-specific AI-powered software solutions, and services designed around key application scenarios, particularly in education and enterprise collaboration.

We have launched a suite of education-focused hardware products designed to integrate seamlessly with IFPDs as part of a comprehensive system to enhance the learning experience. In addition, we introduced the *seewo* educational model, a domain-specific multimodal LLM tailored to meet the complex needs of modern education. Our *MAXHUB* brand is focused on the field of intelligent collaboration, building a comprehensive product ecosystem of smart hardware and software applications across three core environments: meeting spaces, office spaces, and public spaces. Leveraging the *MAXHUB* enterprise collaboration model, a domain-specific multimodal LLM tailored to address the complex collaboration needs of modern enterprises, *MAXHUB* integrates advanced AI technology across a variety of software and hardware products.

We sell our products through a combination of direct sales and a global distributor network, covering over 100 countries and regions. Domestically, our commercial display products and solutions are mainly marketed under *seewo* and *MAXHUB* brands, catering to the education and enterprise collaboration sectors, respectively. We market our products under *MAXHUB* brand and leverage the ODM model to reach a broader customer base in overseas markets. Under our ODM model, we manufacture products in our self-owned smart manufacturing facility or provide the product design, as well as the components and materials, to our manufacturing partners, who handle production. The finished products are then branded and sold by our customers under their own names.

We research and develop our products in-house and primarily engage specialized third-party partner factories around the world to produce them according to our proprietary designs and standard operating procedures ("**SOPs**"). To enhance our supply chain resilience and operational efficiency, we have established a smart manufacturing facility. This facility is capable of supporting the entire product lifecycle, including customer demand analysis, product R&D, pilot testing, mass production, and global shipment. In addition to fulfilling customer orders, the facility serves as a central hub for refining, testing, and finalizing product SOPs, which are then implemented across our global manufacturing partners, reinforcing our "local prototyping, global production" model that accelerates time-to-market while ensuring consistent product quality and operational scalability worldwide.

RESEARCH AND DEVELOPMENT

R&D are critical to maintaining our market-leading position and driving the sustained growth of our business, enabling us to continuously meet the evolving needs of our customers.

Guided by both technological advancement and customer demand, we are dedicated to in-house R&D focused on AI and interactive display technologies, which form the foundation of our innovation and product differentiation. Built on this foundation, we have achieved a leading technological edge in both artificial intelligence and key interactive display technologies including display, haptics, connectivity, audio and video.

SALES AND MARKETING

We believe that consistently delivering high-quality products on time and exceeding customer expectations is the most effective sales and marketing strategy for our business. We market and sell our products through a combination of direct sales and a global distributor network, reaching customers in over 100 countries and regions as of December 31, 2024.

Our direct sales and marketing efforts focus on maintaining and expanding strategic relationships with our customers, as we aim to become and remain their long-term trusted partner. In addition to strengthening ties with existing customers, our sales team also actively pursues new partnerships, particularly as we continue to broaden our product portfolio.

OUR SUPPLY CHAIN

We primarily engage specialized third-party partner factories around the world to produce our products according to our proprietary designs and SOPs, including products we offer under ODM model. As of December 31, 2024, we had a global network of over 35 specialized partner factories manufacturing our products, including over 25 dedicated to intelligent control components and over 10 focused on intelligent devices and solutions.

We have also established a smart manufacturing facility primarily dedicated to IFPDs, which became operational in 2024. In addition to fulfilling customer orders, the facility serves as a central hub for refining, testing, and finalizing product SOPs, which are then implemented across our global manufacturing partners, reinforcing our "local prototyping, global production" model that accelerates time-to-market while ensuring consistent product quality and operational scalability worldwide.

We are the global leader in LCD controller boards and IFPD solutions. Our strong market share provides a significant scale advantage in raw material procurement, such as LCD control chips and display panels, enabling us to reduce procurement costs. This scale has also allowed us to forge close partnerships with leading upstream chip manufacturers and major LCD panel suppliers, keeping us at the forefront of supply chain technology developments and supporting continuous product innovation.

CUSTOMERS AND SUPPLIERS

Our customers primarily include brand companies in the electronics industry who are our direct sales customers, as well as distributors who resell our products to end users. In 2022, 2023 and 2024, sales to our five largest customers amounted to RMB5,471.4 million, RMB5,149.1 million and RMB6,087.6 million, accounting for 26.1%, 25.5% and 27.2% of our total sales in the respective years. In 2022, 2023 and 2024, sales to our largest customer amounted to RMB2,875.9 million, RMB2,772.2 million and RMB3,346.9 million, accounting for 13.7%, 13.7% and 14.9% of our total sales in the respective years.

Our suppliers are mainly manufacturers of LCD control chips and display panels, as well as our production partners. In 2022, 2023 and 2024, purchases from our five largest suppliers amounted to RMB3,501.8 million, RMB3,560.2 million and RMB3,241.4 million, accounting for 26.6%, 25.7% and 20.1% of our total purchases in the respective years. In 2022, 2023 and 2024, purchases from our largest supplier amounted to RMB1,039.1 million, RMB1,092.0 million and RMB1,022.3 million, accounting for 7.9%, 7.9% and 6.3% of our total purchases in the respective years.

COMPETITION

We operate in highly competitive markets, and we compete with intelligent devices and solutions providers and intelligent control components providers. Notably, the commercial display products market, such as IFPDs for educational market and enterprise collaboration, is undergoing transformation, and competition is intense. In addition, the LCD controller board market is relatively concentrated with competition among leading players, such as us.

Our ability to maintain and grow our market share depends on us competing effectively against our competitors. The competitive landscape is shaped by multiple factors, including the growth of our customers and their respective industries, advancements in technology, emergence of new technology, regulatory changes and general economic conditions. See "Industry Overview" for details relating to our competitive landscape.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have fuelled our success and will continue to drive our future growth:

- Leading Position in Commercial Displays for Education and Enterprise Collaboration with Vast Growth Potential, Powered by Integrated, AI-Enabled Hardware-Software-Service Ecosystems

- Specialist in Intelligent Control and Global Leader in LCD Controller Boards, Well-Positioned to Capture Growth in the Broader Control Components Market for White Goods, Automotive Electronics and Power Electronics

- Deep Expertise in AI Intelligent Interactive Display Technologies, Enabled by a Comprehensive and Synergistic R&D System Driving Continuous Innovation

- Seamlessly Integrated Global Supply Chain Underpinned by Standardized Operations

- Locally Adapted Sales Strategies Delivering Intelligent Devices and Solutions to the World

- Visionary Leadership and a Culture of Innovation

See "Business — Our Competitive Strengths."

OUR STRATEGIES

We will continue to pursue the following strategies to drive further growth.

- Strengthen R&D Capabilities to Solidify Technological Leadership and Develop Emerging Technologies

- Optimize and Expand Our Intelligent Display and Collaboration Ecosystems to Meet Diverse Customer Needs across Multiple Scenarios, including Education and Enterprise Collaboration in Global Markets

- Advance Innovation in Intelligent Control Components and Solutions for New Growth Areas to Broaden Market Presence and Product Offerings

- Drive Digital Transformation to Enhance Management Efficiency and Advance Smart Manufacturing

- Accelerate Growth through Strategic Investments and Acquisitions

See "Business — Our Strategies."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our financial information during the Track Record Period, extracted from the Accountants' Report as set out in Appendix I to this Document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, our financial statements in this Document, including the related notes. Our consolidated financial information was prepared in accordance with the IFRSs.

Summary of Consolidated Statements of Profit or Loss

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

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Revenue	**20,990,265**	**100.0**	**20,172,637**	**100.0**	**22,401,182**	**100.0**
Cost of sales	(15,491,636)	(73.8)	(15,220,640)	(75.5)	(17,713,185)	(79.1)
Gross profit	**5,498,629**	**26.2**	**4,951,997**	**24.5**	**4,687,997**	**20.9**
Other income	511,502	2.4	678,436	3.4	521,646	2.3
Other gains and losses, net	26,271	0.1	36,311	0.2	(3,870)	(0.0)
Provision for impairment losses	(239,356)	(1.1)	(165,117)	(0.8)	(142,351)	(0.6)
Selling expenses	(1,187,767)	(5.7)	(1,343,131)	(6.7)	(1,205,971)	(5.4)
Administrative expenses	(964,393)	(4.6)	(1,177,632)	(5.8)	(1,177,362)	(5.2)
Research and development expenses	(1,280,863)	(6.1)	(1,422,498)	(7.1)	(1,540,155)	(6.9)
Finance costs	(71,276)	(0.3)	(76,224)	(0.4)	(99,336)	(0.4)
Share of results of associates	33,012	0.2	6,483	0.0	6,118	0.0
Profit before tax	**2,325,759**	**11.1**	**1,488,625**	**7.3**	**1,046,716**	**4.7**
Income tax expenses	(204,957)	(1.0)	(88,892)	(0.4)	(10,568)	(0.1)
Profit for the year	**2,120,802**	**10.1**	**1,399,733**	**6.9**	**1,036,148**	**4.6**

Revenue

During the Track Record Period, we derived revenue primarily from sale of products, including intelligent devices and solutions and intelligent control components. We also generate a small portion of our revenue from providing software services, testing and after-sales services.

Our revenue increased by 11.0% from RMB20,172.6 million in 2023 to RMB22,401.2 million in 2024, primarily due to a 20.4% increase in revenue generated from intelligent control components from RMB8,535.0 million in 2023 to RMB10,273.6 million in 2024.

Our revenue decreased by 3.9% from RMB20,990.3 million in 2022 to RMB20,172.6 million in 2023, primarily due to (i) a 5.8% decrease in revenue generated from intelligent devices and solutions from RMB11,844.7 million in 2022 to RMB11,154.6 million in 2023, (ii) a 3.0% decrease in revenue generated from intelligent control components from RMB8,802.2 million in 2022 to RMB8,535.0 million in 2023 and (iii) partially offset by an increase in revenue generated from others from RMB343.3 million in 2022 to RMB483.0 million in 2023.

See "Financial Information — Year-on-Year Comparison of Results of Operations."

By product category

The table below sets forth the breakdown of our revenue by product category for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	%	*RMB*	%	*RMB*	%
	(in RMB thousands, except for percentages)					
Intelligent devices and solutions						
Commercial display products and systems	10,108,036	48.2	9,202,680	45.6	9,298,321	41.5
Office and industrial computing solutions	198,087	1.0	526,806	2.6	824,708	3.7
AV equipment and systems	403,908	1.9	428,835	2.1	535,538	2.4
Others(1)	1,134,713	5.4	996,265	4.9	968,318	4.3
Subtotal	11,844,744	56.5	11,154,586	55.2	11,626,885	51.9
Intelligent control components						
LCD controller boards	7,018,898	33.4	5,927,808	29.4	6,628,552	29.6
Household appliance (white goods) control components	535,274	2.6	1,039,747	5.2	1,722,238	7.7
Others(2)	1,248,062	5.9	1,567,485	7.8	1,922,834	8.6
Subtotal	8,802,234	41.9	8,535,040	42.4	10,273,624	45.9
Software and other services(3)	343,287	1.6	483,011	2.4	500,673	2.2
Total	**20,990,265**	**100.0**	**20,172,637**	**100.0**	**22,401,182**	**100.0**

Notes:

(1) Primarily include revenue generated from learning devices and tablets.

(2) Primarily include revenue generated from automotive electronics control components and power electronics control components.

(3) Primarily include revenue generated from software services, testing and after-sales services.

During the Track Record Period, our revenue is primarily derived from intelligent devices and solutions and intelligent control components.

By geographical location

The table below sets forth the breakdown of our revenue by geographical location for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Mainland China	16,076,252	76.6	15,509,842	76.9	16,701,908	74.6
Overseas	4,914,013	23.4	4,662,795	23.1	5,699,274	25.4
Total	**20,990,265**	**100.0**	**20,172,637**	**100.0**	**22,401,182**	**100.0**

During the Track Record Period, a majority of our revenue was from Mainland China, while the revenue contribution from overseas increased in 2024 primarily due to our continued efforts in penetrating overseas markets and improvement of global presence. As a result of our globalization strategy, we expect that the overseas market will continue to account for a substantial portion of our total revenue in the future.

Gross Profit and Gross Profit Margin

By product category

The table below sets forth the breakdown of our gross profit and the gross profit margin by product category for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Intelligent devices and solutions	4,211,503	35.6	3,364,755	30.2	2,936,628	25.3
Intelligent control components	1,090,173	12.4	1,315,654	15.4	1,472,751	14.3
Software and other services	196,953	57.4	271,588	56.2	278,618	55.6
Total/Overall	**5,498,629**	**26.2**	**4,951,997**	**24.5**	**4,687,997**	**20.9**

Our gross profit decreased by 5.3% from RMB4,952.0 million in 2023 to RMB4,688.0 million in 2024, primarily due to a 12.7% decrease in gross profit from intelligent devices and solutions from RMB3,364.8 million in 2023 to RMB2,936.6 million in 2024, partially offset by an 11.9% increase in gross profit from intelligent control components from RMB1,315.7 million in 2023 to RMB1,472.8 million in 2024.

Our gross profit margin decreased from 24.5% in 2023 to 20.9% in 2024, primarily because (i) the revenue increase from intelligent control components, which carried a lower gross profit margin, outpaced the revenue increase from intelligent devices and solution and (ii) the gross profit margin from intelligent devices and solutions decreased from 30.2% in 2023 to 25.3% in 2024.

Our gross profit decreased by 9.9% from RMB5,498.6 million in 2022 to RMB4,952.0 million in 2023, primarily due to a 20.1% decrease in gross profit from intelligent devices and solutions from RMB4,211.5 million in 2022 to RMB3,364.8 million in 2023, partially offset by (i) a 20.7% increase in gross profit from intelligent control components from RMB1,090.2 million in 2022 to RMB1,315.7 million in 2023 and (ii) a 37.9% increase in gross profit from software and other services from RMB197.0 million in 2022 to RMB271.6 million in 2023.

Our gross profit margin decreased from 26.2% in 2022 to 24.5% in 2023, primarily because the gross profit margin of intelligent devices and solutions decreased from 35.6% in 2022 to 30.2% in 2023.

See "Financial Information — Year-on-Year Comparison of Results of Operations."

By geographical location

The table below sets forth the breakdown of our gross profit and the gross profit margin by geographical location for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Mainland China	3,978,124	24.7	3,725,768	24.0	3,299,760	19.8
Overseas	1,520,505	30.9	1,226,229	26.3	1,388,237	24.4
Total	**5,498,629**	**26.2**	**4,951,997**	**24.5**	**4,687,997**	**20.9**

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated.

	As of December 31,		
	2022	**2023**	**2024**
	(in RMB thousands)		
Total non-current assets	4,712,179	8,515,311	13,382,786
Total current assets	15,436,315	13,290,290	9,287,495
Total assets	**20,148,494**	**21,805,601**	**22,670,281**
Total non-current liabilities	497,534	561,638	961,034
Total current liabilities	7,480,216	8,377,220	8,584,210
Total liabilities	**7,977,750**	**8,938,858**	**9,545,244**
Net current assets	**7,956,099**	**4,913,070**	**703,285**
Net assets	**12,170,744**	**12,866,743**	**13,125,037**

During the Track Record Period, our net assets continued to increase. Our net assets increased from RMB12,170.7 million as of December 31, 2022 to RMB12,866.7 million as of December 31, 2023, mainly because we recorded profit for the year of RMB1,399.7 million in 2023, partially offset by dividends paid of RMB736.3 million.

Our net assets increased from RMB12,866.7 million as of December 31, 2023 to RMB13,125.0 million as of December 31, 2024, mainly because we recorded profit for the year of RMB1,036.1 million in 2024, partially offset by dividends paid of RMB587.3 million.

For details of the fluctuation in key items of our consolidated statements of financial position and net current assets during the Track Record Period, see "Financial Information — Selected Balance Sheet Items."

Summary of Consolidated Statements of Cash Flow

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

	Year Ended December 31,		
	2022	2023	2024
	(in RMB thousands)		
Net cash generated from operating activities	2,136,691	785,839	1,028,838
Net cash used in investing activities	(4,855,904)	(561,777)	(247,719)
Net cash generated from/(used in) financing activities	2,333,333	(281,495)	(579,996)
Net (decrease)/increase in cash and cash equivalents	**(385,880)**	**(57,433)**	**201,123**
Cash and cash equivalents at the beginning of the year	4,986,270	4,714,752	4,681,386
Effects of exchange rate changes	114,362	24,067	7,182
Cash and cash equivalents at end of the year	**4,714,752**	**4,681,386**	**4,889,691**

In 2022, 2023 and 2024, we recorded net cash flows generated from operating activities of RMB2,136.7 million, RMB785.8 million and RMB1,028.8 million, respectively, primarily due to the profits we generated in each of the respective years.

See "Financial Information — Cash Flows."

KEY FINANCIAL RATIOS

	Year Ended/As of December 31,		
	2022	2023	2024
Return on assets[1]	10.5%	6.4%	4.6%
Return on equity[2]	17.4%	10.9%	7.9%
Gearing ratio[3]	18.3%	22.6%	25.3%
Current ratio[4]	2.1	1.6	1.1
Quick ratio[5]	1.8	1.3	0.8

Notes:

1. Return on assets is calculated based on the total profit for the relevant year divided by the ending balance of total assets and multiplied by 100%.

2. Return on equity is calculated based on the total profit for the relevant year divided by the ending balance of total equity and multiplied by 100%.

3. Gearing ratio is calculated based on the borrowings and lease liabilities divided by the ending balance of total equity and multiplied by 100%.

4. Current ratio is calculated based on the total current assets divided by the total current liabilities as at the end of the respective year.

5. Quick ratio is calculated as total current assets less inventories divided by the total current liabilities as at the end of the respective year.

RISK FACTORS

Our operations and the [**REDACTED**] involve certain risks and uncertainties, including (i) risks relating to our industry and business, (ii) risks relating to the jurisdiction in which we operate and (iii) risks relating to the [**REDACTED**], which are set out in the section headed "Risk Factors" in this Document. You should read that section in its entirety carefully before you decide to invest in the [**REDACTED**].

Some of the major risks we face include, but are not limited to:

- Our business and operating results are affected by the global economic conditions and macroeconomic trends;

- The markets for our products are constantly changing. If we are unable to respond effectively to these changes, our business, results of operations and financial condition will be materially and adversely affected;

- Our business faces competition;

- We may be exposed to risks relating to price fluctuations of raw materials, and we may not be able to secure our supply of such materials in a stable and timely manner;

- If we are unable to execute our business strategies effectively, our business and prospects may be materially and adversely affected;

- Our international strategy and ability to conduct business in various jurisdictions is subject to uncertainties and risks;

- We may face risks if there are quality issues with our products;

- We face risks associated with the use of third-party production partners to produce our products;

- Failure to maintain our brands and reputation and the negative publicity and allegations involving us, our shareholders, Directors, officers, employees and business partners may affect our reputation and, as a result, our business, financial condition and results of operations may be negatively affected; and

- Any failure to acquire new customers or retain existing customers may materially and adversely affect our business, and any failure to offer high-quality after-sales services for our customers may harm our relationships with them and, consequently, our business.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, the Company was held as to approximately (i) 11.15% by Mr. Wong Ching Chung, (ii) 10.90% by Mr. Wang Yiran, (iii) 10.82% by Mr. Sun Yonghui, (iv) 5.31% by Ms. Yu Wei, (v) 4.98% by Mr. Zhou Kaiqi, and (vi) 3.92% by Mr. You Tianyuan. For a simplified corporate structure chart of the Group before the [**REDACTED**], see "History, Development and Corporate Structure" in this Document.

In order to improve the efficiency of Shareholders' decision-making process, Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan entered into the Acting-in-Concert Agreement on June 2, 2011, pursuant to which, each of Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan had agreed, among others, to act in concert when voting at general meetings of the Company and meetings of the Board. Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan entered into a supplemental agreement to the Acting-in-Concert Agreement on January 5, 2012 to further confirm the acting-in-concert arrangement under the Acting-in-Concert Agreement and further renewed the Acting-in-Concert Agreement on January 17, 2022 and January 16, 2025, respectively. Pursuant to the renewed Acting-in-Concert Agreement dated January 16, 2025, each of Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan have agreed, among others, to act in concert when voting at general meetings of the Company and meetings of the Board until January 15, 2028. Accordingly, immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan will collectively control in aggregate approximately [**REDACTED**]% of the total issued share capital of the Company and be entitled to exercise more than 30% of the voting power at general meetings of the Company. Therefore, Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan will together constitute a group of the Controlling Shareholders under the Hong Kong Listing Rules upon the [**REDACTED**].

DIVIDEND POLICY

Subject to PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號 －上市公司現金分紅（2025年修訂）》), and the Articles of Association, we are required to pay cash dividends of no less than 30% of the distributable profits recorded in the fiscal year.

We adopted Shareholder Return Plan for 2024-2026 in 2024. We have strictly implemented this plan, which outlines the decision-making process for setting dividend standards and profit distribution policies, aiming to ensure a stable and consistent approach to profit distribution. Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, **[REDACTED]** commission and fees incurred in connection with the **[REDACTED]** and the **[REDACTED]**. Our **[REDACTED]** expenses are estimated to be approximately RMB**[REDACTED]** (including **[REDACTED]** commission) accounting for **[REDACTED]**% of the gross **[REDACTED]** of the **[REDACTED]**, assuming that an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the **[REDACTED]** range stated in this Document). Among our **[REDACTED]** expenses, approximately RMB **[REDACTED]** is directly attributable to the issuance of Shares and will be charged to equity upon completion of the **[REDACTED]**, and approximately RMB**[REDACTED]** has been or will be charged to our consolidated statement of comprehensive income. The **[REDACTED]** expenses we incurred in the Track Record Period and expect to incur would consist of approximately RMB**[REDACTED]** **[REDACTED]** related expenses and fees (including **[REDACTED]** commissions, SFC transaction levy, Hong Kong Stock Exchange trading fee and AFRC transaction levy), approximately RMB**[REDACTED]** non-**[REDACTED]**-related expenses and fees including fees for the Joint Sponsors, legal advisors and reporting accountant and approximately RMB**[REDACTED]** for other non-**[REDACTED]**-related fees and expenses. During the Track Record Period, we did not record any **[REDACTED]** expenses.

The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED] STATISTICS

The statistics in the following table are based on the assumption that (i) the [**REDACTED**] has been completed and [**REDACTED**] H Shares are issued in the [**REDACTED**] and (ii) the [**REDACTED**] is not exercised:

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	**Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]**
[**REDACTED**] of our H Shares	HK$[**REDACTED**]	HK$[**REDACTED**]
Unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share[(1)]	HK$[**REDACTED**] (RMB[**REDACTED**])	HK$[**REDACTED**] (RMB[**REDACTED**])

Notes:

(1) The unaudited [**REDACTED**] adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is arrived at on the basis of [**REDACTED**] Shares in total, assuming that the [**REDACTED**] had been completed on 31 December 2024. It does not take into account any shares which may be allotted and issued pursuant to the exercise of the [**REDACTED**] or any shares which may be issued or repurchased by the Company pursuant to the Company's general mandate.

No adjustment has been made to the unaudited [**REDACTED**] adjusted consolidated net tangible assets to reflect any trading results or other transactions of our Group entered into subsequent to December 31, 2024. For the calculation of the unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share, see the section headed "Unaudited [**REDACTED**] Financial Information" in Appendix II to this Document.

USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the midpoint of the range of the [**REDACTED**] stated in this Document), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] commissions and other estimated expenses paid and payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] are not exercised. In line with our strategies, we intend to use our [**REDACTED**] for the purposes and in the amounts set forth below.

- approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used to further strengthen our R&D capabilities;

- approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used to accelerate our international expansion and strengthen our competitiveness in overseas markets;

- approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used to advance our digitalization capabilities;

- approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used for strategic investments and acquisitions in domestic and international markets to support our long-term growth and competitiveness; and

- approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used for working capital and general corporate purposes.

LISTING ON THE SHENZHEN STOCK EXCHANGE

Since January 2017, the A Shares have been listed on the Shenzhen Stock Exchange. The Directors confirm that, since the A-Share Listing and up to the Latest Practicable Date, there had been no instances of material non-compliance of the Company with the applicable rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations. To the best knowledge of the Directors, there are no material matters in relation to the compliance record of the Company on the Shenzhen Stock Exchange that should be brought to the attention of the Hong Kong Stock Exchange or potential investors of the [**REDACTED**]. The PRC Legal Advisor is of the view that, since the A-Share Listing and up to the Latest Practicable Date, there had been no instances of material non-compliance of the Company with the applicable rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations. Based on the independent due diligence conducted by the Joint Sponsors and the PRC Legal Advisor's view above, no material matter has come to the Joint Sponsors' attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, as of the date of this Document, there has been no material adverse change in our financial position since December 31, 2024, and there has been no event since December 31, 2024 that would materially affect the information as set out in the Accountants' Report in Appendix I to this Document.

In this Document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are explained in "Glossary of Technical Terms" in this Document.

"A Share(s)"	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in Renminbi
"Accountants' Report"	the accountants' report of the Company, the text of which is set out in Appendix I to this Document
"Acting-in-Concert Agreement"	the acting-in-concert agreement dated June 2, 2011 entered into among Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan, as supplemented and renewed on January 5, 2012, January 17, 2022 and January 16, 2025, respectively, details of which are set out in the section headed "Relationship with the Controlling Shareholders — Overview" in this Document
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council
"Articles" or "Articles of Association"	the articles of association of the Company with effect upon the **[REDACTED]** (as amended from time to time), a summary of which is set out in Appendix III to this Document
"associate(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of the Company
"Business Day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

"CAC"	Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室)

[REDACTED]

"close associate(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance" or "CWUMPO"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	Guangzhou Shiyuan Electronic Technology Company Limited (廣州視源電子科技股份有限公司), a limited liability company established in the PRC on December 28, 2005, which was converted into a joint stock company with limited liability on December 31, 2011, formerly known as Guangzhou Shiyuan Electronic Technology Co., Ltd. (廣州視源電子科技有限公司)
"Compliance Advisor"	Somerley Capital Limited
"connected person(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"Controlling Shareholders"	Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan

"core connected person(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of the Company
"EIT"	enterprise income tax
"EIT Law"	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)
"ESG"	environmental, social and governance

[REDACTED]

"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong

[REDACTED]

"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research and consulting company

[REDACTED]

"Group," "we," "our" or "us"	the Company and its subsidiaries, or any one of them as the context may require, and where the context requires, the businesses operated by the Company and/or its subsidiaries and their predecessors (if any)
"Guangzhou Shicheng"	Guangzhou Shicheng Electronic Technology Co., Ltd. (廣州視承電子科技有限公司), a limited liability company established in the PRC on February 3, 2023 and a wholly-owned subsidiary of the Company
"Guangzhou Shikun"	Guangzhou Shikun Electronic Technology Co., Ltd. (廣州視琨電子科技有限公司), a limited liability company established in the PRC on August 28, 2015 and a wholly-owned subsidiary of the Company
"Guangzhou Shizhen"	Guangzhou Shizhen Information Technology Co., Ltd. (廣州視臻信息科技有限公司), a limited liability company established in the PRC on August 22, 2011 and a wholly-owned subsidiary of the Company
"Guide" or "Guide For New Listing Applicants"	the Guide For New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	**[REDACTED]** ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are to be **[REDACTED]** for and **[REDACTED]** in Hong Kong dollars and to be **[REDACTED]** on the Hong Kong Stock Exchange

[REDACTED]

[REDACTED]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

[REDACTED]

[REDACTED]

"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

[REDACTED]

"IFRSs"	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by IASB and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Committee (IASC)
"Independent Third Party(ies)"	any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Hong Kong Listing Rules

[REDACTED]

[**REDACTED**]

"Joint Sponsors"	the joint sponsors as named in the section headed "Directors, Supervisors and Parties Involved in the [**REDACTED**]"
"Latest Practicable Date"	June 10, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication

[**REDACTED**]

[REDACTED]

"Macau"	the Macau Special Administrative Region of the PRC
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operates in parallel with the GEM of the Hong Kong Stock Exchange
"MIIT"	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)

[REDACTED]

[REDACTED]

"Overseas Listing Trial Measures"	The Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023
"PRC"	the People's Republic of China
"PRC Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"PRC Legal Advisor"	JunHe LLP, the PRC legal advisor to the Company
"PRC Securities Law"	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time

[REDACTED]

"QIBs"	qualified institutional buyers within the meaning of Rule 144A under the U.S. Securities Act
"Regulation S"	Regulation S under the U.S. Securities Act

"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SCNPC"	the Standing Committee of the National People's Congress of the PRC (中華人民共和國全國人民代表大會常務委員會)
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, including A Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen PVT"	Shenzhen PVT Electronics Co., Ltd. (深圳市掌銳電子有限公司), a limited liability company established in the PRC on March 27, 2014 and a non-wholly-owned subsidiary of the Company
"Shirui Electronic"	Guangzhou Shirui Electronic Technology Co., Ltd. (廣州視睿電子科技有限公司), a limited liability company established in the PRC on July 11, 2008 and a wholly-owned subsidiary of the Company
"Shirui Software"	Guangzhou Shirui Software Technology Co., Ltd. (廣州視睿軟件技術有限公司), a limited liability company established in the PRC on June 23, 2022 and a wholly-owned subsidiary of the Company

"Shiyuan HK"	Shiyuan (HK) Limited (視源(香港)有限公司), a private company limited by shares incorporated under the laws of Hong Kong on September 7, 2011 and a wholly-owned subsidiary of the Company
"Shiyuan Innovation"	Guangzhou Shiyuan Innovation Technology Co., Ltd. (廣州視源創新科技有限公司), a limited liability company established in the PRC on March 9, 2021 and a wholly-owned subsidiary of the Company
"Shiyuan Ruichuang"	Guangzhou Shiyuan Ruichuang Electronic Technology Co., Ltd. (廣州視源睿創電子科技有限公司), a limited liability company established in the PRC on August 28, 2014 and a wholly-owned subsidiary of the Company
"STA"	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)

[REDACTED]

"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Ownership Plan"	the 2024 Stock Ownership Plan of the Company approved by the Shareholders on September 11, 2024
"Strategy and ESG Committee"	the strategy and ESG committee of the Board
"subsidiary(ies)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"Supervisor(s)"	member(s) of the Supervisory Committee
"Supervisory Committee"	the supervisory committee of the Company
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the financial years ended December 31, 2022, 2023 and 2024

"treasury shares"	has the meaning ascribed thereto under the Hong Kong Listing Rules

[**REDACTED**]

"United States" or "U.S."	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"U.S. dollar(s)", "US$" or "USD"	United States dollar, the lawful currency of the United States
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"VAT"	value-added tax
"Xi'an Qingsong"	Xi'an Qingsong Optoelectronics Technology Co., Ltd. (西安青松光電技術有限公司), a limited liability company established in the PRC on March 22, 2010 and a non-wholly-owned subsidiary of the Company
"%"	per cent

For ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, natural persons or other entities (including the Company's subsidiaries) have been included in this Document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

Unless otherwise stated, 2,563,644 repurchased A Shares which were held as treasury shares by the Company as of the Latest Practicable Date have been included in the total number of issued shares of the Company as of the Latest Practicable Date and immediately after completion of the [**REDACTED**].

GLOSSARY OF TECHNICAL TERMS

In this Document, unless the context otherwise requires, explanations and definitions of certain terms used in this Document in connection with us and our business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

"AV"	audio and video
"AVC"	advanced video coding, a widely used video compression standard that provides excellent video quality at low bit rates, which is designed to efficiently encode and decode digital video content, making it suitable for a variety of applications, including streaming media, video conferencing, and digital television
"COB"	chip on board, a technology wherein the microchip or die is directly mounted on and lectrically interconnected to its final circuit board
"controller"	a specialized integrated circuit that connects to a host CPU and controls the LCD panel
"HDR"	high dynamic range, a set of techniques and technologies used to enhance the visual quality of images and videos by providing a greater range of luminance and color accuracy compared to standard dynamic range (SDR) content
"IFPD"	interactive flat panel display, a large, touch-sensitive screen that combines the functionality of a traditional whiteboard, a computer, and a projector into one sleek device, which allows users to interact directly with the display using their fingers or a stylus, making it an ideal tool for presentations, collaborative work, and interactive learning
"K12"	the educational system that includes kindergarten through 12th grade
"LCD"	liquid crystal display, a type of flat-panel display technology that uses liquid crystals to control the passage of light

"LED"	Light-emitting diode, a semiconductor device that emits light when an electric current passes through it, which is highly efficient and energy-saving, making them a popular choice for a wide range of lighting applications
"LLM"	large language model, a type of artificial intelligence model that is trained on vast amounts of text data to generate human-like text based on the input it receives
"MiniLED"	miniature light-emitting diode, which is significantly smaller than traditional LEDs, allowing for more precise control over the backlight
"ODM"	original design manufacturer, a company that designs and manufactures products for other companies which then market and sell these products under their own brand names
"paper-like"	a type of electronic display technology that mimics the appearance and reading experience of traditional paper, which have several characteristics that make them like reading on actual paper, including reflective technology, high contrast, low power consumption, viewing angle and non-glare surface
"radio frequency"	the range of electromagnetic frequencies that are used for wireless communication and broadcasting, typically above the audio range and below the infrared range, spanning from about 3 kHz to 300 GHz
"SVC"	scalable video coding, an extension of the AVC video compression standard that enables the encoding of video streams in a scalable manner, allowing for efficient transmission and adaptation of video content to varying network conditions and device capabilities
"TÜV Rheinland"	one of the world's leading providers of testing and inspection services
"UHD"	ultra-high definition, a resolution standard for digital displays and content that offers significantly higher resolution than traditional high-definition (HD) formats

The Company has included in this Document forward-looking statements. Statements that are not historical facts, including but not limited to statements about its intentions, beliefs, expectations or predictions for the future, are forward-looking statements. When used in this Document, the words "aim," "anticipate," "believe," "could," "expect," "going forward," "intend," "ought to," "project," "seek," "should," "will", "would," "vision," "aspire," "target," "schedule," and the negative of these words and other similar expressions, as they relate to the Group or its management, are intended to identify forward-looking statements. Such statements reflect the current views of the Group's management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this Document, some of which are beyond the Company's control and may cause the Company's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing the Group which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- the Group's operations and business prospects;
- the Group's ability to maintain relationship with, and the actions and developments affecting, its customers and suppliers;
- future developments, trends and conditions in the industries and markets in which the Group operates or plans to operate;
- general economic, political and business conditions in the markets in which the Group operates;
- changes to the regulatory environment in the industries and markets in which the Group operates;
- the Group's ability to maintain its market position;
- the actions and developments of the Group's competitors;
- the Group's ability to effectively contain costs and optimize pricing;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- the Group's ability to retain senior management and key personnel and recruit qualified staff;
- the Group's business strategies and plans to achieve these strategies;
- the effectiveness of the Group's quality control systems;

- change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends; including those pertaining to the PRC and the industry and markets in which the Group operates; and

- capital market developments.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, the Company does not have any or undertake no obligation to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Document might not occur in the way the Company expects or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed "Risk Factors" in this Document.

In this Document, statements of or references to the Company's intentions or those of its Directors were made as of the date of this Document. Any such information may change in light of future developments.

You should carefully consider the following information about risks, together with the other information contained in this Document, including our consolidated financial statements and related notes, before any investment decision in relation to the H Shares. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The market price of the H Shares could fall significantly due to any of these risks, and you may lose all or part of your investment. The information given is subject to the cautionary statements in the section headed "Forward-Looking Statements."

RISKS RELATING TO OUR INDUSTRY AND BUSINESS

Our business and operating results are affected by the global economic conditions and macroeconomic trends.

Our business and operating results are affected by the global economic conditions, including the overall global economic growth and level of per capita disposable income, among other things, as our products and solutions are sold globally. Unfavorable changes in the global economic conditions and macrotrends, particularly, education and enterprise-related spending could negatively affect demand for our products and solutions and materially and adversely affect our results of operations.

In particular, our education-related products and solutions are subject to fluctuations in demand that are influenced by the budgetary allocations and spending levels of K12 schools, universities and other educational institutions, as well as by consumer discretionary spending. These factors are, in turn, affected by government policies, public funding priorities and broader macroeconomic conditions, which may have a material impact on our business, financial condition and results of operations. Demand for our products and solutions for enterprise and industrial applications is influenced by the level of business spending, which is, in turn, affected by global economic conditions and business cycles.

In addition, demand for our intelligent control components is affected by sales of end products, such as televisions and white goods, which in turn are affected by consumer discretionary spending that is influenced by broader macroeconomic conditions. Any negative development in macroeconomic conditions could materially and adversely affect our results of operations.

The markets for our products are constantly changing. If we are unable to respond effectively to these changes, our business, results of operations and financial condition will be materially and adversely affected.

The various industries we operate in, including commercial display, AV equipment, computing device and control component industries, are subject to constant and rapid changes in technology, constant product and technology upgrade, frequent new product introductions and evolving technical standards. New technologies may be introduced that make the current technologies on which our products are based less competitive or even obsolete or require us to make changes to our technology that could be expensive and time consuming to implement. Due to the evolving nature of our markets, our future success depends on our ability to accurately anticipate and respond to changes in industry standards, technological requirements, customer and consumer preferences and other market conditions. In order to maintain our competitive position and continue to grow our business, we need to continuously develop and introduce innovative products for our existing and potential customers. Accordingly, we have placed great emphasis on our research and development activities, which require considerable human resources and capital investment. In 2022, 2023 and 2024, our research and development expenses amounted to RMB1,280.9 million, RMB1,422.5 million and RMB1,540.2 million, accounting for 6.1%, 7.1% and 6.9% of our revenue, respectively. However, we cannot assure you that these efforts will be successful or produce our anticipated results. Even if our research and development efforts are successful, we may not be able to apply the technologies we developed to introduce new products in time to capture the first-mover advantage, or at all.

Our technologies could also become obsolete sooner than we expect because of faster than anticipated, or unexpected, changes in one or more of the industry standards and technological requirements. In addition, we may be unable to develop or introduce new or enhanced technologies that satisfy customer requirements and achieve market acceptance in a timely manner or at all, succeed in commercializing the technologies on which we have focused our research and development expenditures to develop, or anticipate new industry standards and technological changes. If we fail to adapt successfully to technological changes or fail to obtain access to important new technologies, we may be unable to retain customers or attract new customers. Any decrease in demand for our products or solutions, due to the emergence of competing technologies, changes in customer preferences and requirements or otherwise, could adversely affect our business, results of operations and prospects.

Our business faces competition.

We face fierce competition in our industries. For example, the commercial display products market, such as IFPDs for educational market and enterprise collaboration, is undergoing transformation, and competition is intense. In addition, the LCD controller board market is relatively concentrated with competition among leading players, such as us. Our existing and potential competitors may seek to increase their market share through measures such as increasing production capacity and aggressively conducting sales and marketing activities. Our competitors may also attempt to attract customers or increase sales volume by reducing price. Competitive pressures may adversely affect the demand and pricing of our products, which in turn affect our growth and market share. If we fail to compete effectively, we may not be able to maintain or expand our market share, which may adversely affect our business, results of operations and financial condition.

Due to competition, we may receive requirement from customers to reduce the prices of our products and solutions, which may continue to affect our profit margins. We must be able to reduce costs and increase operating efficiency in order to maintain profitability. Our profitability is dependent, in part, on our ability to manage the costs of raw materials, and manufacturing costs, as we scale our sales volume. However, we may not be able to reduce our costs to match the lower prices requested by our customers. If we are unable to offset customer price reductions through improved operating efficiency, profitable new or upgraded products and solutions, enhanced manufacturing management, increased sourcing alternatives and other cost reduction initiatives, our business, financial condition and results of operations may be materially and adversely affected.

We may be exposed to risks relating to price fluctuations of raw materials, and we may not be able to secure our supply of such materials in a stable and timely manner.

The prices of our raw materials are mainly related to component complexity and dynamics of supply and demand. Therefore, price fluctuations due to dynamics of supply and demand in our raw materials may affect our costs and business performance. If raw material prices increase significantly for any reason in the future, we may incur additional costs to secure sufficient supply of raw materials, or resort to alternative supply channels for such raw materials. However, we may not be able to find any alternative supply channels, and we may not be able to successfully pass on such price increases to customers without adverse impact on our business. If any of the foregoing occurs, our results of operations and financial performance could be materially and adversely affected.

Our suppliers may experience significant interruptions in their operations, fail to accommodate our fast-growing business scale, terminate, suspend, alter or breach the supply arrangements. Furthermore, we may not be able to incentivize our suppliers to prioritize our orders before their other clients. Any of these could lead to delay or shortage of supplies. We cannot assure you that in any of the foregoing events we would be able to find alternative suppliers on commercially reasonable terms, on a timely basis, or at all. In particular, there are a limited number of suppliers for large-sized LCD display panels, a key component for our IFPD products, in major markets we target. To the extent our existing suppliers experience interruption in their operations or our business relationships with them are jeopardized, we might experience difficulty in finding alternative suppliers with commercially reasonable terms, or at all.

We also rely on other business partners in supplying and delivering the raw materials and equipment. Interruptions or failures of the third-party logistics service providers due to unforeseen events, such as inclement weather, natural disasters or transportation disruptions, could prevent the timely or successful delivery of raw materials and equipment. If our raw materials are not delivered to our or our production partners' facilities on time and under proper condition, there may be a shortage of our products, in which case our reputation and business prospects may be adversely affected.

If we are unable to execute our business strategies effectively, our business and prospects may be materially and adversely affected.

Our business scale grows over the years. In addition, as we expand our product portfolio, customer base and our presence in international markets, we will need to work with a larger number of suppliers and partners efficiently and maintain and expand mutually-beneficial relationships with our existing and new suppliers and partners. We also need to continuously enhance and upgrade our infrastructure and technology, improve control over our operational, financial and management aspects, refine our reporting systems and procedures, and expand, train and manage our growing employee base. All these efforts will require significant managerial, financial and human resources. We cannot assure you that such efforts will reach our expected outcome. We cannot assure you that we will be able to effectively manage our growth, that our current infrastructure, systems, procedures and controls or any new measures to enhance them will be adequate and successful to support our expanding operations or that our strategies and new business initiatives will be executed successfully. In addition, changes and developments taking place in industries that we operate in may also require us to re-evaluate our business model and adopt material changes to our long-term strategies and business plans. Our failure to innovate and adapt to these changes and developments may have a materially adverse effect on our business, financial condition and results of operations. Even if we innovate and adapt to these changes and developments, we may nevertheless fail to realize the anticipated benefits of changes adopted to our long-term strategies and business plans or even harm our profitability as a result.

In addition, we plan to expand our products and solutions to address more use cases. The expansion of these products and solutions exposes us to a number of risks and challenges, including but not limited to:

- failure of our new products to be accepted by our customers or to meet our expected targets;
- insufficient experience or expertise in expansion into certain new products, which may prevent us from effectively competing in these areas;
- failure to make accurate analysis or judgment regarding market conditions of our new products and solutions;
- inability to hire additional qualified personnel or to hire and retain personnel on commercially reasonable terms; and
- imitation or replication of our new products by competitors.

Furthermore, we may encounter other risks and difficulties when expanding our business through acquisitions and other forms. We intend to pursue strategic investment and acquisition opportunities in both domestic and international markets, focusing on horizontal integration (for example, complementary product lines or peer companies) across our industry value capability. Such investments and acquisitions may involve certain risks and uncertainties, including but not limited to failure to achieve expected business objectives (such as expanding business, securing supply and acquiring technologies), disputes, unanticipated costs, inadequate return on investment and issues not discovered during the due diligence, which may adversely affect our business, results of operations and financial condition.

Our international strategy and ability to conduct business in various jurisdictions is subject to uncertainties and risks.

We derive a portion of our revenue from overseas. During the Track Record Period, we generated over 20% of our revenue outside the mainland China. We expect that overseas sales will continue to account for a substantial percentage of our revenue.

Our overseas operations are also subject to additional inherent risks of conducting business abroad, including but not limited to:

- lack of familiarity with local operating and market conditions;
- difficulties and costs of staffing and managing overseas operations;
- difficulties of finding suitable production partners;
- trade customer insolvency and the inability to collect accounts receivable;
- labor disputes and work stoppages at our operations and suppliers;
- complex supply chain and shipping logistical challenges;
- increased costs associated with maintaining the ability to understand local markets and follow their trends, as well as develop and maintain an effective marketing presence;
- legal, regulatory, political, economic and commercial instability and uncertainty;
- changes in foreign tax rules, regulations and other requirements, such as changes in tax rates and statutory and judicial interpretations of tax laws;
- changes in foreign trade policies and regulations by local authorities, including those in relation to economic sanctions, export controls, and import restrictions, as well in trade barriers such as unfavorable changes in tariffs or quotas, particularly, in light of navigating the changing relationships between major economies;
- changes in foreign country regulatory requirements, including data privacy laws;
- complexities relating to compliance with foreign anti-bribery, anti-corruption and anti-money laundering regulations and antitrust laws;
- difficulty in obtaining or enforcing intellectual property rights;
- difficulty in enforcing agreements and collecting overdue receivables through local legal systems;

- changes in geopolitical situations especially those in jurisdictions where we do business;
- foreign currency exchange rate fluctuations;
- strict foreign exchange controls and cash repatriation restrictions;
- inflation and/or deflation, and changes in interest rates;
- misconduct by our customers beyond our control, including but not limited to breaching the agreements with them, policies that we require them to adhere to, and laws and regulations of various jurisdictions that are applicable to them; and
- other obstacles and risks related to overseas manufacturing and operations.

We are a China-based enterprise with global presence. We operate in both PRC and various overseas jurisdictions, where economic, regulatory, and governance environments have evolved in recent decades. Changes in market conditions or regulations across these regions may impact our business, prospects, results of operations and financial condition. Moreover, if foreign governments implement laws or regulations restricting investment in Chinese entities and we are deemed to be subject to such restrictions, the investment and transactions in our H Shares, our business prospects, results of operations, financial conditions and future capital raising may be adversely affected.

We are subject to various laws and regulations of PRC and other jurisdictions in which we operate and are required to obtain and comply with relevant permits, licenses, certificates, consents and other approvals from administrative authorities. Each approval is dependent on the satisfaction of certain conditions and failure to obtain governmental approvals could have an adverse effect on our operations. We are also subject to inspections, examinations, inquiries and audits by governmental authorities as part of the process of maintaining or renewing our permits, licenses or certificates. There can be no assurance that we will be able to fulfill the pre-conditions necessary to obtain the required governmental approvals or that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to our operations. There may be delays on the part of relevant administrative bodies in reviewing our applications and granting approvals.

Moreover, in early 2025, the U.S. government issued multiple executive orders implementing additional tariffs on imports from various jurisdictions, including additional tariff on certain imports from China. The U.S. tariffs and trade policies are subject to constant changes, influenced by evolving geopolitical dynamics, economic priorities and regulatory agenda, and such policies may be amended, expanded, or replaced with little or no advance notice. We cannot predict the timing, scope, or severity of potential changes in tariffs and trade policies, which may continue to evolve in the future. During the Track Record Period, we generated a small portion of our revenue from sales to the U.S. As such, our Directors do not expect the recently implemented tariff changes by the U.S. government would result in a material adverse effect on our business and financial conditions. However, we cannot assure you that our products will not be subject to higher tariffs or trade restrictions in the future. Any future negative changes in the U.S. tariff policies towards China may deter market demands of our products or the end market products in the U.S., and we may face a decrease in revenue or decreased profitability. Additionally, if any changes are implemented faster and/or more strictly than anticipated, we may not be able to respond and mitigate the risks associated effectively and timely. Any of the above could negatively affect our business, results of operations and financial condition.

We may face risks if there are quality issues with our products.

We are always highly committed to product quality and safety, considering them vital to our operation. Our quality management and risk control systems span across the entire product life cycle, including product design, procurement, production, sales, usage and maintenance. We did not experience any major product quality or safety issues during the Track Record Period. However, given that product quality control involves complex processes and may be difficult to manage, and our products have long life cycle, we cannot guarantee that there are no and will not be any quality issues with our products.

Any quality issues with our products or solutions could compromise our product performance, lose customers and/or orders, and reduce our profitability. In severe cases, we may need to recall our products or take other measures. In addition, third parties who have suffered losses may bring claims or legal proceedings against us. Any of these events could have an adverse impact on our brands and reputation. Certain product liability claims may arise from defective parts and components that we have procured from suppliers. While we may seek indemnification from suppliers for these low quality materials or defective components, such efforts may be costly, time-consuming and ultimately futile. These suppliers may not be able to fully compensate us or at all, for the losses we suffer as a result of these defects and product liability claims.

We face risks associated with the use of third-party production partners to produce our products.

We currently depend on third-party production partners to manufacture most of our products. Our success is dependent upon our ability to maintain our relationships with existing production partners and enter into new manufacturing arrangements in the future. If we are unable to manage our production partners effectively and ensure that high-quality products are delivered timely to meet customers' demand, our sales might decrease, and our business, financial condition, results of operations may be materially adversely affected.

Collaboration with third-party production partners is subject to certain inherent risks because their operations are outside our control. We could experience delays to the extent our production partners do not meet agreed-upon timelines or experience capacity constraints. The volume of products manufactured could fall short of expectation if there are any adverse changes in our production partners' liquidity position that causes their inability to discharge their obligations to produce products. There is risk of potential disputes with our production partners, and we could be affected by adverse publicity related to our partners whether or not such publicity is related to their collaboration with us. Our ability to successfully build premium brands and trusted business partnership could also be adversely affected by perceptions about the quality of our production partners' products. In addition, given that we also rely on our production partners to meet our quality standards, there can be no assurance that they will always deliver products that meet our quality standards.

Moreover, increased regulation or stakeholder expectations regarding responsible sourcing practices could increase our compliance costs. Any failure by our production partners to comply with such regulations or meet such expectations could result in negative publicity that adversely affects our reputation. Given that we do not directly control the employment practices of our production partners, we could be subject to financial or reputational risks as a result of their conducts. To the extent we are unable to manage these risks, our ability to timely supply competitive products will be harmed, our costs will increase, and our business, results of operations and financial condition will be adversely affected.

Failure to maintain our brands and reputation and the negative publicity and allegations involving us, our Shareholders, Directors, officers, employees and business partners may affect our reputation and, as a result, our business, financial condition and results of operations may be negatively affected.

We believe that maintaining and enhancing our brands recognition, such as *seewo* and *MAXHUB*, is of significant importance to the success of our business. Well-recognized brands are important to enhancing our attractiveness to our customers. Since we operate globally in a highly competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position. The successful promotion of our brands will depend on the effectiveness of our marketing efforts and amount of word-of-mouth referrals we received from satisfied customers. We may incur extra expenses in promoting our brand. However, we cannot guarantee that these activities are and will be successful or that we can achieve the brand promotion effect we expect.

In addition, negative publicity and allegations involving us, our shareholders, Directors, officers, employees and business partners, or the industry in which we operate as a whole may materially and adversely harm our brand image and reputation and cause deterioration in the level of market recognition of and trust in the products and solutions provided by us, thereby resulting in reduced sales volumes and revenues, potential loss of business partners as well as the loss of highly qualified personnel with specialized skills. In addition, such negative publicity may come from malicious harassment or unfair competition acts by third parties, which are beyond our control. Such conduct includes complaints to regulatory authorities, negative social media postings, and malicious assessments against us. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to spend significant time, resulting in the diversion of management's attention, and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time. Additionally, allegations against us, may be disseminated by anyone, whether or not related to us. Social media often publish such content without verifying the accuracy of the content posted and without affording us an opportunity for redress or correction. The occurrence of any of these events may harm our reputation, and in turn may cause us to lose customers and revenue.

Any failure to acquire new customers or retain existing customers may materially and adversely affect our business, and any failure to offer high-quality after-sales services for our customers may harm our relationships with them and, consequently, our business.

We aim to reinforce relationships with existing customers while continuously broadening our customer base by enhancing our brand and product recognition. We have invested in branding, sales and marketing to acquire and retain customers. We incurred selling expenses of RMB1,187.8 million, RMB1,343.1 million and RMB1,206.0 million in 2022, 2023 and 2024, respectively. There is no guarantee that we will be able to retain existing customers or achieve sales growth as expected.

As we continue to grow our operations, we need to be able to continue to provide efficient support and effective maintenance that meets our customer demands at an international scale, particularly for our intelligent devices and solutions. We may not be able to recruit or retain sufficient qualified personnel with experience in supporting customers of our products and solutions. As a result, we may be unable to quickly respond to accommodate short-term increases in customer demand for technical support or maintenance assistance. We may also be unable to modify the future scope of our maintenance services and technical support to compete with changes in the technical services provided by our competitors. If we experience increased customer demand for support and maintenance, we may face increased costs that might harm our results of operations. If we are unable to provide efficient customer maintenance and support, our business may be harmed. Our ability to attract new customers is highly dependent on our business reputation. Any failure to maintain high-quality maintenance and support services, or a market perception that we do not maintain high-quality maintenance and support services for our customers, would harm our business.

Our policy allows products and solutions with defects to be returned and exchanged by our customers within the warranty period. See "Business — Warranty and After Sales Services." If we experience any deterioration in the quality of our products and solutions, we will incur higher costs associated with returns, exchanges and warranties. We may also be required by law to adopt new or amend existing return, exchange and warranty policies from time to time. While these policies improve customer experience and promote customer loyalty, which may in turn help us acquire and retain customers, they also subject us to additional costs and expenses which we may not recoup through increased revenue. If we revise these policies to reduce our costs and expenses, our customers may be dissatisfied, which may result in the loss of existing customers or failure to acquire new customers at the pace desired, which may materially and adversely affect our business, financial condition and results of operations.

Our sales may be influenced by seasonality.

Our sales are affected by seasonal fluctuation. Sales of our intelligent devices and solutions fluctuate primarily as a result of the purchasing cycles of the educational market and enterprise spending cycles. Accordingly, our results of operations may vary from period to period. We expect the impact of seasonality on our business to remain in the future. As a result of these seasonal variations, we believe that comparisons of our operational results between different quarters within a single fiscal year or across different fiscal years are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of our future performance. If we cannot effectively plan our production and delivery schedules and secure purchase orders from our customers throughout seasons, our business, financial condition and results of operations may be adversely affected.

Our success relies largely on the cultivation and continued service of our talents, including senior management and key technical personnel. Any loss of key personnel may materially and adversely affect our business, financial condition and results of operations.

Management and R&D capabilities are one of the key factors for our business development and competitive advantages. Our sustainable growth relies heavily on our ability to maintain a highly skilled senior management and technical team. We place great emphasis on cultivating and recruiting management and technical talent to ensure effective coordination and successful implementation of our management and R&D activities. To maintain the motivation and stability of our core management and technical personnel, we have established incentive schemes that encourage technical innovation. However, due to intense competition for talent, we may face risks of losing core management and technical personnel.

We face potential operational and safety risks in our production.

We have established smart manufacturing facility, which became operational in 2024. We face various potential operational and safety risks in our production, including but not limited to: (i) environmental incidents or public health emergencies, (ii) natural disasters (such as fires, floods, earthquakes, typhoons and other disasters), (iii) disruption of utility supplies such as water, electricity, gas and telecom, or (iv) production accidents or interruptions due to operational errors, equipment breakdowns or improper management. Such risks may result in damages to, or destruction of, manufacturing facility, personal injury or death, environmental damages, economic loss and legal liabilities. The occurrence of any of these events could result in the interruption of our operations and cause us to suffer substantial losses or incur significant liabilities.

As a technology company, our ability to protect our intellectual property rights are crucial to our R&D efforts, sustainable development and continued success. Intellectual property infringement by and disputes with third parties may adversely affect our business, financial condition and results of operations.

We regard our patents, know-how, proprietary technologies, trademarks, copyrights, domain names and other intellectual properties as critical to our business development and operations, and we rely on both intellectual property laws and contractual arrangements, and take a series of measures to protect our intellectual properties. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages as we expected. In addition, there can be no assurance that our patent applications will be approved, that any issued patents will adequately protect our intellectual property, or that such patents will not be challenged by third parties or found by a judicial authority to be invalid or unenforceable. Furthermore, we may not have sufficient intellectual property rights in all countries and regions due to lack of comprehensive intellectual property laws in certain regions, and our ability to protect our intellectual property rights differs by jurisdiction.

We may be a party to claims and litigation as a result of infringement by third parties of our intellectual property rights. Even when we sue the parties for such infringement, such lawsuits may have adverse consequences for our business. Any of such lawsuits may be time-consuming and costly to resolve and may divert our management's time and attention from our business. It could also result in a court or governmental agency invalidating, narrowing the scope of, or rendering our patents or other intellectual property rights involved in such lawsuits unenforceable which may significantly harm our business. If any of our products infringes a valid and enforceable patent, we may be prevented from selling, or choose to cease the sales of related products. Additionally, we may face liabilities to our customers, business partners or third parties for indemnification or other remedies in the event that they are sued for infringement in connection with their use of our products.

We carefully select suppliers and adopt relevant management policies. However, there can be no assurance that such measures will be sufficient to prevent suppliers from providing products with potential intellectual property issues, nor can we guarantee that we will be able to recover all damages or compensation from suppliers in respect of claims by third parties against us for such products or intellectual property infringement. If any of these events occur, our reputation could be damaged, and our business, financial condition and results of operations may be adversely affected.

Our brands may be counterfeited and imitated. We cannot assure that brand counterfeiting or imitation will not occur in the future or, if it does occur, that we will be able to identify or address the problem effectively or in a timely manner. Any occurrence of counterfeiting or imitation of our products or other infringement of our brands could adversely affect our reputation and brands.

Although we enter into employment agreements with confidentiality, non-compete covenants and intellectual property ownership clauses, we cannot assure that these agreements will not be breached, that we will have adequate remedies for any breach in time or at all, or that our proprietary technology, know-how or other intellectual property will not otherwise become known to third parties. Similarly, if we recruit employees who breached confidentiality, and/or non-compete covenants with their prior employers, we may become subject to claims that such employees have improperly used or disclosed trade secrets or other proprietary information in violation of their confidentiality, and/or non-compete covenants in a way that unduly benefits us.

Our compliance and risk management systems may not be sufficient to protect us from credit, market, liquidity, operation and other risks.

Given our global business operations, we must comply with a broad range of legal and regulatory requirements in multiple jurisdictions and local operational business processes. We have established compliance and risk management systems that support our operational business processes to comply with laws and regulations. However, there can be no assurance that our compliance and risk management systems are adequate to address all applicable risks in every jurisdiction. Similarly, we can provide no assurance that such internal controls and systems of joint ventures and other business partners can be aligned with our own, and we may have to rely on their internal controls and systems for the compliance of their business practices.

In addition, the policies we have put in place to prevent direct or indirect acts of corruption, bribery, anti-competitive behavior, money laundering, breaches of sanctions, fraud, deception, tax evasion and other criminal or improper conduct may be insufficient to prevent such non-compliance.

The occurrence of any of these risks may result in reputational damages and material adverse legal consequences, including without limited to suspension or revocation of our relevant licenses related to business operation, revocation of qualifications of our management or employees, the imposition of fines or sanctions and penalties on us or the members of our management or employees and could lead to the assertion of damages claims by third parties or to other detrimental legal consequences, including civil and criminal penalties. If any of these risks were to materialize, this could also have a material adverse effect on our business, financial condition and results of operations, reputation or prospects.

Our operations rely on IT systems and networks, and IT system failures, network disruptions or cybersecurity breaches may affect our business.

We rely extensively on IT systems, some of which are supported by third-party vendors, to manage and operate our business. If these systems malfunction, cease or experience interruptions in normal operations, experience security breaches or do not provide the anticipated benefits, our ability to manage our operations could be impaired, which could have an adverse impact on our operations and financial condition. If the software installed on the computers used by us and our employees is not properly authorized or licensed, we may be subject to claims or litigations from software vendors.

We may be subject to IT system failures or network disruptions caused by natural disasters, accidents, power disruptions, telecom failures, acts of terrorism or war, computer viruses, physical or electronic break-ins or other events. We have business continuity and disaster recovery ability, which may not be sufficient for managing operational disruptions resulting from circumstances beyond our control.

Our IT systems may be subject to computer viruses, malicious codes, unauthorized access, phishing and other cyberattacks. We continue to assess potential threats and adopt proper measures to address these threats. However, because the techniques used in these cyberattacks change frequently and may be difficult to detect for periods of time, we may face difficulties in implementing adequate preventative measures. To date, we have seen no material impact on our business or operations from these attacks. However, we cannot guarantee that our efforts will prevent attacks or breakdowns to our or our third-party providers' databases or systems. If the IT systems, networks or service providers we rely upon fail to function properly and we do not effectively address these failures on a timely basis, we may be exposed to business harm as well as litigation and regulatory action, including administrative fines, which could adversely affect our business and financial condition.

Delivery delays, poor handling by third party logistics service providers or disruptions in the transportation network may adversely affect our business.

We use third party logistics service providers to deliver certain of our products to our customers. Disputes with or terminations of our contractual relationships with our logistics service providers could result in delayed delivery of products or increased costs. We may not be able to continue or extend relationships with our current logistics service providers on terms acceptable to us or establish relationships with new logistics service providers to ensure accurate, timely and cost-efficient delivery services. If we are unable to maintain or develop good relationships with logistics service providers, it may inhibit our ability to offer products in sufficient quantities, on a timely basis, or at prices acceptable to our customers. If there is any breakdown in our relationships with our preferred logistics service providers, we may suffer business interruptions that could materially and adversely affect our business, financial condition and results of operations. As we do not have any direct control over these logistics service providers, we cannot guarantee their quality of services. If there is any delay in delivery, damage to products or any other issue due to transportation shortages, natural disasters, labour strikes or other factors, we may lose customers and sales and our reputation may be tarnished. In addition, our suppliers sometimes deliver materials to us through third party logistics service providers. Delays in delivery could adversely impact our suppliers' ability to timely deliver materials to us, and our ability to deliver to our customers.

Our insurance coverage may not cover all losses related to our operational risks.

Our business is subject to a variety of operational risks, including but not limited to production disruptions due to operational errors, power outages, equipment failures and suspension due to other risks; operational restrictions imposed by environmental or other regulatory requirements; social, political and labor unrest, environmental or industrial accidents, and catastrophic incidents such as fires, earthquakes, explosions, floods or other natural disasters. In addition, as we may further expand our operations in overseas markets in the future, we may be exposed to risks related to geopolitical tensions, policy changes and intellectual property and technology protection. These aforementioned risks may result in, including but not limited to, damage to or destruction of production facilities, personal injury or casualties, environmental damage, monetary loss, and legal liability. The occurrence of any of these events may result in disruption of our operations and cause us to suffer substantial losses or incur significant liabilities. We may not have adequate or any insurance to cover these operational risks. We maintain insurance policies to cover product transport liability and employer liability. In addition, we have purchased a number of property-related insurance policies covering our facilities, machinery, equipment, inventories and other assets. There is no assurance that our insurance will be adequate to cover our exposure to the foregoing risks. If we incur material losses or liabilities, and insurance is not adequate to cover such losses or liabilities, our business, financial condition and results of operations may be materially and adversely affected.

We face risks associated with our sales channel.

We market and sell our products through a combination of direct sales and a distributor network. However, we cannot assure you that our measures to manage our sales network will be effective. As a result, the expansion of our sales network may not lead to proportionate increase in our revenue.

The performance of our distributors, as well as the compliance of our distributors with our requirements, are crucial to the sales of our products. However, we cannot guarantee that our distributors will always comply with the terms of the distribution agreements or operate in a manner that aligns with our reputation and standards. Non-compliance by distributors, such as unauthorized sales practices or failure to adhere to contractual obligations, could harm our reputation, disrupt our sales channels and lead to loss of customer trust. Additionally, we face risks of fraud or misconduct by distributors, which could include unauthorized misrepresentation of our products, misappropriation of third-party intellectual property or other unlawful activities. Such actions may expose us to legal liabilities, costly litigation and regulatory scrutiny, regardless of whether the claims are substantiated. Addressing these issues could also strain our management resources and distract from core operations. If we fail to effectively manage our distributors or mitigate risks associated with their actions, we may face disruptions in our sales channels, reputational damage and financial losses, which could materially and adversely affect our business, financial condition and results of operations. In addition, if our distributors are not successful in selling our products due to various reasons, including lower demand, market competition and decreasing efficiency of distribution network, our revenue may decrease. Pursuing, establishing and maintaining relationships with our distributors require significant time and resources. We cannot assure you that we will be able to renew our agreements with our distributors upon their expiry or on acceptable terms. If for any reason, our relationship with our distributors deteriorates, our business and results of operations may be materially and adversely affected.

We implement a set of management measures to track our distributors' sales, and we require them to report to us regularly. We have developed an information system through which we can monitor key inventory data of our distributors. However, we still rely on distributors to voluntarily provide us with this information on that platform on a regular basis. Our distributors may not always be able or willing to provide us with accurate and precise information in relation to their sales and inventory levels of our products in a timely manner. As a result, our ability to accurately track our distributors' sales and the inventory levels of our products may be limited. Our sales to distributors may not be reflective of actual sales to our customers, and we may not be able to timely collect sufficient information and data regarding market demand for our products. Failure to accurately track the sales and inventory levels of our distributors and timely gather market information may cause us to incorrectly predict sales trends and affect our ability to quickly adjust our marketing and product strategies to respond to market changes.

In the case of overestimation of customer demand, we may be subject to overstocking, resale of the inventories on less favorable terms, or even write-downs of inventories. In the case of underestimation of customer demand, we may not be able to maximize our revenue. In addition, if we are required to lower sale prices in order to reduce inventory levels, our profit margins might be negatively affected. Any of the above may materially and adversely affect our business and financial performance.

We may not be able to detect and prevent fraud or other misconduct committed by our employees, customers, suppliers or third parties.

We may be exposed to fraud or other misconduct committed by our employees, customers, suppliers or third parties that could affect our reputation and subject us to litigation, financial losses and penalties imposed by governmental authorities. Such misconduct could include:

- concealing unauthorized or unlawful activities, such as money laundering, offering bribes to, or receiving bribes from counterparties in return for any type of benefit or gain;

- intentionally concealing material facts or failing to perform necessary due diligence procedures, and failing to identify potential risks that are material to our business decisions;

- improperly using or disclosing confidential information;

- misappropriating funds;

- conducting transactions that exceed authorized limits;

- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities;

- engaging in unauthorized transactions to the detriment of our customers; or

- otherwise failing to comply with applicable laws or our internal policies and procedures.

Our internal control procedures are designed to monitor our operations and ensure overall compliance. However, such internal control procedures may be unable to identify all instances of non-compliance or suspicious transactions in a timely manner, or at all. Furthermore, the precautions we take to detect and prevent fraud and other misconduct may not be effective. There is no assurance that we will not be involved in fraud or other misconduct in the future. If such fraud or other misconduct does occur, it may adversely affect our reputation.

We may suffer losses caused by the occurrence of extraordinary events, including natural disasters or outbreaks of contagious diseases.

Our business may be adversely affected by the occurrence of typhoons, severe storms, earthquakes, floods, fires or other natural disasters or similar events especially in the areas where we operate. In addition, any outbreak of a contagious disease, such as severe acute respiratory syndrome (SARS), Middle East respiratory syndrome, avian influenza or novel coronavirus disease (COVID-19), could disrupt our operations with respect to our global supply chain, production, delivery and sales. Such events could decrease the demand for our products, impact the productivity of our workforce, make it difficult or impossible for us to manufacture and deliver products to our customers in a timely manner, or to receive materials and equipment from our suppliers. Should major public health emergencies, including pandemics, arise, we could be adversely affected by more stringent employee travel restrictions, additional requirements in freight, relevant policies affecting the movement of products between regions, delays in the ramp-up of the production capacity and disruptions in the operations of our suppliers. In the event of a natural disaster, we could incur significant losses, which could require substantial recovery time and result in significant expenditures in order to resume operations.

Our business may be adversely affected if we fail to obtain government approvals or licenses for carrying out our operations.

We are required to obtain certain licenses, permits, registrations, certificates, approvals and filings for our global business operations.

We must meet various specific conditions in order for the government authorities to issue or renew any such license, permit, registration, certificate, approval and filing, or complete necessary inspection and acceptance. We cannot guarantee that we will be able to timely adapt to new rules and regulations that may come into effect from time to time, which may affect our business operations, or that we will not encounter material delays or difficulties in fulfilling the necessary conditions to obtain and/or renew all necessary licenses, permits, registrations, certificates, approvals and filings for our operations in a timely manner, or at all, in the future. Therefore, in the event that we fail to obtain or renew, or encounter significant delays in obtaining or renewing, the necessary government approvals for any of our operations, we will not be able to continue with our relevant business plans, and our business, financial condition and results of operations may be adversely affected.

Any litigation, legal and contractual disputes, claims or administrative proceedings against us could be costly and time-consuming to defend or settle, and could adversely affect our reputation.

Our business is subject to the risk of disputes, claims or legal proceedings brought by customers, suppliers, employees, government agencies and others in the forms of private actions, administrative proceedings, regulatory actions or other litigation. The outcome of such proceedings can be difficult to assess.

Claimants in such proceedings may seek recovery of large or indeterminate amounts, and the magnitude of potential losses relating to such disputes may remain unknown for a substantial period of time. The cost of defending future disputes or proceedings may be significant and could negatively affect our results of operations if changes to our business operations are required as a result of such disputes or proceedings. Such disputes or proceedings could also adversely affect our reputation, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, any significant dispute or proceeding could adversely affect our business, results of operations, financial condition or reputation.

Developments in social and economic policies, as well as the interpretation and enforcement of laws, rules and regulations, may affect our business, financial condition, results of operations and prospects.

We operate in the PRC and some overseas regions and therefore our business, financial condition, results of operations and prospects may be affected by local economic, social and legal policies. We cannot guarantee that our business operations will be able to benefit from such measures. In addition, laws, rules and regulations may also be amended from time to time, and the application, interpretation and enforcement of such evolving laws, rules and regulations may affect our business operations. Any of the foregoing may have a material and adverse effect on our business, financial condition, results of operations and prospects.

We are subject to various laws, regulations and regulatory standards and any inability to comply with such requirements and standards may subject us to liabilities. We are subject to various laws and regulations in the PRC and other jurisdictions in which we operate and are required to comply with all relevant requirements and standards.

For example, we are required to contribute to a number of social insurance funds, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund on behalf of our employees in mainland China. According to the Regulation on the Administration of Housing Provident Funds (《住房公積金管理條例》), a mainland China enterprise is required to set up housing provident fund accounts and pay the housing provident fund in time and in full for its employees. According to the PRC Social Insurance Law (《中華人民共和國社會保險法》), a mainland China enterprise is required to complete social insurance registration for its employees and to pay the social insurance contributions in time and in full. Although we had not been subject to any administrative penalties in connection with our contribution of social insurance plans and housing provident fund during the Track Record Period, there is no assurance that our historical and current practice with respect to the contribution of and engagement of third-party human resources agency to make certain contributions to social insurance plans and housing provident fund will at all times satisfy the government authorities in mainland China mainly due to the evolving interpretation and implementation of these laws and regulations. In the event of any such non-compliance, we may be required to pay any shortfall in the contribution of social insurance plans and housing provident fund within a prescribed time period and to pay penalties if we fail to do so. In addition to the above, if we fail to comply with any other relevant labor laws and regulations in mainland China, we may be exposed to penalties or be required to compensate employees.

Given the magnitude, complexity and continuous amendments to these laws and regulations, compliance therewith may be onerous and may involve substantial financial resources as well as other resources to establish efficient compliance and monitoring systems. The liabilities, costs, obligations and requirements associated with these laws and regulations may therefore be substantial and may delay the commencement of, or cause interruptions to, our operations. Non-compliance with the laws and regulations applicable to our operations may even result in substantial penalties or fines, suspension or revocation of our relevant licenses, among other things. Such events could impact our results of operations and financial condition.

We are subject to risks in relation to leased properties.

We may be subject to a number of risks in relation to the leased properties in the ordinary course of the businesses, including but not limited to the following:

- For certain of our leased properties, the lessors with whom we enter into lease agreements did not provide the valid property ownership certificates or authorizations from the property owners for the lessors to sublease the properties, hence we cannot ensure that they have the rights or authorizations to lease or sublease such properties to us. If the lessor is not the owner of the property and the lessor has not obtained consent from the owner or their lessor for sub-lease, or if the property was mortgaged before it was leased to us, our lease could be invalidated or terminated as a result of challenges by third parties. Our inability to enter into new leases or renew existing leases on terms acceptable to us could materially and adversely affect our business, financial condition and results of operations.

- In addition, a number of our lease agreements had not been registered and filed with the relevant land and real estate administration bureaus in the PRC. As advised by our PRC Legal Advisor, the relevant government authorities may impose a fine ranging from RMB1,000 to RMB10,000 on each lease agreement if we fail to rectify within the prescribed period after receiving notices from the relevant PRC government authorities.

We are exposed to risks in relation to work safety and occurrence of accidents as well as other operational, transportation-related, occupational and environmentally related risks, which could materially and adversely affect our business, financial condition and results of operations.

Our business and production are subject to various risks, including operational and transportation-related risks and occupational and environmental hazards. We must comply with the extensive environmental, handling of hazardous substances, chemical manufacturing, health and safety laws and regulations and stringent standards in relation to the manufacturing and sale of our products which are promulgated by the government authorities in mainland China. According to these laws and regulations, we are required to maintain safe production conditions and protect the occupational health of our employees. We may experience various types of difficulties in connection with the manufacturing of our products. Some of our raw materials and chemicals may be hazardous and their storage and use in the manufacturing process involve inherent risks including the leakage of flammable substances, toxic gases and liquids, equipment failures, industrial accidents, fires and explosions. Accidents, if they occur, could materially affect our production and may give rise to personal injuries and fatalities, damages to or destruction of properties or manufacturing facilities, and pollution and other environmental damages. Any of these consequences, if significant, could result in business interruption, legal liability and damages to our reputation and corporate image. While we conduct regular inspections of the facilities we operate and conduct regular equipment maintenance to ensure that our operations comply with applicable laws and regulations, we cannot assure you that we will not experience any major accidents or work-related injuries in our future production processes.

Our business is subject to a variety of laws, rules, policies and other obligations regarding data protection domestically and abroad. Any losses or unauthorized access to or unauthorized releases of confidential information and personal data could subject us to significant reputational, financial, legal and operational consequences.

Our business involves the utilization and storage of confidential information, including but not limited to personal information with respect to our employees. We are subject to laws relating to the collection, use, retention, protection and transfer of personal information domestically and abroad. In many cases, these laws apply not only to third-party transactions, but also may restrict transfers of personal information between us and our overseas subsidiaries. Several jurisdictions have passed laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may vary from jurisdiction to jurisdiction. Complying with emerging and changing overseas requirements may cause us to incur substantial costs or require us to change our business practices. Non-compliance could result in significant penalties or legal liability. Any failure by us to comply with other domestic and foreign privacy-related or data protection laws and regulations could result in proceedings against us by governmental entities or others, which may lead to reputational impacts and significant legal liabilities.

We have implemented systems and processes intended to secure our information technology systems and prevent unauthorized access to or loss of sensitive data, including through the use of encryption and authentication technologies. As with all companies, these security measures may not be sufficient for all eventualities and may be vulnerable to hacking, employee error, malfeasance, system error, faulty password management or other non-compliant incidents.

Laws and regulations with respect to cybersecurity and data protection are subject to changes and uncertain interpretations, and any failure or perceived failure to comply with these laws and regulations could expose us to negative publicity, legal proceedings, suspension or disruption of operations, or otherwise harm our business.

We collect and store business data, management data and transaction data generated during or in connection with our business operations, including data related to our business and transactions with our customers, suppliers and other relevant parties and personal information of data subjects such as end users. In order to process data legally and compliantly and to protect data security, we have implemented a series of measures including establishing a multi-level data security management framework, formulating and enforcing internal policies related to cybersecurity and data protection, regularly providing security education and training for employees, adopting technical protection measures such as network intrusion prevention, anomaly alerts, encryption, and de-identification, and fulfilling legal obligations related to personal information processing, such as notification and obtaining consent, in accordance with the law.

During the Track Record Period, we have not been identified as a critical information infrastructure operator, nor have we been subjected to cybersecurity reviews or related investigations. We have also not received any inquiries, notifications, warnings, or sanctions from members of the cybersecurity review mechanism regarding the conduct or potential conduct of cybersecurity reviews. Our legal adviser as to PRC data compliance law made a real-name telephone inquiry with the China Cybersecurity Review, Certification and Market Regulation Big Data Center on our behalf on June 6, 2025. Based on relevant laws and the telephone consultation, our legal adviser as to PRC data compliance law believes that listing in Hong Kong does not constitute listing abroad under the Cybersecurity Review Measures. The possibility that our [**REDACTED**] in Hong Kong and our data processing activities affect or may affect national security is relatively low, and we are not required to proactively apply for a cybersecurity review. However, we cannot guarantee that we will not be subject to a cybersecurity review initiated by Chinese regulatory authorities ex officio. If we are subject to a cybersecurity review or investigation by Chinese regulatory authorities in the future, we will need to cooperate with the review or investigation. Failure to complete the cybersecurity review process in a timely manner or any other non-compliance with relevant laws and regulations may result in fines or other penalties, including suspension of related business, shutdown of websites, removal of our apps and mini-programs from distribution platforms, revocation of necessary licenses, as well as reputational damage or legal actions against us, which could have a material adverse effect on our business, financial condition, or operating results.

Besides, during the Track Record Period, we had complied with applicable laws and regulations related to cybersecurity and data protection in all material aspects, such laws and regulations as well as their interpretation and application are still uncertain and evolving. There can be no assurance that such laws and regulations will not change, or will not be interpreted or implemented in ways that negatively affect us, which may subject us to investigations and inspections by governmental authorities, and we cannot assure you that our practices will always fully comply with all applicable rules and regulatory requirements in the future.

All in all, with the expansion of our business and the growth of our customer base, there can be no assurance that we will not be subject to cybersecurity reviews or that the evolving regulatory requirements will not have material adverse effect on us. If we fail to adapt to the latest regulatory developments in respect of data privacy and protection, we may be subject to negative consequences, such as reputation damages, investigations, fines or suspension of operations, any of which could materially and adversely affect our business, financial condition and results of operations. In addition, complying with various laws and regulations on cybersecurity and data security could cause us to incur additional costs or require us to change our business practices, which may significantly distract our management's attention and adversely affect our business.

We are subject to certain regulatory requirements over foreign currency conversion and remittance.

We receive a majority of payments from our operations in mainland China in RMB and may need to convert certain Renminbi into other currencies for payment of dividends, if any, to holders of our Shares, and to fund our business activities outside of mainland China, among other things. The convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of mainland China are subject to related regulatory requirements. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to pay dividends or other payments, or otherwise fulfill our foreign currency denominated obligations.

Under current foreign exchange regulations of mainland China, payment of current account items, including profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE or its local branches, through licensed banks for foreign exchange business, by complying with certain procedural requirements. If we cannot fulfill the regulatory requirements over foreign currency conversion to obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders.

However, prior registration and other procedures with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of mainland China to pay capital expenses. Further, there is no assurance that new regulations will not be promulgated in the future that would have further requirements on the remittance of Renminbi into or out of mainland China. Any existing and future requirements on currency exchange may limit our ability to purchase raw materials and components outside of mainland China or otherwise fund any future business activities that are conducted in foreign currencies.

We are subject to risks associated with international trade policies, geopolitics and trade protection measures, investment restrictions, and our business, financial condition and results of operations could be adversely affected.

Our operations may be negatively affected by any deterioration in the political and economic relations among countries. For example, we may be materially and adversely affected by sanctions and export controls, and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased duties, taxes and other costs, and political instability. Furthermore, concerns over inflation, energy costs, geopolitical frictions, capital market volatility and liquidity issues may create difficult operating conditions in the future. Sales of our products and services in certain countries and sales of products that include components obtained from certain foreign suppliers could be materially and adversely affected by international trade regulations. For example, certain foreign jurisdictions may impose investment restrictions, economic sanctions and trade restrictions directly or indirectly affecting China-based technology companies, due to the source of their products, ownership of businesses or other reasons. Such laws and regulations are likely subject to frequent changes, and their interpretations and enforcements involve substantial uncertainties, which may be heightened by national security concerns or driven by political or other factors that are outside of our control. Therefore, such restrictions, and similar or more expansive restrictions that may be imposed by the U.S. or other jurisdictions in the future, may be burdensome or costly to comply with and may materially and adversely affect us, business partners and our key suppliers' and customers' abilities to obtain technologies, systems, devices or components that may be critical to our technology infrastructure, service offerings and business operations, and may affect our sales or the sales of our customers to certain foreign markets. We have an extensive global operation network, and there is no guarantee that we will continue to be able to operate in existing geographic markets or enter into new markets given the investment restrictions, economic sanctions and trade restrictions that may be promulgated from time to time. In addition, our suppliers, customers and other business counterparties, either in mainland China or overseas, may be subject to sanctions or other restrictions themselves. If we are unable to effectively and timely identify high-risk counterparties and adopt compliance measures accordingly, we may be subject to the risks of investigations, penalties or reputational damage.

Failure to maintain optimal inventory levels could increase our inventory holding costs or negatively impact our sales.

Our inventories primarily include finished goods, work-in-progress and raw materials. As of December 31, 2022, 2023 and 2024, the balances of our inventories amounted to RMB1,857.1 million, RMB2,238.3 million and RMB2,314.8 million, respectively. Our inventory turnover days were 55 days, 53 days and 50 days in 2022, 2023 and 2024, respectively. However, we may not be able to effectively manage our inventory level or to identify any excessive build-up or insufficient stock of inventory in our global operations. We may misjudge market demand. Inventory levels in excess of customer demand may result in inventory write-downs or write-offs, and the sale of excess inventory at discounted prices could impair the image of our brands and harm our gross margin; but if we underestimate the demand for our products, insufficient stock could result in delays in the shipment of our products, thereby impacting our ability to generate sales and cause damages to our reputation and relationships with our customers. Therefore, failure to maintain optimal inventory levels could increase our inventory holding costs or cause us to lose sales, either of which could adversely impact our business, financial condition and results of operations.

We are subject to credit risk in collecting trade, bills and other receivables due from customers.

We generally do not allow credit terms but may grant limited credit terms of no more than 60 days to selected few customers. As of December 31, 2022, 2023 and 2024, the balances of our trade, bills and other receivables amounted to RMB563.7 million, RMB894.0 million and RMB988.2 million, respectively. Our trade receivables turnover days were 4 days, 5 days and 6 days in 2022, 2023 and 2024, respectively. There is no assurance that all such amounts will be settled on time or at all, and we are subject to credit risk in collecting the trade, bills and other receivables due from the customers. Our performance, liquidity and profitability may be adversely affected if amounts due to us are not settled on time or at all. The bankruptcy or deterioration of the credit condition of any of our major customers could also materially and adversely affect our business.

Share-based payments may lead to shareholding dilution for our existing Shareholders and adversely affect our financial performance.

We adopted the Stock Ownership Plan for the benefit of our directors (excluding independent directors), senior management, key management personnel, core employees, and other personnel deemed by the Board as requiring incentives, of our Company and its subsidiaries and branches. See Note 43 to "Appendix I — Accountants' Report" and "Share Scheme" in "Appendix VI — Statutory and General Information." In 2022, 2023 and 2024, we incurred share-based payment expenses/(credit) of RMB62.6 million, RMB(18.5) million and RMB93.8 million, respectively. To further incentivize our directors (excluding independent directors), supervisors, senior management, key management personnel, core employees, and other personnel, we may pay additional share-based payment in the future. Issuance of Shares with respect to such share-based payment may dilute the shareholding percentage of our existing Shareholders. Such share-based payments may also increase our expenses and therefore have a material and adverse effect on our financial performance.

Our financial result may be affected by government grants.

The government grants we received and recognized in profit or loss were RMB94.2 million, RMB207.2 million and RMB146.3 million in 2022, 2023 and 2024, respectively. Not all of the government grants are recurring in nature. See "Financial Information — Results of Operations — Other Income." Government grants we received are uncertain and are subject to certain criteria and procedures stipulated by the local government. In addition, the development focus of local government may shift to other industries over time. We cannot assure you that we will be able to receive any such government grants in the future. If we are unable to receive the government grants in the future at the same level as we had during the Track Record Period, our financial condition and results of operations for the period may be adversely affected.

We are exposed to fair value changes for financial instruments and valuation uncertainty due to the use of unobservable inputs that require judgement and assumptions which are inherently uncertain.

During the Track Record Period, our financial assets at fair value through profit or loss primarily included structured deposits and unlisted equity investments, and the fair value of such unlisted equity investments that are not traded in an active market is determined using valuation techniques, which require judgement and assumptions and involve the use of unobservable inputs. We use our judgement to make assumptions that are mainly based on the then prevailing market conditions at the end of each reporting year. For further details, see Note 25 to the Accountants' Report set out in Appendix I in this Document. Changes in these assumptions and estimates could materially affect the fair value of these unlisted financial products. Factors beyond our control, including but not limited to, general economic conditions, changes in market interest rates and stability of the capital markets, can significantly influence and cause adverse changes to the estimates we use, and thereby affect the fair value. As of December 31, 2022, 2023 and 2024, we had financial assets at fair value through profit or loss of RMB999.4 million, RMB1,023.0 million and RMB569.6 million, respectively. The valuation techniques that we use may involve a significant degree of management judgement and are inherently uncertain, and may result in material adjustment, which in turn may materially and adversely affect our results of operations and financial conditions.

We could be subject to changes in our tax rates, the adoption of new local or overseas tax legislation or exposure to additional tax liabilities.

Our PRC subsidiaries are subject to the PRC enterprise income tax at a standard rate of 25% on their taxable income, but several of our PRC subsidiaries were accredited as "High and New Technology Enterprises" which were entitled to a preferential income tax rate of 15%. We cannot assure you that the PRC policies on preferential tax treatments will not change or that the current preferential tax treatments we enjoy or will be entitled to enjoy will not be canceled. Moreover, we cannot assure you that our PRC subsidiaries will be able to renew the same preferential tax treatments upon expiration. If any such change, cancelation or discontinuation of preferential tax treatment occurs, the relevant PRC subsidiary will be subject to the PRC enterprise income tax, at a rate of 25% on taxable income. As a result, the increase in our tax charge could lead to a material and adverse impact on our results of operations and financial condition.

We also operate in countries and regions overseas and are subject to various taxes. Due to the fact that the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, including but not limited to enterprise income tax, are complex, our overseas operations may expose us to risks associated with the overseas tax policy changes. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. Dealing with such regulatory complexities and changes may require us to divert more managerial and financial resources, which in turn could affect our results of operations.

We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

RISKS RELATING TO THE JURISDICTIONS IN WHICH WE OPERATE

It may be complex to effect service of process upon us or our management or to enforce against them or us any judgments obtained from foreign courts.

We are a company incorporated under the PRC laws and a majority of our assets are located in mainland China. In addition, most of our Directors, Supervisors and senior management reside in mainland China. As a result, it may be complex for investors to effect service of process outside of mainland China upon us, our Directors, Supervisors or senior management or to enforce judgments obtained against us in courts outside mainland China. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in mainland China only if the jurisdiction has a treaty with mainland China or if the jurisdiction has been otherwise deemed by the courts of mainland China to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. However, mainland China is not a party to treaties providing for the reciprocal enforcement of judgments of courts with certain foreign countries such as the United States, and enforcement in mainland China of judgments of a court in these jurisdictions may consequently be difficult or impossible. On January 18, 2019, the Supreme People's Court of the PRC and the Department of Justice under the Government of the Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "**2019 Arrangement**"), which became effective on January 29, 2024, and the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) signed by the Supreme People's Court of the PRC and Hong Kong on July 14, 2006 and effective on August 1, 2008 (the "**2008 Arrangement**") has been superseded. The 2019 Arrangement regulates, among others, the scope and particulars of judgments, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in mainland China and those in Hong Kong. However, the 2008 Arrangement will remain applicable to a "choice of court agreement in writing" within the meaning of 2008 Arrangement which is made before the effective date of 2019 Arrangement.

Uncertainties embedded in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

Legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

The legal systems of some geographic markets where we operate are evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations may be subject to future implementations, and the application of some of these laws and regulations to our businesses may need further clarification. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards which may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims.

Furthermore, there are other circumstances where key regulatory definitions may not be entirely precise or clear, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

It is possible that a number of laws and regulations may be adopted or construed to be applicable to us in our geographic markets and elsewhere that could affect our businesses and operations. Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Changes in current laws or regulations or the imposition of new laws and regulations in our geographic markets may slow the growth of our industries and affect our business, financial condition and results of operations.

We are a mainland China enterprise and we are subject to mainland China tax on our global income and any gains on the sales of H Shares and dividends on the H Shares may be subject to mainland China income taxes.

Under the PRC EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between mainland China and a non-mainland China investor's jurisdiction of residence that provides for a different income tax arrangement, mainland China withholding tax at the rate of 10% is normally applicable to dividends from mainland China sources payable to investors that are non-mainland China resident enterprises, which do not have an establishment or place of business in mainland China, or which have an establishment or place of business in mainland China if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% mainland China income tax rate if such gains are regarded as income from sources within mainland China unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within mainland China paid to foreign individual investors who are not mainland China residents are generally subject to a mainland China withholding tax at a rate of 20% and gains from mainland China sources realized by such investors on the transfer of shares are generally subject to a 20% mainland China income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and laws in mainland China. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the STA, dividends paid to non-mainland China resident individual holders of H Shares by non-foreign-invested domestic enterprises issuing shares in Hong Kong are generally subject to individual income tax of mainland China at the withholding tax rate of 10%, in which the non-mainland China resident individual holder of H Shares resides as well as the tax arrangement between mainland China and Hong Kong. Non-mainland China resident individual holders who reside in jurisdictions that have not entered into tax treaties with mainland China are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (關於個人所得稅若干政策問題的通知) issued by the MOF and the STA and took effect on May 13, 1994, the incomes gained by non-PRC resident individual from dividends and bonuses of enterprise with foreign investment are exempt from individual income tax for the time being. In addition, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF and the STA on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the STA and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of December 31, 2024, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-mainland China resident individuals on the sale of shares of mainland China resident enterprises listed on overseas stock exchanges.

If mainland China income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-mainland China resident investors, the value of your investment in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with mainland China may not qualify for benefits under such tax treaties or arrangements.

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to listing and regulatory requirements of mainland China and Hong Kong.

As our A Shares are listed on the Shenzhen Stock Exchange and our H Shares will be [**REDACTED**] on the Main Board in Hong Kong, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

The characteristics of the A share and H share markets may differ.

Our A Shares are listed and traded on the Shenzhen Stock Exchange. Following the [**REDACTED**], our A Shares will continue to be traded on the Shenzhen Stock Exchange and our H Shares will be [**REDACTED**] on the Hong Kong Stock Exchange. Under current laws and regulations of mainland China, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have divergent trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the investment decision in our H Shares.

There has been no prior public market for our H Shares, and an active trading market for our H Shares may not develop or be sustained.

Prior to the [**REDACTED**], there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the [**REDACTED**]. In addition, the [**REDACTED**] of our H Shares is expected to be fixed by agreement between the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]) and us and may not be an indication of the market price of our H Shares following the completion of the [**REDACTED**]. If an active public market for our H Shares does not develop following the completion of the [**REDACTED**], the market price and liquidity of our H Shares may be materially and adversely affected.

The price and trading volume of our H Shares may be volatile, which could lead to substantial losses to investors.

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Hong Kong Stock

Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the price and trading volume of our H Shares. In addition to market and industry factors, the price and trading volume of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our customers and suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Hong Kong Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse effect on the prevailing market price of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.

The market price of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be negatively impacted as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, especially by our Directors, executive officers and Controlling Shareholders, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. Furthermore, we may issue Shares pursuant to any future share option incentive schemes, which would further dilute our Shareholders' interests in our Company. New shares or share-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Shares held by our Controlling Shareholders are subject to certain lock-up periods beginning on the date on which [**REDACTED**] in our H Shares commences on the Hong Kong Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they own now or may own in the future. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the market price of our Shares.

Our historical dividends may not be indicative of our future dividend policy, and we cannot assure you whether and when we will pay dividends in the future.

We have declared dividends in the past. However, we cannot assure you that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of mainland China, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under IFRSs. The declaration, payment and amount of any future dividends are at the discretion of our Directors, after taking into account various factors, including our results of operations, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at Shareholders' meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of mainland China. See "Financial Information — Dividend Policy" for further details. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

Under the existing foreign exchange regulations of mainland China, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of mainland China to pay capital expenses such as the repayment of loans denominated in foreign currencies. If we fail to complete such registrations or obtain such approvals, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of RMB into or out of mainland China.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the Shenzhen Stock Exchange.

As our A Shares are listed on the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in mainland China. As a result, from time to time, we publicly release information relating to us on the Shenzhen Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in mainland China, which are different from those applicable to the [**REDACTED**]. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this Document. As a result, prospective investors in our H Shares should be reminded that, in making their investment decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this Document. By applying to purchase our H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this Document and any formal announcements made by us in Hong Kong with respect to the [**REDACTED**].

You should read the entire document carefully and only rely on the information included in this document to make your investment decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our Shares or the [REDACTED].

We strongly caution our investors not to rely on any information contained in press articles or other media regarding us, our Shares and the [**REDACTED**]. Prior to the publication of this Document, there may be press and media coverage regarding the [**REDACTED**] and us. Such press and media coverage may include references to certain information that does not appear in this Document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this Document, we disclaim responsibility for it and our investors should not rely on such information.

Certain facts, forecast and other statistics in this document obtained from publicly available sources have not been independently verified and may not be reliable.

Certain facts, forecast and other statistics in this Document are derived from various government and official sources. However, our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from official government sources has not been independently verified by us, the Joint Sponsors, **[REDACTED]** or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, we cannot assure our investors that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This Document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain **[REDACTED]** information and other matters. The words "aim", "anticipate", "believe", "could", "predict", "potential", "continue", "expect", "intend", "may", "might", "plan", "seek", "will", "would", "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, amongst others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessarily estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set out in this section. Accordingly, such statements are not a guarantee of future performance and investors should not place undue reliance.

In preparation of the **[REDACTED]**, the Company has sought the following waivers from strict compliance with the relevant provisions of the Hong Kong Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Rules 8.12 and 19A.15 of the Hong Kong Listing Rules provide that a new applicant for listing on the Hong Kong Stock Exchange must have a sufficient management presence in Hong Kong and, under normal circumstances, at least two of the new applicant's executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Hong Kong Listing Rules further provides that the requirement in Rule 8.12 of the Hong Kong Listing Rules may be waived by having regard to, among other considerations, the Company's arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

The Company's headquarters are based, and most of the business operations of the Group, are managed and conducted in the PRC. The executive Directors ordinarily reside in the PRC, as the Board believes it would be more effective and efficient for the executive Directors to be based in a location where the Group's substantial operations are located. As such, the Company does not and, in the foreseeable future, will not be able to comply with the requirements of Rules 8.12 and 19A.15 of the Hong Kong Listing Rules for sufficient management presence in Hong Kong.

Accordingly, pursuant to Rule 19A.15 of the Hong Kong Listing Rules, the Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Hong Kong Listing Rules, provided that the Company implements the following arrangements:

(i) the Company has appointed Mr. Wang Yang and Ms. Yu Wing Sze ("**Ms. Yu**") as the authorized representatives of the Company (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Hong Kong Listing Rules. The Authorized Representatives will serve as the Company's principal channel of communication with the Hong Kong Stock Exchange. They can be readily contactable by phone and email to deal promptly with enquiries from the Hong Kong Stock Exchange and will also be available to meet with the Hong Kong Stock Exchange to discuss any matters on short notice. The contact details of the Authorized Representatives have been provided to the Hong Kong Stock Exchange;

(ii) all the Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period. In addition, each Director has provided his/her contact details, including office phone numbers, mobile phone numbers and email addresses (if any), to the Authorized Representatives and to the Hong Kong Stock Exchange, so that each of the Authorized Representatives and the Hong Kong Stock Exchange would be able to contact all the Directors (including the independent non-executive Directors) promptly at all times if and when the Hong Kong Stock Exchange wishes to contact the Directors;

(iii) the Company has appointed Somerley Capital Limited as its Compliance Advisor for the period commencing on the [**REDACTED**] and ending on the date on which the Company complies with Rule 13.46 of the Hong Kong Listing Rules in respect of the Company's financial results for the first full financial year commencing after the [**REDACTED**], or until the agreement is terminated, whichever is earlier. The Compliance Advisor will act as the Company's additional and alternative channel of communication with the Hong Kong Stock Exchange, and its representatives will be readily available to answer enquiries from the Hong Kong Stock Exchange; and

(iv) the Company has appointed designated staff members as the responsible communication officers at the Company's headquarters to oversee regular communication with the Authorized Representatives and the Company's professional advisors in Hong Kong, including its legal advisors and the Compliance Advisor, keep abreast of any correspondence and/or inquiries from the Hong Kong Stock Exchange and report to the executive Directors, streamlining communication between the Hong Kong Stock Exchange and the Company following the [**REDACTED**].

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Hong Kong Listing Rules, the company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experiences, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Pursuant to Note 1 to Rule 3.28 of the Hong Kong Listing Rules, the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

(i) a member of The Hong Kong Chartered Governance Institute;

(ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and

(iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

Pursuant to Note 2 to Rule 3.28 of the Hong Kong Listing Rules, in assessing "relevant experience," the Hong Kong Stock Exchange will consider the individual's:

(i) length of employment with the issuer and other issuers and the roles he played;

(ii) familiarity with the Hong Kong Listing Rules and other relevant law and regulations including the SFO, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code;

(iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Hong Kong Listing Rules; and

(iv) professional qualifications in other jurisdictions.

The Company has appointed Mr. Fei Wei ("**Mr. Fei**") as one of the joint company secretaries. Mr. Fei joined the Group in September 2021. He currently also holds the position of the Board secretary. See "Directors, Supervisors and Senior Management" in this Document for further biographical details of Mr. Fei. Although Mr. Fei does not possess the qualifications set out in Rule 3.28 of the Hong Kong Listing Rules, the Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have Mr. Fei as its joint company secretary who is familiar with the Group's internal operation and management and possesses professional knowledge and experience in handling corporate governance and compliance, legal affairs and public relationship related matters. The Company has also appointed Ms. Yu to act as the other joint company secretary to assist Mr. Fei in discharging the duties of a company secretary of the Company. Ms. Yu is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and is therefore qualified under Rule 3.28 of the Hong Kong Listing Rules to act as a joint company secretary of the Company. See "Directors, Supervisors and Senior Management" for further biographical details of Ms. Yu.

Since Mr. Fei does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Hong Kong Listing Rules, the Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Hong Kong Listing Rules for a period of three years since the [**REDACTED**] on the following conditions: (i) Mr. Fei must be assisted by Ms. Yu who possesses the qualifications or experience as required under Rule 3.28 of the Hong Kong Listing Rules and is appointed as a joint company secretary throughout the waiver period; and (ii) the waiver can be revoked in the event of a material breach of the Hong Kong Listing Rules by the Company.

In support of the waiver application, the Company has adopted, or will adopt the following arrangements:

(i) in preparation of the application of the [**REDACTED**], Mr. Fei has attended training on the respective obligations of the Directors, senior management and the Company under the relevant Hong Kong laws and the Hong Kong Listing Rules organised by the Hong Kong legal advisors to the Company;

(ii) Ms. Yu will work closely with Mr. Fei to jointly discharge the duties and responsibilities as the joint company secretaries and to assist Mr. Fei in acquiring the relevant experience as required under the Hong Kong Listing Rules for an initial period of three years from the [**REDACTED**], a period which should be sufficient for Mr. Fei to acquire the relevant experience as required under the Hong Kong Listing Rules;

(iii) the Company will ensure that Mr. Fei continues to have access to the relevant training and support in relation to the Hong Kong Listing Rules and the duties required for a company secretary of an issuer listed on the Hong Kong Stock Exchange. Furthermore, both Mr. Fei and Ms. Yu will seek advice from the Company's Hong Kong legal and other professional advisors as and when required. Mr. Fei also undertakes to take no less than 15 hours of relevant professional training in each financial year of the Company; and

(iv) at the end of the three-year period, the qualifications and experience of Mr. Fei and the need for on-going assistance of Ms. Yu will be further evaluated by the Company. The Company will then endeavour to demonstrate to the Hong Kong Stock Exchange's satisfaction that Mr. Fei, having had the benefit of the assistance of Ms. Yu for the immediately preceding three years, has acquired the relevant experience (within the meaning of Note 2 to Rule 3.28 of the Hong Kong Listing Rules) such that a further waiver from Rules 3.28 and 8.17 of the Hong Kong Listing Rules will not be necessary. The Company understands that the Hong Kong Stock Exchange may revoke the waiver if Ms. Yu ceases to provide assistance to Mr. Fei during the three-year period.

Prior to the expiry of the three-year period, the Company will liaise with the Hong Kong Stock Exchange to enable it to assess whether Mr. Fei has acquired the relevant experience within the meaning of Note 2 to Rule 3.28 of the Hong Kong Listing Rules.

WAIVER IN RESPECT OF ALTERATION IN SHARE CAPITAL

Paragraph 26 of Appendix D1A to the Hong Kong Listing Rules requires this Document to include the particulars of any alterations in the share capital of any member of the Group within the two years immediately preceding the issue of this Document.

As of the Latest Practicable Date, the Company had more than 100 subsidiaries. It would be unduly burdensome for the Company to disclose the required information in respect of all of its subsidiaries as the Company would have to incur additional costs and devote additional resources in compiling and verifying the relevant information for such disclosure, which would not be material nor meaningful to investors. The non-disclosure of such information will not prejudice the interests of the Shareholders or potential investors.

The Company has identified eight major subsidiaries that it considers are material to its operations and/or its financial performance during the Track Record Period (the "**Major Subsidiaries**"). By way of illustration, the aggregate assets of the Company and its Major Subsidiaries (before intercompany eliminations) represent approximately 122.2%, 123.0% and 146.9% of the Group's total assets (after intercompany eliminations) as of December 31, 2022, 2023 and 2024, respectively, the aggregate revenue of the Company and its Major Subsidiaries (before intercompany eliminations) represents approximately 125.7%, 116.8% and 120.6% of the Group's total revenue (after intercompany eliminations) for the years ended December 31, 2022, 2023 and 2024, respectively and the aggregate profits before tax of the Company and its Major Subsidiaries (before intercompany eliminations) represent approximately 151.2%, 178.6% and 120.6% of the Group's total profits before tax for the years ended December 31, 2022, 2023 and 2024, respectively. None of the subsidiaries of the Company that are not Major Subsidiaries is individually material to the Group in terms of its contribution to the Group's total assets, total revenue or total profits before tax. Accordingly, the remaining subsidiaries of the Company which are not Major Subsidiaries are relatively insignificant to the overall results of the Group.

The Company has disclosed the particulars of the changes in the share capital of the Company and the Major Subsidiaries in the section headed "Statutory and General Information — Further Information about the Group" in Appendix IV to this Document.

The Company has applied for, and the Hong Kong Stock Exchange [has granted], a waiver from strict compliance with the requirements under paragraph 26 of Appendix D1A to the Hong Kong Listing Rules, in respect of disclosing the particulars of any alteration in the capital of any member of the Group within the two years immediately preceding the issue of this Document.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Wang Yang (王洋)	No. 3 Banshan Fourth Street Vanke City Huangpu District, Guangzhou Guangdong Province PRC	Chinese
Mr. Zhou Kaiqi (周開琪)	No. 26 Shangshan Eighth Street Vanke City Huangpu District, Guangzhou Guangdong Province PRC	Chinese
Ms. Yu Wei (于偉)	No. 29 Lulin Fifth Street Yunpu Fourth Road Huangpu District, Guangzhou Guangdong Province PRC	Chinese
Dr. Yang Ming (楊銘)	22B-1508 Poly Aite City Huangpu District, Guangzhou Guangdong Province PRC	Chinese
Non-Executive Directors		
Mr. Wong Ching Chung (黃正聰)	Flat 5B, 5/F, Tower 1 Mont Verra Kowloon Hong Kong	Chinese
Mr. Wang Yiran (王毅然)	No. 14 Lulin Fifth Street Yunpu Fourth Road Huangpu District, Guangzhou Guangdong Province PRC	Chinese

Name	Address	Nationality
Independent Non-Executive Directors		
Dr. Huang Jiwu (黃繼武)	No. 810, Building 635 Puyuan Zone South Campus of Sun Yat-sen University 135 Xingang West Road Haizhu District, Guangzhou Guangdong Province PRC	Chinese
Dr. Liu Yunguo (劉運國)	No. 602, Building 674 Puyuan Zone South Campus of Sun Yat-sen University 135 Xingang West Road Haizhu District, Guangzhou Guangdong Province PRC	Chinese
Dr. Zhu Yikun (朱義坤)	Room 1803 11-1 Yuesheng Street Huajing Road Tianhe District, Guangzhou Guangdong Province PRC	Chinese
Mr. Liu Da (劉達)	Flat A, 31/F, Tower 2 Phase 2 – South Tower Residence Bel-air 38 Bel-air Avenue Pok Fu Lam Hong Kong	Chinese

SUPERVISORS

Name	Address	Nationality
Ms. Zhang Lixiang (張麗香) ..	903, 1 Banshan Fourth Street Vanke City Huangpu District, Guangzhou Guangdong Province PRC	Chinese
Mr. Lin Weichou (林偉疇)	4 Shangshan Eighth Street Vanke City Huangpu District, Guangzhou Guangdong Province PRC	Chinese
Mr. Chen Hui (陳輝)	104, Building 42 9 Yunji Avenue Longfor BCD Yunfeng Yuanzhu Huangpu District, Guangzhou Guangdong Province PRC	Chinese

For further details, see "Directors, Supervisors and Senior Management."

Joint Sponsors	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong **GF Capital (Hong Kong) Limited** 27/F, GF Tower 81 Lockhart Road Wanchai Hong Kong

[REDACTED]

[REDACTED]

Legal Advisors to the Company	*As to Hong Kong and U.S. laws:* **Freshfields** 55th Floor, One Island East Taikoo Place, Quarry Bay Hong Kong *As to PRC law:* **JunHe LLP** 28/F, GDH BCC No. 21 Zhujiang West Road Zhujiang New Town Tianhe District, Guangzhou Guangdong Province PRC
Legal Advisors to the Joint Sponsors and the [REDACTED]	*As to Hong Kong and U.S. laws:* **Hebert Smith Freehills Kramer** 23/F, Gloucester Tower 15 Queen's Road Central Hong Kong

	As to PRC law: **King & Wood Mallesons** 25/F and 26/F, Guangzhou Chow Tai Fook Finance Centre 6 Zhujiang East Road Zhujiang New Town Tianhe District, Guangzhou Guangdong Province PRC
Auditor and Reporting Accountants	**BDO Limited** *Certified Public Accountants* 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504 Wheelock Square 1717 West Nanjing Road Jing'an District Shanghai PRC

[REDACTED]

Registered Office	6 Yunpu Fourth Road Huangpu District, Guangzhou Guangdong Province PRC
Headquarters and Principal Place of Business in the PRC	6 Yunpu Fourth Road Huangpu District, Guangzhou Guangdong Province PRC
Place of Business in Hong Kong	31/F., Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Joint Company Secretaries	**Mr. Fei Wei (費威)** 6 Yunpu Fourth Road Huangpu District, Guangzhou Guangdong Province PRC **Ms. Yu Wing Sze (余詠詩)** *(ACG, HKACG)* 31/F., Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Authorized Representatives	**Mr. Wang Yang (王洋)** 6 Yunpu Fourth Road Huangpu District, Guangzhou Guangdong Province PRC **Ms. Yu Wing Sze (余詠詩)** 31/F., Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Audit Committee	Dr. Liu Yunguo *(Chairperson)* Dr. Zhu Yikun Mr. Liu Da

Nomination Committee	Dr. Zhu Yikun *(Chairperson)* Dr. Liu Yunguo Ms. Yu Wei
Remuneration and Appraisal Committee	Dr. Huang Jiwu *(Chairperson)* Dr. Zhu Yikun Mr. Zhou Kaiqi
Strategy and ESG Committee	Mr. Wang Yang *(Chairperson)* Mr. Wang Yiran Dr. Huang Jiwu
Compliance Advisor	**Somerley Capital Limited** 20/F, China Building 29 Queen's Road Central Hong Kong

[REDACTED]

Principal Banks	**Industrial and Commercial Bank of China Limited Guangzhou Science City Sub-Branch** Room 108, Unit 3, Building 2 11 Guangpu Middle Road Huangpu District, Guangzhou Guangdong Province PRC
	China Merchants Bank Co., Ltd. Guangzhou Haizhu Sub-Branch 118, First Floor 154 and 156 Jiangnan Avenue Middle Road Haizhu District, Guangzhou Guangdong Province PRC
Company's Website	**www.cvte.com** *(A copy of this Document is available on the Company's website. Except for the information contained in this Document, none of the other information contained on the Company's website forms part of this Document)*

*The information and statistics set out in this section have been extracted, in part, from various official government sources and a market research report prepared by Frost & Sullivan (the "**F&S Report**") and commissioned by us. We believe that these sources are appropriate sources for such information and statistics and reasonable care has been exercised by us in selecting and identifying the named information sources, compiling, extracting and reproducing the information, and ensuring no material omission of the information. We have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information and statistics false or misleading in any material respect. Neither our Company nor any of the Relevant Persons (which, for the purpose of this paragraph, excludes Frost & Sullivan) has independently verified the information and statistics from official government sources, and no representation is given as to its accuracy.*

We primarily operate in (i) commercial display products market, (ii) commercial AV equipment market, (iii) commercial computing devices market and (iv) the intelligent control component market (including LCD controller boards market and white goods control products market).

COMMERCIAL DISPLAY PRODUCTS MARKET

Overview of Commercial Display Products

Commercial display products refer to display products and solutions designed for commercial applications. They usually integrate advanced audiovisual digital technologies such as artificial intelligence (AI), 5G, cloud computing, audio-visual technology, ultra-high-definition (UHD), the Internet of Things (IoT), big data, and streaming media to provide businesses with human-machine interaction platforms. Commercial display products primarily include IFPDs, digital signage, and LED displays, among which IFPDs can be further categorized into education IFPD and conference IFPD based on application scenarios.

Main Products in Commercial Display Products Market

Main Products		Main Downstream Application Scenarios	Functions
IFPD	Education IFPD	Teaching Scenarios	• The education IFPD serves as the core digital platform in classroom environments, integrating multiple functions such as large-size high-definition display, interactive touch control, audio amplification, and network transmission. Leveraging AI technology, it enables intelligent classroom feedback, AI-generated courseware, and structured summarization of key lesson points.
	Conference IFPD	Conference Scenarios	• The conference IFPD is an enterprise-grade intelligent collaboration hardware solution that integrates high-definition or ultra-high-definition display, computing and storage capabilities, interactive smart writing, network connectivity, and audio-video capture. As the core platform for digitalized conference rooms, it enables screen sharing presentations, interactive whiteboard writing, video conferencing, intelligent recording, and automated meeting summaries. Leveraging AI technology, it supports real-time subtitles and translations, generates traceable meeting records, and automatically completes meeting minutes and action item summaries.
Digital Signage		Advertising and promotion, information display, and entertainment media scenarios	• Digital signage is a professional multimedia audiovisual system that utilizes terminal display products in public spaces to dynamically, customizable, and interactively present public information, advertisements, and other content.
LED Display		Advertising and promotion, information display, and entertainment media scenarios	• An LED display refers to a screen that utilizes LEDs as display elements, offering high brightness, long lifespan, high reliability, low power consumption, and environmentally friendly characteristics.
Others		Teaching, conference, advertising and promotion, information display, and entertainment media scenarios	• Including commercial TVs, standalone displays, and video wall screens.

Source: Frost & Sullivan Analysis

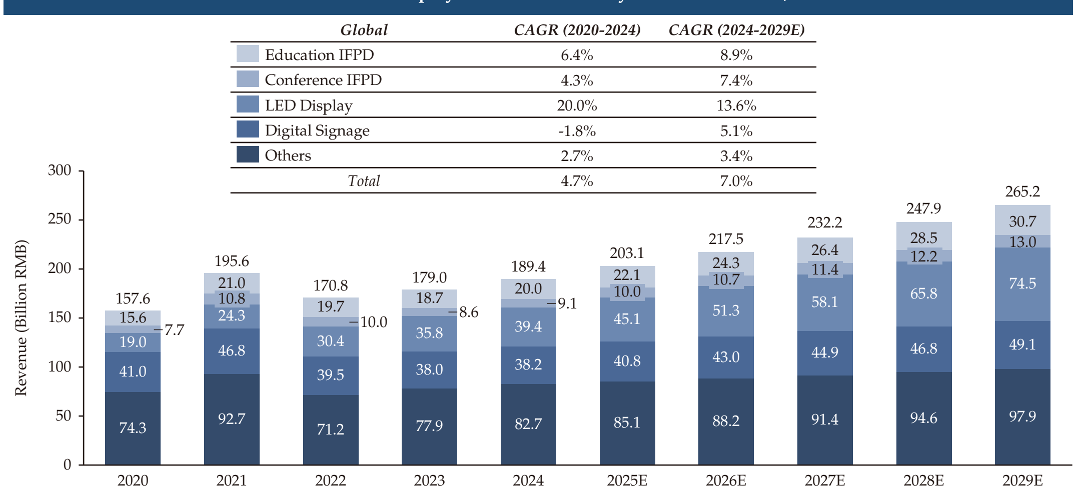
Value Chain of Commercial Display Products Market

The value chain of the commercial display products market primarily consists of upstream suppliers of raw materials and components such as display screen, display main control board, structural components, and wire materials. The midstream includes providers of commercial display products and solutions, such as IFPDs, digital signage, and LED display. It is an industry norm that commercial display products manufacturers sell their products through distributors. The downstream encompasses a wide range of application industries, including education, telecom, finance, media, new retail, transportation, among others.

Market Size of Global Commercial Display Products Market

Driven by technological advancements in commercial display products and the steady growth of market demand, the global market size of the commercial display products market in terms of revenue increased from RMB157.6 billion in 2020 to RMB189.4 billion in 2024, with a CAGR of 4.7%. Specifically, the revenue from education IFPD, conference IFPD, LED display and digital signage reached RMB20.0 billion, RMB9.1 billion, RMB39.4 billion and RMB38.2 billion in 2024, respectively, with a CAGR of 6.4%, 4.3%, 20.0% and -1.8% from 2020 to 2024. By 2029, the global market size of the commercial display products market in terms of revenue is projected to reach RMB265.2 billion, with a CAGR of 7.0% from 2024 to 2029. Specifically, the revenue from education IFPD, conference IFPD, LED display and digital signage is expected to reach RMB30.7 billion, RMB13.0 billion, RMB74.5 billion and RMB49.1 billion by 2029, respectively, with a CAGR of 8.9%, 7.4%, 13.6% and 5.1% from 2024 to 2029.

Revenue of Commercial Display Products Market by Products (Global), 2020 – 2029E



Source: Frost & Sullivan Analysis

The downstream industries of the global commercial display products market mainly include new retail, finance, education, transportation, and telecom, which accounted for 26.5%, 18.7%, 15.7%, 12.5%, and 10.7% of the global market size in terms of revenue in 2024, respectively. By 2029, new retail, finance, education, transportation, and telecom are expected to account for 27.2%, 19.4%, 16.6%, 12.9%, and 11.3% of the global market size in terms of revenue, respectively.

North America, mainland China, and Europe are the main regions for the global commercial display products market. In 2024, North America, mainland China, and Europe accounted for 37.2%, 26.0% and 18.6% of the global market size in terms of revenue, respectively. By 2029, North America, mainland China, and Europe are expected to account for 36.1%, 22.2% and 20.8% of the global market size in terms of revenue, respectively.

Market Drivers and Future Opportunities of Commercial Display Products Market

Industry digital transformation drives new demand. Amid the wave of digital transformation, the demand for information display and interaction across industries has significantly increased, driving the expansion of the commercial display products market. As a key medium for presenting information, commercial display products are experiencing growing adoption. For instance, in the education sector, IFPDs enable real-time interaction and enhance teaching efficiency, leading to widespread adoption. In the conference sector, the development of digital offices and intelligent meetings has raised requirements for display clarity and interactivity, prompting businesses to procure IFPDs to improve collaboration efficiency.

Technological innovation drives demand growth. In recent years, the technological innovations, such as AI, interaction technology and connectivity technology, significantly drives the demand for commercial display products. The integration of AI technology with commercial display products has expanded application scenarios and promoted the transformation from traditional hardware and software solutions to comprehensive AI-driven solutions with data acquisition and analysis, stimulating market demand. For instance, education IFPD equipped with AI-powered education models can automatically generate courseware and provide intelligent classroom observation feedback, thereby improving teaching efficiency. Conference IFPD can facilitate AI-driven functions such as meeting transcription, summarization, and speech-to-text conversion, thereby optimizing meeting productivity. In addition, AI is reshaping commercial display products from traditional hardware into intelligent and data-driven service platforms, which include collecting and analyzing educational data to support educational institutions, as well as gathering and processing conference data to serve enterprises across various industries. Furthermore, advancements in interactive technologies such as touch, voice control, and gesture and facial recognition have enabled more functionalities and enhanced experience. The application of connectivity technologies achieves information sharing, functional collaboration and remote control.

Continuous expansion of application scenarios. With advantages in information dissemination efficiency, visual impact and interactive experience, commercial display products are increasingly penetrating various industries, including education, telecom, finance, media, new retail and transportation, leading to the gradual replacement of traditional media such as printed posters and outdoor billboards. Commercial display products enable dynamic content presentation, real-time information updates, and personalized messaging, meeting the need for precise and efficient information delivery across industries. For instance, in retail industry, digital signage facilitates instant updates of product information and dynamic displays of promotional activities, effectively replacing printed posters. Meanwhile, the commercial display products market is accelerating the transformation towards specialized and differentiated vertical scenarios. For example, the teaching scenarios prioritize interactive teaching and visual comfort balance, and corporate conference scenarios require efficient collaboration and high-definition presentation. By precisely aligning with industry-specific requirements, commercial display products are achieving deeper penetration in multiple applications.

Supportive policies. In recent years, the Chinese government has introduced a series of policies to encourage innovation, promote technological advancement, and optimize industrial structures in the commercial display products market. For instance, in 2023, the Ministry of Industry and Information Technology (MIIT) and the Ministry of Finance launched the "2023-2024 Action Plan for Stable Growth in Electronic Information Manufacturing Industry" (《電子信息製造業2023-2024年穩增長行動方案》), emphasizing the development of emerging display technologies and ultra-high-definition video. Additionally, in the same year, the MIIT and six other departments released the "Guiding Opinions on Accelerating High-Quality Development of Audiovisual Electronics Industry" (《關於加快推進視聽電子產業高質量發展的指導意見》), which called for advancements in high-end audiovisual systems and commercial display systems. In overseas markets, many countries continue to introduce policies supporting digital transformation across industries, thereby driving the growth of the commercial display products market. For instance, in 2025, Europe launched the "Work Programme 2025-2027 for Digital Europe" to promote the digitalization of enterprises and public administration.

Integrated hardware and software solutions represent a core competitive advantage. In the commercial display products market, integrated hardware and software solutions are becoming a key development trend. More customers recognize that the integrated solutions can enhance efficiency while meeting diverse and customized needs, thereby adding greater value to commercial display products. Looking ahead, as software solutions evolve, value-added services will become a key growth driver for manufacturers, and solution capabilities will become a core competitive advantage for leading enterprises.

Competitive Landscape of Commercial Display Products Market

In recent years, the commercial display products market is undergoing transformation, and the market competition is intense. The global commercial display products market is relatively concentrated. As of December 31, 2024, there were over 100 market participants worldwide.

In terms of revenue from education IFPD in 2024, the global top three brands accounted for 36.0%, and our Group's brand, *seewo*, ranked first in the world with a market share of 17.5%. In 2024, the global market size of education IFPD in terms of sales volume reached 2,301.0 thousand. In terms of sales volume of education IFPD in 2024, the global top three brands accounted for 32.9%, and our Group's brand, *seewo*, ranked first in the world with a market share of 18.4%. In 2024, the market size of education IFPD in mainland China in terms of revenue reached RMB6.5 billion, and our Group's brand, *seewo*, ranked first in mainland China with a market share of 53.8%. In 2024, the market size of education IFPD in mainland China in terms of sales volume reached 834.5 thousand, and our Group's brand, *seewo*, ranked first in mainland China with a market share of 50.7%.

Top Three Brands of Education IFPD in terms of Revenue (Global), 2024

Ranking	Brand Name	Headquarters	Revenue (Billion RMB)	Market Share
1	*seewo*	Guangdong Province, China	3.5	17.5%
2	Brand A(1)	United States	2.0	10.0%
3	Brand B(2)	Canada	1.7	8.5%

Top Three Brands of Education IFPD in terms of Sales Volume (Global), 2024

Ranking	Brand Name	Headquarters	Sales Volume (Thousand)	Market Share
1	*seewo*	Guangdong Province, China	423.4	18.4%
2	Brand A	United States	181.8	7.9%
3	Brand C(3)	Guangdong Province, China	151.2	6.6%

Notes:

(1) Brand A is a brand established in 1997, engaging in the provision of IFPDs and software for education.

(2) Brand B is a brand established in 1987, engaging in the provision of IFPDs and collaboration software.

(3) Brand C is a brand established in 2000 and owned by a group listed on the Shenzhen Stock Exchange, engaging in the provision of IFPDs.

Source: Annual Reports; Frost & Sullivan Analysis

In terms of revenue from conference IFPD in 2024, the global top three brands accounted for 30.8%, and our Group's brand, *MAXHUB*, ranked second in the world with a market share of 9.9%. In 2024, the global market size of conference IFPD in terms of sales volume reached 730.0 thousand. In terms of sales volume of conference IFPD in 2024, the global top three brands accounted for 31.7%, and our Group's brand, *MAXHUB*, ranked first in the world with a market share of 13.2%. In 2024, the market size of conference IFPD in mainland China in terms of revenue reached RMB2.8 billion, and our Group's brand, *MAXHUB*, ranked first in mainland China with a market share of 25.0%. In 2024, the market size of conference IFPD in mainland China in terms of sales volume reached 280.1 thousand, and our Group's brand, *MAXHUB*, ranked first in mainland China with a market share of 29.4%.

Top Three Brands of Conference IFPD in terms of Revenue (Global), 2024

Ranking	Brand Name	Headquarters	Revenue (Billion RMB)	Market Share
1	Brand D(1)	South Korea	1.3	14.3%
2	*MAXHUB*	Guangdong Province, China	0.9	9.9%
3	Brand E(2)	Guangdong Province, China	0.6	6.6%

Top Three Brands of Conference IFPD in terms of Sales Volume (Global), 2024

Ranking	Brand Name	Headquarters	Sales Volume (Thousand)	Market Share
1	*MAXHUB*	Guangdong Province, China	96.3	13.2%
2	Brand D	South Korea	86.7	11.9%
3	Brand F(3)	Taiwan, Province of China	48.4	6.6%

Notes:

(1) Brand D is a brand established in 1969 and owned by a group listed on the Korea Stock Exchange and the London Stock Exchange, engaging in the provision of consumer electronics, IT & mobile communications, device solutions, among others.

(2) Brand E is a brand established in 1987, engaging in the provision of information and communications technology (ICT) infrastructure and smart devices.

(3) Brand F is a brand established in 1976 and owned by a group listed on the Taiwan Stock Exchange, engaging in the provision of computers and displays solutions.

Source: Annual Reports; Frost & Sullivan Analysis

COMMERCIAL AV EQUIPMENT MARKET

Overview of Commercial AV Equipment

Commercial AV equipment refers to devices designed for non-household, professional applications based on auditory and visual needs. These devices are used to achieve the acquisition, processing, transmission, storage, control, and presentation of audio and video signals. Commercial AV equipment mainly consists of audio devices (including audio pickup and amplification devices), video devices (including video signal acquisition devices), processing devices, transmission devices, integrated system devices, and other auxiliary devices.

Major Devices in the Commercial AV Equipment Market

Major Devices		Main Downstream Application Scenarios	Function
Audio Devices	Audio Pickup Devices	Conference, education, radio and television broadcasting, shopping malls, and others.	• Audio pickup devices are hardware devices used for capturing sound signals, such as microphones, microphone arrays, and recording equipment.
	Amplification Devices	Conference, education, public broadcasting, performance venues, and others.	• Sound amplification devices are hardware devices that amplifies audio signals and outputs sound, such as speakers and power amplifiers.
Video Devices	Video Signal Acquisition Devices	Conference, education, radio and television broadcasting, security monitoring, and others.	• Video signal acquisition devices are hardware devices that capture, convert, and output video signals, transforming optical images or analog signals into processable digital signals.
Processing Devices		Conference, education, radio and television broadcasting, security monitoring, and others.	• Processing devices are hardware devices that adjust, convert, and optimize digital audio and video signals.
Transmission Devices		Conference, education, radio and television broadcasting, traffic scheduling, and others.	• Transmission devices are hardware devices that ensure the stable transfer of audio and video signals.
Integrated System Devices		Conference, education, performance venues, and others.	• Integrated system devices are hardware devices that combine multiple functions to comprehensively process, control, and distribute audio and video signals.

Note: The commercial AV equipment does not include the commercial display products segment.

Source: Frost & Sullivan Analysis

Value Chain of Commercial AV Equipment Market

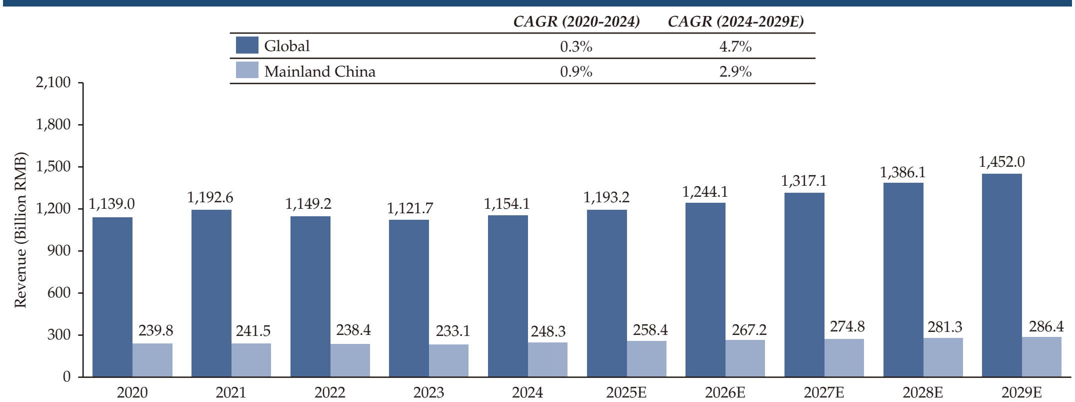
The value chain of commercial AV equipment market mainly includes upstream raw material and component suppliers that provide electronic components, chips, and sensors, among others. The midstream includes commercial AV equipment suppliers and equipment integrators, providing audio devices, video devices, processing devices, transmission devices, integrated system devices and other auxiliary devices. In the commercial AV equipment market, it is an industry norm that manufacturers sell products through distributors. The downstream encompasses a wide range of application scenarios, including conference, teaching, tourism, and public sector, among others.

Market Size of Global and Mainland China's Commercial AV Equipment Market

Driven by technological innovation, expanding application scenarios and supportive policies, the revenue of the global commercial AV equipment market increased slightly from RMB1,139.0 billion in 2020 to RMB1,154.1 billion in 2024, with a CAGR of 0.3%. The revenue of commercial AV equipment market in mainland China increased from RMB239.8 billion in 2020 to 248.3 billion in 2024, with a CAGR of 0.9%. In 2020 and 2021, affected by the outbreak of COVID-19 pandemic, the surge in demand for remote meetings and online education led to a rise in AV equipment sales. After 2021, the market demand for commercial AV equipment slightly declined.

With the growing demand from emerging markets and the further expansion of application scenarios, the commercial AV equipment market is expected to grow steadily. By 2029, the global revenue is expected to reach RMB1,452.0 billion, growing at a CAGR of 4.7% from 2024 to 2029, whilst the revenue in mainland China is expected to reach RMB286.4 billion, growing at a CAGR of 2.9% from 2024 to 2029.

Revenue of Commercial AV Equipment Market (Global and Mainland China), 2020 – 2029E



Source: Frost & Sullivan Analysis

The major downstream applications of commercial AV equipment include conferences, tourism, public sector, education and others. Conferences, tourism, public sector, education and others accounted for approximately 35.0%, 20.0%, 15.0%, 7.5% and 22.5% of the global market size in terms of revenue in 2024, respectively, and are expected to represent 34.0%, 22.5%, 16.8%, 8.2% and 18.5% by 2029, respectively.

North America, mainland China, and Europe are the major markets for the global commercial AV equipment market. North America, mainland China, and Europe accounted for approximately 31.4%, 22.9%, and 17.2% of the global market size in terms of revenue in 2024, respectively, and are expected to represent 30.8%, 23.0%, and 17.0% by 2029, respectively.

Market Drivers and Future Opportunities of Commercial AV Equipment Market

Technological innovation. Along with the accelerated digital transformation, traditional AV technologies cannot meet users' demands for real-time interaction, immersive experiences, and efficient management. Technological innovations have become the core driving force for the commercial AV equipment market. For instance, the integration of AI algorithms and multimodal sensing technology enables AV equipment to achieve proactive interaction. In conference environments, intelligent cameras use facial recognition and voice positioning technologies to automatically track speakers and optimize video composition, while the adaptive noise reduction algorithms eliminate environmental noise in real time to ensure smooth remote collaboration. These technological innovations drive the transition from single-function capabilities to multimodal perception integration, and from command execution to autonomous perception, thereby significantly enhancing user experiences.

Growing demand from application scenarios and emerging markets. The popularization of scenarios such as smart conference, online education, and intelligent exhibition halls has further stimulated the demand for commercial AV equipment. In smart conference, the demand for equipment with intelligent voice recognition and auto-tracking shooting grows due to growing requirements for efficient collaboration and immersive communication. Meanwhile, the development of online education has deepened the reliance of educational institutions and platforms on stable, low-latency, and highly interactive AV teaching equipment and systems. Moreover, some overseas regions such as Southeast Asia, the Middle East, and Africa have strong demand for infrastructure of digital transformation in education, corporate conferences, the public sector, among others, which also unleashes substantial growth opportunities for the commercial AV equipment market.

Competitive Landscape of Commercial AV Equipment Market

The commercial AV equipment market in mainland China is relatively fragmented. As of December 31, 2024, there were approximately 2,000 market participants in mainland China. With the continuous digital transformation, the education sector has become one of the key downstream industries in the commercial AV equipment market, with wide applications in campus and teaching scenarios. The revenue of commercial AV equipment for teaching scenarios in mainland China amounted to RMB1,568.9 million in 2024. In terms of revenue from commercial AV equipment in teaching scenarios in 2024, the top three commercial AV equipment manufacturers in mainland China accounted for approximately 42.4%, among which our Group ranked first in mainland China with a market share of 20.4%.

Top Three Manufacturers of Commercial AV Equipment for Teaching Scenarios in Terms of Revenue (Mainland China), 2024

Ranking	Company	Headquarters	Revenue (Million RMB)	Market Share
1	**Our Group**	**Guangdong Province, China**	**320.4**	**20.4%**
2	Company A[(1)]	Guangdong Province, China	194.2	12.4%
3	Company B[(2)]	Zhejiang Province, China	150.0	9.6%

Notes:

(1) Company A is a group established in 2005, engaging in the provision of audio-visual equipment, artificial intelligence solutions, among others.

(2) Company B is a group established in 2001 and listed on the Shenzhen Stock Exchange, engaging in the provision of audio-visual equipment, robotic products, auto electronic, smart home solutions, among others.

Source: Annual Report, Frost & Sullivan Analysis

COMMERCIAL COMPUTING DEVICES MARKET

Overview of Commercial Computing Devices

Commercial computing devices are designed to provide data processing, data storage, and data transmission functions within a commercial distributed computing environment, and are able to collaborate with other distributed nodes. Depending on application scenarios, commercial computing devices can be categorized into general-purpose and specialized computing devices. General-purpose computing devices are designed to execute a variety of tasks, suitable for a broad range of scenarios. Specialized computing devices are optimized for specific tasks or scenarios, typically with fixed functionalities and customized hardware. In the commercial computing devices market, it is an industry norm that manufacturers sell products through distributors.

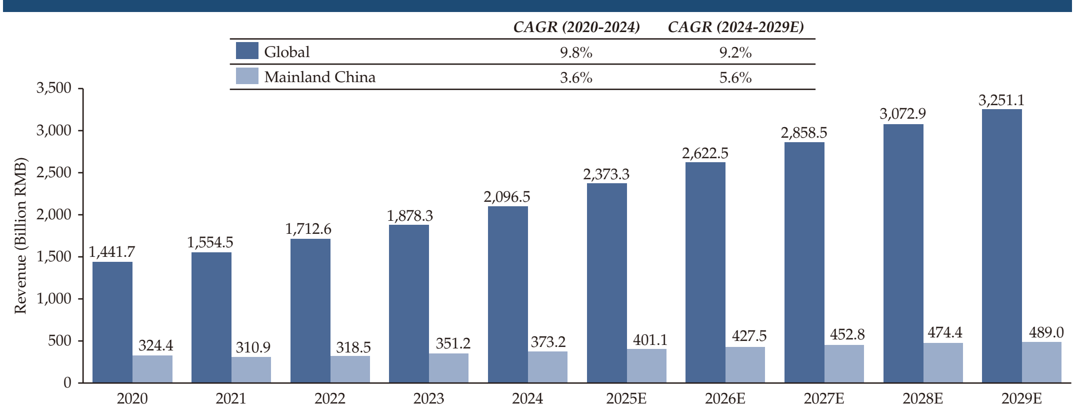
The market presents a highly competitive and fragmented landscape, with various market participants. Traditional hardware manufacturers enjoy strong brand influence through their robust supply chain management and cost control. Emerging technology companies have rapidly developed in commercial computing devices with innovative technologies and high product qualities. Many small and medium-sized enterprises obtain market shares by offering customized commercial computing devices solutions or focusing on specific technological directions.

Market Size of Global and Mainland China's Commercial Computing Devices Market

The revenue of the global commercial computing devices market increased from RMB1,441.7 billion in 2020 to RMB2,096.5 billion in 2024, with a CAGR of 9.8%. In the future, with the product iteration and the growing demand for high-performance computing devices, the revenue of the global commercial computing devices market is expected to reach RMB3,251.1 billion by 2029, with a CAGR of 9.2% from 2024 to 2029.

The revenue of the commercial computing devices market in mainland China increased from RMB324.4 billion in 2020 to RMB373.2 billion in 2024, with a CAGR of 3.6%. In 2021, the market was affected by declining demand after the COVID-19 pandemic and shortage in core components, resulting in decreased revenue. In the future, with technological innovations and expanding applications, the market is expected to resume steady growth, with revenue of the commercial computing devices market in mainland China reaching RMB489.0 billion by 2029, growing at a CAGR of 5.6% from 2024 to 2029.

Revenue of Commercial Computing Devices Market (Global and Mainland China), 2020 – 2029E



Source: Frost & Sullivan Analysis

Driven by the rapid development of cloud computing, big data, artificial intelligence and other emerging technologies, the global specialized computing devices market continues to grow. The revenue of the global specialized computing devices market increased from RMB992.0 billion in 2020 to RMB1,513.8 billion in 2024, with a CAGR of 11.1%. In the future, with the digital transformation of industries, the demand for high-performance specialized computing devices is increasing. The revenue of the global specialized computing devices market is expected to reach RMB2,413.1 billion by 2029, with a CAGR of 9.8% from 2024 to 2029.

The major downstream applications for commercial computing devices include Internet, telecommunications and finance, accounting for approximately 34.5%, 20.7% and 12.1% of the global market size in terms of revenue in 2024, respectively. By 2029, Internet, telecommunications and finance are expected to account for approximately 35.2%, 21.0% and 12.0% of the global market size in terms of revenue, respectively.

Market Drivers and Future Opportunities of Commercial Computing Devices Market

Deep integration of AI technology. With the rapid development of AI technology, demand for high-performance computing devices continues to increase, driving the emergence of innovative products that combine AI technology with hardware. For instance, the integration of dedicated AI computing modules enables computing devices to perform complex tasks such as voice command interpretation and real-time image processing. Meanwhile, the hardware architecture that supports AI operation is also being revolutionized. Accelerator chips designed specifically for AI deliver significantly greater computing power due to optimized architectures, enabling computing devices to smoothly run complex AI applications with the same power consumption. The deep integration of computing devices with AI technologies will create more efficient experiences and bring broad development opportunities.

Vertical industry solutions. To meet the diverse and personalized needs from downstream industries, commercial computing devices manufacturers have been dedicated to offering vertical computing solutions with a wide range of product portfolio and customized software systems. For instance, the computing devices for education sector can support a variety of hardware platforms and systems with pre-installed AI-enabled software that can enhance teaching efficiency. In the future, with technological advancements and users' growing requirements, computing devices will become more tightly aligned with the distinct requirements of specific industries, enabling enterprises in diverse industries to achieve customized service delivery.

INTELLIGENT CONTROL COMPONENT MARKET

Overview of Intelligent Control Components

Intelligent control components refer to control component units or modules designed for specific purposes in electronic products, equipment, devices and systems, with microcontroller chips or digital signal processor chips as core components. Depending on functional requirements, specific programs are embedded in intelligent control components to enable perception, computing and control functions.

Main Functions and Applications of Intelligent Control Components

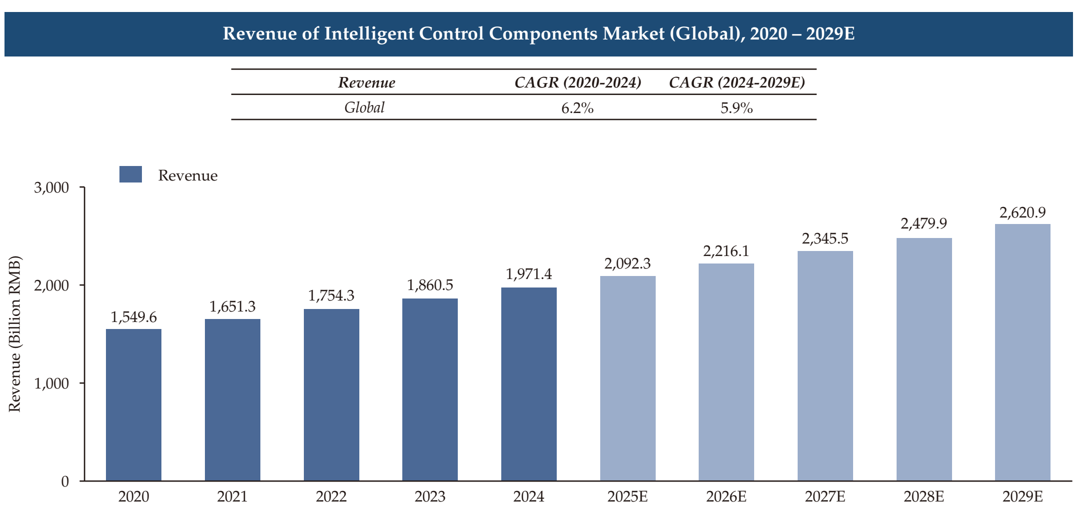
Applications	Main Intelligent Control Component Products	Functions
Display Products	Display controller boards and other display products control components	• Receive and process images and video signals from external sources, such as computers, TV and video players, and convert them into formats suitable for display panels, with important functions such as display driver, signal processing, control circuit, power management, system menu, and core applications.
White Goods	Inverter controller, intelligent display module, human-machine interaction system and other white goods control components	• Achieve power frequency adjustment, touch screen control, timer switch and remote control and other functions to meet users' needs for energy consumption management and intelligent control of white goods.
Automotives	Cockpit modules and core boards, vehicle lamp modules, automotive audio power amplifier and other automotive control components	• Manage and process the vehicle's information display interaction, communication connection, driving assistance, intelligent lighting control, multimedia entertainment and many other functions.
Power Devices	Uninterruptible power supply, inverters, industrial power supplies and other power devices control components	• Realize the functions of power conversion, voltage stabilization, filtering, uninterrupted power supply, etc., and guarantee the stable operation of the equipment.
Intelligent buildings, automated production devices, among others	Intelligent control components such as building control systems and automation control components	• Include automation control products for production lines, and control products for centralized control and intelligent management of lighting, air conditioning, security and other systems in buildings.

Source: Frost & Sullivan

The value chain of the intelligent control component market involves upstream raw material suppliers, midstream intelligent control component manufacturers and downstream applications. Upstream raw material suppliers primarily provide raw materials such as PCB, Chip, MCU, resistors and capacitors, and discrete semiconductor devices, among others. Midstream intelligent control components manufacturers primarily produce a variety of intelligent control components. In the intelligent control components market, it is an industry norm that manufacturers sell products through distributors. Downstream applications primarily include display products, white goods, automotives, power devices and intelligent buildings, among others.

Market Size of Global Intelligent Control Components Market

In recent years, the demand from downstream industries such as display products, white goods, intelligent buildings, power devices and automotives has been continuously increasing, driving the steady growth in the global intelligent control component market. The market size of the global intelligent control components market in terms of revenue increased from RMB1,549.6 billion in 2020 to RMB1,971.4 billion in 2024, with a CAGR of 6.2%. The market size of the global intelligent control components market in terms of revenue is expected to reach RMB2,620.9 billion by 2029, with a CAGR of 5.9% from 2024 to 2029.



Source: Frost & Sullivan Analysis

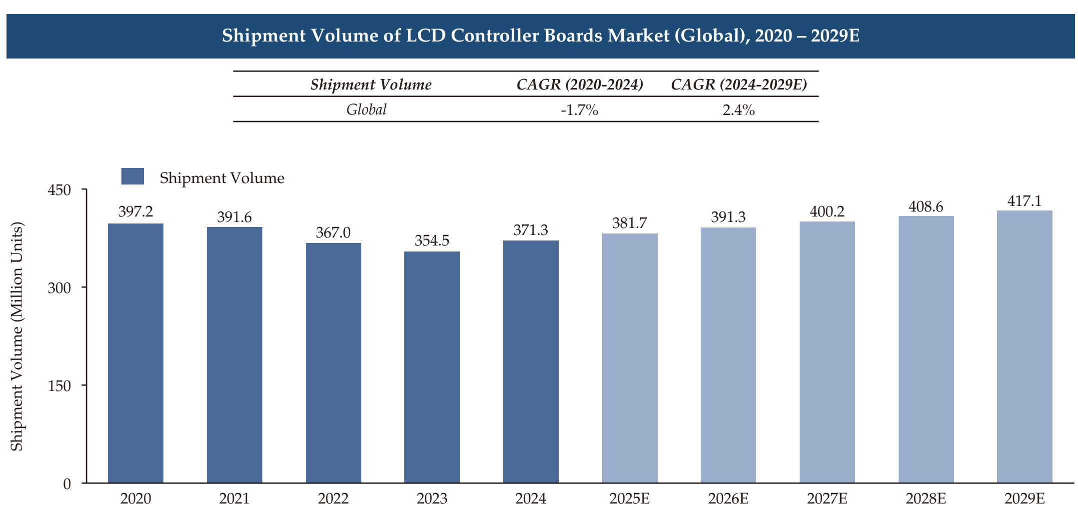
Main downstream applications of the global intelligent control components market include display products, white goods, intelligent buildings, power devices and automotives, among others. In 2024, the revenue of intelligent control components in display products, white goods, intelligent buildings, power devices and automotives accounted for 2.8%, 6.2%, 9.8%, 12.9% and 52.4% of the global market size, respectively. By 2029, the revenue of intelligent control components in display products, white goods, intelligent buildings, power devices and automotives is expected to account for 2.4%, 6.8%, 9.6%, 11.5% and 57.0% of the global market size, respectively.

Overview of LCD Controller Boards

Liquid crystal display ("**LCD**") controller board is a type of intelligent control components applied in display products. LCD controller board directly drives LCD TVs, LCD monitors and other liquid crystal devices to realize the image and information display, mainly responsible for receiving and processing image and video signals from external sources such as computers, TVs, video players, among others, and converts them into a format suitable for display on liquid crystal panels. LCD controller board has functions such as display driver, signal processing, control circuits, power management, system menu, among others. Its performance affects the image quality, picture smoothness, audio and video effects, and power-saving characteristics of liquid crystal display products.

Market Size of Global LCD Controller Boards Market

During the COVID-19 pandemic, the demand for LCD TVs and LCD monitors experienced a surge, and global shipment volume of LCD controller boards reached 397.2 million units in 2020 and 391.6 million units in 2021. Since 2022, due to the decline in demand for LCD devices, global shipment volume of LCD controller boards decreased to 371.3 million units in 2024. In the future, with the increasing demand for LCD controller boards in emerging applications such as smart homes and automotives, global shipment volume of LCD controller boards is expected to reach 417.1 million units by 2029, growing at a CAGR of 2.4% from 2024 to 2029.



Note: The shipment volume includes the shipment of LCD controller boards by LCD TV, LCD monitor and other LCD devices manufacturers for self-use.

Source: Frost & Sullivan Analysis

The main downstream applications of the global LCD controller boards market include LCD TVs, LCD monitors and other LCD devices. In 2024, LCD TVs, LCD monitors and other LCD devices accounted for 55.4%, 43.1% and 1.5% of the global shipment volume, respectively. By 2029, LCD TVs, LCD monitors and other LCD devices are expected to account for 51.8%, 46.0% and 2.2% of the global shipment volume, respectively.

Mainland China and Asia (excluding mainland China) are the main markets for global LCD controller boards. In 2024, mainland China, Asia (excluding mainland China), and other regions accounted for 58.4%, 24.0% and 17.6% of the global shipment volume, respectively. By 2029, mainland China, Asia (excluding mainland China), and other regions are expected to account for 61.9%, 25.3% and 12.8% of the global shipment volume, respectively.

Market Drivers and Future Opportunities of LCD Controller Boards Market

Iteration of technology drives demand. In recent years, LCD technology has been making breakthroughs. The continuous upgrading of video standards from standard definition to 4K/8K ultra high definition has driven the continuous iteration of display equipment. The continuously improving performance of LCD, such as resolution, color gamut and refresh rate, has also raised growing requirements for LCD controller boards with functions such as decoding, signal restoration, and image enhancement, thereby promoting the continuous technological advancements and product iteration. In addition, with the continuous penetration of AI, especially large model technology, in applications such as TVs, the LCD controller boards, serving as core components of signal processing and control, are gradually undertaking more complex functions based on AI algorithms, such as image quality optimization, audio recognition, human-machine interaction, and content recommendation. These continuously evolving technological features have driven the continuous growth in the demand for more advanced LCD controller boards.

Favorable policies. In recent years, the Chinese government has issued a series of policies to promote the development of LCD controller board industry. For instance, in 2023, the Ministry of Industry and Information Technology and other six departments jointly issued the "Guiding Opinions on Accelerating High-Quality Development of Audiovisual Electronics Industry" (《關於加快推進視聽電子產業高質量發展的指導意見》), which encouraged to make breakthroughs in key technologies and core components such as LCD controller boards in audiovisual electronics industry. These supportive policies have created a favorable policy environment for the development of LCD controller board market.

Growing demand from emerging overseas markets. The economic development and rising income levels in overseas markets, especially in Southeast Asia, the Middle East and Latin America, will promote the further penetration of LCD TVs and LCD monitors, which will drive further growth in demand for LCD controller boards in overseas markets.

Competitive Landscape of Global LCD Controller Board Market

The global LCD controller board market is relatively concentrated. As of December 31, 2024, there are approximately 50 LCD controller board manufacturers worldwide. The LCD controller board manufacturers primarily include dedicated LCD controller board manufacturers as well as LCD display equipment manufacturers that produce LCD controller boards for self-use. Leading LCD controller board manufacturers continuously consolidate their dominant positions with competitive advantages including technology, product quality and cost-effectiveness. In terms of shipment volume of LCD controller boards in 2024, the global top three companies accounted for approximately 38.3%, among which our Group ranked first in the world, with a market share of approximately 23.8%.

Top Three Providers of LCD Controller Boards in terms of Shipment Volume (Global), 2024

Ranking	Company	Headquarters	Shipment Volume (Million Units)	Market Share
1	**Our Group**	**Guangdong Province, China**	**88.5**	**23.8%**
2	Company C[1]	South Korea	36.1	9.7%
3	Company D[2]	Shandong Province, China	18.0	4.8%

Note:

(1) Company C is a group established in 1969 and listed on the Korea Stock Exchange and the London Stock Exchange, engaging in the provision of consumer electronics, IT & mobile communications, device solutions, among others.

(2) Company D is a group established in 1997 and listed on the Shanghai Stock Exchange, engaging in the research, development, manufacturing and sales of display products.

Source: Annual Reports; Frost & Sullivan Analysis

Overview of White Goods Control Products

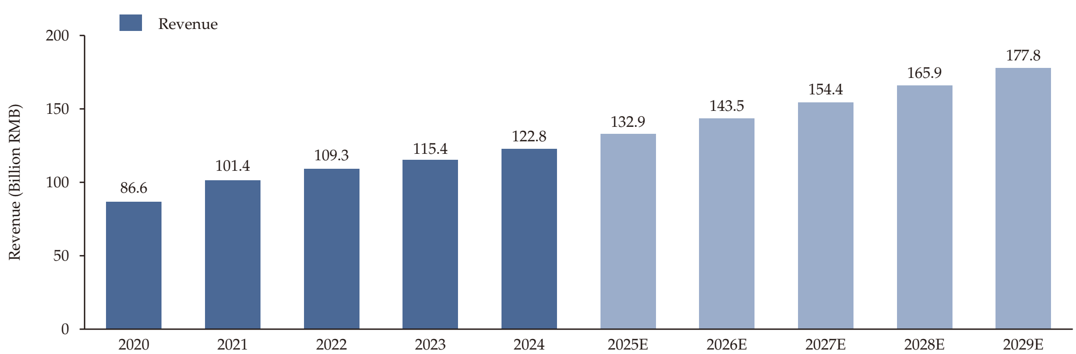
White goods refer to a variety of large household appliances such as air conditioners, washing machines and refrigerators, among others. White goods control products are control units or modules that control white goods. White goods control products are usually composed of an electromechanical control system, a microprocessor, an inverter module, a touch screen interface, a wireless communication module, among others, which can achieve functions such as power frequency adjustment, touch screen control, time switch and remote control, thereby enabling users to achieve energy consumption management and intelligent control of white goods.

Market Size of Global White Goods Control Products Market

With the steady growth of the global white goods industry, the revenue of the global white goods control products market has experienced a rapid growth in recent years. From 2020 to 2024, the revenue of the global white goods control products market increased from RMB86.6 billion to RMB122.8 billion, growing at a CAGR of 9.1%. By 2029, the revenue of global white goods control products market is expected to reach RMB177.8 billion, growing at a CAGR of 7.7% from 2024 to 2029.

Revenue of White Goods Control Products Market (Global), 2020 – 2029E

Revenue	*CAGR (2020-2024)*	*CAGR (2024-2029E)*
Global	9.1%	7.7%



Source: Frost & Sullivan Analysis

The main downstream applications of the global white goods control products market include washing machines, air conditioners, kitchen appliances, refrigerators and other household appliances. In 2024, washing machines, air conditioners, kitchen appliances, refrigerators and other household appliances accounted for 27.7%, 26.1%, 25.1%, 11.8% and 9.3% of the global market size in terms of revenue, respectively. By 2029, washing machines, air conditioners, kitchen appliances, refrigerators and other household appliances are expected to account for 27.6%, 26.6%, 25.0%, 11.9% and 8.9% of the global market size in terms of revenue, respectively.

Mainland China, North America and Europe are the main markets for the global white goods control products market. In 2024, mainland China, North America and Europe accounted for 23.6%, 21.6% and 21.6% of the global market size in terms of revenue, respectively. By 2029, mainland China, North America and Europe are expected to account for 23.5%, 19.4% and 19.3% of the global market size in terms of revenue, respectively.

Market Drivers and Future Opportunities of White Goods Control Products Market

Rapid development of intelligent home appliances. With the continuous improvement of living standards, consumers' demands for white goods have shifted from basic functions to intelligence, energy conservation and environmental protection. Consumers pursue high-end household appliances with features such as intelligent control, remote operation, and energy efficiency optimization, which has driven technological innovations in the white goods control products market. The white goods control products, that integrate advanced inverter modules, sensors, microprocessors and communication modules, can achieve power frequency adjustment, intelligent perception, remote control and interconnection of household appliances, significantly enhancing the user experience.

Continuously rising downstream demand. In recent years, downstream industries such as air conditioners, refrigerators and washing machines have experienced steady growth, promoting the continuous development of the global white goods control products market. Specifically, the revenue of the global white goods market increased from RMB3.1 trillion in 2020 to RMB3.8 trillion in 2024, growing at a CAGR of 5.2%, and is expected to reach RMB4.7 trillion in 2029, growing at a CAGR of 4.3% from 2024 to 2029. Additionally, the penetration rate of white goods has been continuously rising. For instance, the global average volume of refrigerators per hundred households increased from approximately 76 in 2020 to 88 in 2024, and the global average volume of washing machines increased from approximately 51 in 2020 to 53 in 2024. In addition, the penetration rate of white goods in some regions remains relatively low. For instance, as of December 31, 2024, the average volume of air conditioners per hundred households in the Americas, Europe, and India was approximately 95, 43 and 20, respectively, which was lower than 153 in mainland China. Therefore, the white goods market still has considerable growth potentials, which stimulates a stable increase in the demand for white goods control products.

Supportive policies. In 2023, the European Union issued the EU Energy Efficiency Directive, which mentioned the requirement that air conditioning systems meet energy efficiency standards and supported the research and promotion of smart and environmentally friendly components. In 2022, the Ministry of Commerce issued the "Several Measures for Promoting the Consumption of Green and Smart Home Appliances" (《關於促進綠色智能家電消費的若干措施》), proposing to launch a national home appliance trade-in program to continuously stimulate the consumption potential of green and smart home appliances. In 2024, the State Council issued the "Action Plan for Energy Conservation and Carbon Reduction from 2024 to 2025" (《2024-2025年節能降碳行動方案》), proposing to strengthen the management of carbon emission and implement energy conservation and carbon reduction actions. The introduction of favorable policies has promoted the stable growth of white goods industry and the further penetration of intelligent and energy-saving white goods, thereby driving the growth in demand for white goods control products.

Competitive Landscape of Global White Goods Control Products Market

As there are various types of control products for white goods, the white goods control products industry is rather fragmented, with market participants mainly including control products manufacturers, specialized white goods control products manufacturers, and white goods manufacturers, among which white goods manufacturers generally produce control products for self-use. In the future, as white goods manufacturers gradually focus on the production of white goods and outsource white goods control products to specialized manufacturers such as our Group, the specialized white goods control products manufacturers may occupy more market shares, thereby facilitating the industrial consolidation. As of December 31, 2024, there were over 100 market participants in the global white goods control products market.

ENTRY BARRIERS

The entry barriers in the markets we operate in primarily include technical barrier, supply chain barrier, talent barrier, and customer resource barrier.

Technical barrier. The industry undergoes rapid technological iterations, requiring enterprises to closely follow technological development trends and promptly adjust their research directions and product strategies. For example, with the rapid advancement of AI technology, enterprises need to integrate AI into various equipment applications to provide more efficient and comprehensive solutions. This necessitates the ability to swiftly respond to market changes and technological innovations. New entrants may face considerable pressure in technology research and product upgrades, making it difficult to keep pace with industry development.

Supply chain barrier. The large-scale production requires robust supply chain management capabilities, including efficient coordination of raw material procurement, logistics distribution, and manufacturing processes. Leading enterprises have established stable and highly efficient supply chain systems through long-term collaboration with upstream and downstream partners and effective resource integration, ensuring a steady supply of raw materials and smooth production operations. In contrast, new entrants face numerous challenges in building a reliable supply chain.

Talent barrier. The industries face fierce competition for top-tier professionals. Leading enterprises attract and retain professionals by offering strong career development opportunities and comprehensive incentive mechanisms, establishing a talent barrier. New entrants that lack brand recognition and well-established corporate image, may face challenges in attracting and retaining talents.

Customer resource barrier. Well-established enterprises are more likely to obtain customer recognition and trust. Through long-term cooperation with customers, accumulated experience in products and services, and strategic market promotion, renowned enterprises have built strong brand reputation. New entrants have to invest abundant resources in brand building to effectively acquire customers and establish customer bases.

ANALYSIS OF RAW MATERIAL PRICES

The raw materials for commercial display products, commercial AV equipment, and commercial computing devices and intelligent control components primarily include various types of chips, display panels, electronic components, circuit boards, plastics, and certain metal materials. The average prices of core raw materials such as chips and display panels are primarily affected by dynamics of supply and demand.

SOURCE AND RELIABILITY OF INFORMATION

In connection with the [**REDACTED**], we engaged an independent market research consultant, Frost & Sullivan, to conduct an analysis of, and to prepare an industry report on the industries where we operate with a commission fee of RMB350,000. Founded in 1961, Frost & Sullivan is an independent global consulting firm that conducts industry research and prepares industry report on a wide range of industries, among other services. The information from Frost & Sullivan disclosed in this Document is extracted from the Frost & Sullivan Report with its consent.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan used the following key methodologies to collect multiple sources, validate the collected data and information, and cross-check each respondent's information and expressions against those of others: (i) detailed primary research, which involved discussing the status of the industry with leading industry participants and industry experts; and (ii) secondary research, which involved reviewing published sources including reports of market participants, independent research reports and data based on Frost & Sullivan's own research database.

Frost & Sullivan adopted the following primary assumptions while making projections for preparing the Frost & Sullivan Report: (i) global economy is likely to maintain steady growth in the next decade; (ii) global social, economic, and political environment is likely to remain stable in the forecast period; and (iii) market drivers like industry digital transformation drives new demand, technological innovation drives demand growth, continuous expansion of application scenarios, and supportive policies, among others.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Our Directors confirm that after taking reasonable care, there is no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict, or have an impact on such information.

The laws and regulations in mainland China that have a significant impact on our business operations are set out below:

LAWS AND REGULATIONS ON CORPORATION

The establishment, operation and management of corporate entities in the PRC is governed by the Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was promulgated by the SCNPC on December 29, 1993 and implemented on July 1, 1994, and was last amended on December 29, 2023 and came into effect on July 1, 2024. Under the Company Law, companies are generally classified into two categories, namely, limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders of a joint stock limited company is limited to the extent of shares they have subscribed for. The Company Law also applies to foreign-invested enterprises. Where laws on foreign investment have other stipulations, such stipulations shall prevail.

LAWS AND REGULATIONS ON FOREIGN INVESTMENT

The incorporation, operation and management of Chinese companies are mainly governed by the Company Law, which is applicable to both PRC domestic companies and foreign-invested companies. Investment activities of foreign investors in China are also governed by the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**FIL 2019**") effective from January 1, 2020, together with the Implementing Regulation for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the "**Implementation Regulations**") promulgated by the State Council on December 26, 2019 and the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of the Foreign Investment Law of the PRC (《最高人民法院關於適用〈中華人民共和國外商投資法〉若干問題的解釋》) promulgated by the Supreme People's Court on December 26, 2019. The FIL 2019 and the Implementation Regulations supersede the previous three effective foreign investment laws and their respective implementation regulations, namely, the Law of the PRC on Sino-Foreign Equity Joint Ventures, the Law of the PRC on Sino-Foreign Cooperative Joint Ventures and the Law of the PRC on Wholly Foreign-owned Enterprises.

Pursuant to the FIL 2019, "foreign investment" refers to investment activities directly or indirectly conducted by foreign investors (including foreign individuals, enterprises and other foreign organizations), including the following circumstances: (i) the establishment of foreign-invested enterprises by foreign investors, either alone or together with other investors, (ii) the acquisition of shares, equities, property shares or other similar rights and interests in enterprises by foreign investors, (iii) the investment in new projects in China by foreign investors, either alone or together with other investors, and (iv) other circumstances stipulated in laws or administrative regulations, or by the State Council. The Implementation Regulations have introduced the "look-through" principle and further provided that investments made by foreign-invested enterprises in China should also be governed by the FIL 2019 and the Implementation Regulations.

The FIL 2019 and the Implementation Regulations provide that the administration system of pre-entry national treatment plus negative list is adopted for foreign investment, according to which, "pre-entry national treatment" refers to the treatment granted to foreign investors and their investments at the stage of investment entry which is no less favorable than that granted to domestic investors and their investments, except for foreign investments in "restricted" or "prohibited" investment sectors or industries, and the "negative list" refers to the special administrative measures on foreign investment entry for foreign investment in the aforesaid "restricted" or "prohibited" investment sectors or industries, which are proposed by the PRC. Foreign investments outside the negative list are entitled to national treatment. Foreign investors are not allowed to make investments in the fields prohibited by the negative list, and in the fields restricted by the negative list, foreign investors shall comply with the special provisions on equity requirements, senior management personnel requirements, etc. At the same time, the relevant authorities, based on the needs of the national economy and social development, provide the catalogue of encouraged industries for foreign investment, specifying the special industries, fields and regions to encourage and guide foreign investors' investments.

Currently, the industry entry licensing requirements governing foreign investors' investment activities in China are set out in two catalogues, i.e., the Special Administrative Measures for Entry of Foreign Investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), as promulgated by the NDRC and the MOFCOM on September 6, 2024, effective as of November 1, 2024, and the Catalogue of Encouraged Industries for Foreign Investment (2022 Edition) (《鼓勵外商投資產業目錄(2022年版)》), as promulgated by the NDRC and the MOFCOM on October 26, 2022, effective as of January 1, 2023. Industries not listed in the two catalogues are generally deemed as "permitted" for foreign investments, unless otherwise specifically restricted by PRC laws. While strengthening investment promotion and protection, the Foreign Investment Law further regulates foreign investment management and proposes the establishment of a foreign investment information reporting system that replaces the original foreign investment enterprise approval and filing system of the MOFCOM.

The foreign investment information reporting is subject to the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) jointly promulgated by the MOFCOM and the SAMR, effective January 1, 2020. According to the Measures on Reporting of Foreign Investment Information, foreign investors who directly or indirectly carry out investment activities in China shall submit investment information to the competent commercial department through the enterprise registration system and the National Enterprise Credit Information Publicity System and the reporting methods include initial reports, change reports, cancellation reports, and annual reports. If the change in the information of initial reports involves registration or filing of the change of enterprises, foreign-invested enterprises shall submit change reports through the enterprise registration system when applying for the registration or filing of change of enterprises. If the change in the information of initial reports does not involve registration or filing of the change of enterprises, foreign-invested enterprises shall submit change reports through the enterprise registration system within twenty (20) business days after the change. Foreign-invested listed companies may report information on changes in investors and their shareholdings only when the cumulative change in the foreign investors' shareholding ratio exceeds 5% or the foreign parties' shareholding or relative holding status have changed.

LAWS AND REGULATIONS ON OVERSEAS INVESTMENT

Pursuant to the Administrative Measures for Outbound Investment (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and implemented on October 6, 2014, the MOFCOM and provincial competent commerce authorities shall carry out administration either by record-filing or approval, depending on different circumstances of outbound investment by enterprises. Outbound investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing.

Pursuant to the Administrative Measures for Outbound Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, a domestic enterprise, or the Investor, making an outbound investment shall obtain approval, conduct record-filing or other procedures applicable to outbound investment projects, or the Projects, report relevant information, and cooperate with the supervision and inspection. Sensitive Projects carried out by Investors directly or through overseas enterprises controlled by them shall be subject to approval; non-sensitive Projects directly carried out by Investors, namely, non-sensitive projects involving investors' direct contribution of assets or rights and interests or provision of financing or guarantee shall be subject to record-filing. The aforementioned "sensitive project" means a project involving a sensitive country or region or a sensitive industry. The NDRC shall promulgate the catalogue of sensitive industries. The currently effective sensitive industry catalogue is the Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), effective on March 1, 2018.

LAWS AND REGULATIONS ON FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated on January 29, 1996 and amended on August 5, 2008, the RMB is generally freely convertible for current account items, including trade and service related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside the PRC, unless the prior approval of the SAFE or its designated banks is obtained.

Pursuant to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Administration of Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated on June 9, 2016 and amended on December 4, 2023 by the SAFE, the settlement of foreign exchange receipts under the capital account (including but not limited to foreign exchange capital, foreign debts, and funds raised through overseas listing) may convert from foreign currency into RMB on a self-discretionary basis. The proportion of discretionary settlement of domestic entities' foreign exchange receipts under the capital account is temporarily determined as 100%, and the SAFE may adjust the above ratio in due time according to the balance of payment status.

Pursuant to the Notice on Further Promoting Cross-border Trade and Investment Facilitation (《關於進一步促進跨境貿易投資便利化的通知》) which was promulgated on October 23, 2019 by the SAFE, together with the Notice of the State Administration of Foreign Exchange on Further Deepening the Reform and Promoting Cross-border Trade and Investment Facilitation (《關於進一步深化改革 促進跨境貿易投資便利化的通知》) which was promulgated by the SAFE on December 4, 2023, non-investment foreign-invested enterprises are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to the law on the condition that the current Negative List are not violated and the relevant domestic investment projects are genuine and in compliance with laws. Foreign exchange funds raised in the overseas listing of a domestic company may be directly remitted to the settlement account under the capital account item.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS

Regulations Relating to Product Quality

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the "**Product Quality Law**"), which was promulgated by the SCNPC on February 22, 1993 and implemented on September 1, 1993, and last revised on December 29, 2018, the engagement in product manufacturing and sales activities within the territory of mainland China shall comply with the Product Quality Law. Producers and sellers shall be responsible for the quality of the products they produce and sell. Quality of products shall meet the following requirements: (i) the products shall be free from any unreasonable threats to personal safety or safety of property, and shall conform to national standards or trade standards for ensuring human health and personal or property safety if there are such standards; (ii) the products shall have the functions they are supposed to have, except where there are explanations about the functional defects; and (iii) the products shall meet the standards specified on the products or packages thereof and the quality condition specified by way of product instructions or samples. In case of violation of the Product Quality Law, the market regulatory authorities have the right to order producers and sellers to stop production and sales, confiscate the products which are illegally produced or sold and impose fines. In case of serious violations, the business license of a producer or seller will be revoked, and if the violation is so serious as to have constituted a crime, the producer or seller will be prosecuted for criminal liability.

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) (the "**Civil Code**"), which was promulgated by the NPC on May 28, 2020 and became effective on January 1, 2021, in the event of damages caused to other party due to the defects in a product, the infringed party may seek compensation from the manufacturer or the seller of such product and shall have the right to request the manufacturer and the seller to bear tortious liabilities, such as cessation of infringement, removal of obstruction, and elimination of danger.

Regulations Relating to Production Safety

Pursuant to the Production Safety Law of the PRC (《中華人民共和國安全生產法》) promulgated on June 29, 2002, last amended on June 10, 2021 and effective on September 1, 2021, a system of accountability for production safety accidents has been implemented. Production and business entities must strengthen work safety management, improve work safety conditions, strengthen standardization and informatization of work safety, and raise work safety levels. Production and business entities shall meet the work safety conditions prescribed by such law and other relevant laws, administrative regulations, and national or industry standards.

Regulations Relating to Value-added Telecommunications Services

Pursuant to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the "**Telecommunications Regulations**"), which was promulgated by the State Council and became effective on September 25, 2000, and recently amended with immediate effect on February 6, 2016, commercial operators of value-added telecommunications services must first obtain a value-added telecommunication business operating license from the MIIT or its provincial level counterparts. The Administrative Measures for Telecommunication Business Operating License (《電信業務經營許可管理辦法》), promulgated by the MIIT with recently amendments becoming effective on September 1, 2017, set forth the types of licenses required for value-added telecommunications services and the qualifications and procedures for obtaining such licenses.

Foreign investment in telecommunications companies in China is governed by the Regulations for the Administration of Foreign-Invested Telecommunication Enterprises (《外商投資電信企業管理規定》) promulgated by the State Council on December 11, 2001, recently amended on March 29, 2022 and effective on May 1, 2022, which requires foreign-invested value-added telecommunications enterprises in China to be established as Sino-foreign joint ventures, and foreign investors shall not acquire more than 50% of the equity interest of such an enterprise.

According to the Negative List, the proportion of foreign investments in an entity engaging in value-added telecommunications business (excluding the e-commerce, domestic multi-party communications, storage-forwarding, and call centers) shall not exceed 50%.

LAWS AND REGULATIONS ON IMPORT AND EXPORT TRADE

Pursuant to the Administration of Filing of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs of the PRC (the "**GACC**") on November 19, 2021, and effective as of January 1, 2022, customs declaration entities refer to the consignees or consignors of imports and exports and customs declaration enterprises which have filed with the Customs pursuant to these provisions. Consignees or consignors of imports and exports and customs declaration enterprises applying for filing shall obtain market entity qualification; in the case of consignees or consignors of imports and exports applying for filing, they shall also complete filing formalities for foreign trade operators. According to the Announcement on Fully Including the Filing of Customs Declaration Entities in the Reform of "Integrating Multiple Certificates into One" (《關於報關單位備案全面納入「多證合一」改革的公告》) jointly issued by the GACC and the SAMR on December 20, 2021 and effective from January 1, 2022, where an applicant intends to be filed as a customs declaration entity when undergoing the registration formalities as a market entity with the market regulation authorities, it shall tick the box of filing as a customs declaration entity as required and fill in the relevant information for filing. The market regulation authorities will then complete the registration pursuant to procedures of "Integrating Multiple Certificates into One" and share the relevant information with the GACC on the SAMR level. Such applicants are no longer required to submit applications for filing as a customs declaration entity to the customs.

Pursuant to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) (the "**Foreign Trade Law**") promulgated by the SCNPC on May 12, 1994 and last amended on December 30, 2022, starting from December 30, 2022, foreign trade operators are not required to register for record-filing. The Chinese government permits the free import and export of goods and technologies, except as otherwise provided by laws and administrative regulations. Prior to the amendment of the Foreign Trade Law on December 30, 2022, foreign trade operators engaged in the import and export of goods or technology were required to apply for registration of filing with the foreign trade department under the State Council or an institution entrusted by it, except as otherwise provided by laws, administrative regulations, and the foreign trade department under the State Council. Customs shall not process customs declaration, inspection, and release procedures for import or export goods of any foreign trade operator that failed to complete such filing registration as required.

Pursuant to the Regulations on the Administration of Import and Export of Goods of the PRC (《中華人民共和國貨物進出口管理條例》), promulgated by the State Council on December 10, 2001, and last amended on March 10, 2024, which took effect on May 1, 2024, trade activities that import goods into or export goods from China's customs territory shall comply with the Regulations on the Administration of Import and Export of Goods. Goods that are prohibited from import and export shall not be imported or exported; goods that are restricted from import and export shall be subject to licensing or quota management; and goods that are freely import and export shall not be restricted. Import and export operators shall go through customs clearance procedures with the relevant import and export licenses or import and export quota licenses.

LAWS AND REGULATIONS ON ENVIRONMENTAL PROTECTION

The PRC laws and regulations relating to environmental protection mainly include: the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), amended by the SCNPC on April 24, 2014 and implemented on January 1, 2015, and the Law on Prevention and Control of Water Pollution of the PRC (《中華人民共和國水污染防治法》), amended by the SCNPC on June 27, 2017 and implemented on January 1, 2018, the Law on Prevention and Control of Air Pollution of the PRC (《中華人民共和國大氣污染防治法》), which was amended and implemented by the SCNPC on October 26, 2018, the Law on Prevention and Control of Environmental Pollution by Solid Wastes of the PRC (《中華人民

共和國固體廢物污染環境防治法》), as amended by the SCNPC on April 29, 2020 and implemented on September 1, 2020, the Environmental Protection Tax Law of the PRC (《中華人民共和國環境保護稅法》), as amended and implemented by the SCNPC on October 26, 2018, the Regulations for the Implementation of the Environmental Protection Tax Law of the PRC (《中華人民共和國環境保護稅法實施條例》), as amended by the State Council on December 25, 2017 and implemented on January 1, 2018, the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》), as promulgated by the Ministry of Ecology and Environment on April 1, 2024 and implemented on July 1, 2024, and the Law on Prevention and Control of Environmental Noise Pollution of the PRC (《中華人民共和國環境噪聲污染防治法》), as amended by the SCNPC on December 29, 2018, and implemented, and repealed and replaced by the Law on Prevention and Control of Noise Pollution of the PRC (《中華人民共和國噪聲污染防治法》), promulgated by the SCNPC on December 24, 2021 and effective on June 5, 2022. Pursuant to the above laws and regulations, enterprises that discharge and dispose of toxic and hazardous substances such as wastewater, waste gas, and solid waste must meet national and local standards for use, declare and register with the relevant environmental protection administrative department, and pay environmental protection taxes and fees in accordance with applicable laws.

Pursuant to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002, and amended on July 2, 2016 and December 29, 2018, respectively, the construction entity shall prepare an environmental impact report, report form or fill in an environmental impact registration form according to the degree of impact of the construction project on the environment: (i) if the construction project is likely to cause significant environmental impact, an environmental impact report shall be prepared to comprehensively evaluate the environmental impact; (ii) if the construction project is likely to cause minor environmental impact, an environmental impact report form should be prepared to analyze or specifically evaluate the environmental impact; (iii) if the environmental impact is small and no environment assessment is required, an environmental impact registration form shall be submitted.

Pursuant to the Interim Measures for the Acceptance of Environmental Protection for the Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) promulgated by the former Ministry of Environmental Protection on November 20, 2017 and effective on the same day, and the Administrative Regulations on the Protection of the Environment for Construction Projects (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998, last revised on July 16, 2017 and implemented on October 1, 2017, the construction entity shall, after the completion of a construction project for which an environmental impact report or environmental impact report form has been compiled, carry out the completion acceptance inspection and preparation of the acceptance report in accordance with the standards and procedures stipulated by the competent environmental protection administrative department under the State Council. The construction projects for which an environmental impact report or an environmental impact report form has been compiled shall only be put into operation or use after passing the environmental protection acceptance inspection.

Pursuant to the Administrative Measures on Licensing of Urban Sewage Discharging into Drainage Network (《城鎮污水排入排水管網許可管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development on January 22, 2015, latest amended on December 1, 2022 and came into effect on February 1, 2023, enterprises, institutions and individual businesses engaging in industrial, construction, catering, medical and other activities and discharging sewage into urban facilities must apply for and obtain a license for urban drainage.

LAWS AND REGULATIONS ON LABOR AND SOCIAL SECURITY

Labor Law and Labor Contract Law

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994, came into effect on January 1, 1995 and last revised on December 29, 2018, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated on June 29, 2007, revised on December 28, 2012 and came into effect on July 1, 2013, written labor contracts shall be executed between an entity and its employees if an employment relationship is established. Employers are required to inform their employees about their job responsibilities, working conditions, occupational hazards, remuneration and other matters with which the employees may be concerned. Employers shall pay remuneration to employees on time and in full in accordance with the commitments set forth in their employment contracts and the relevant PRC laws and regulations.

Social Insurance and Housing Provident Fund

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010, came into effect on July 1, 2011 and last revised on December 29, 2018, the Interim Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which was implemented on January 22, 1999 and revised on March 24, 2019, the Trial Measures for Enterprise Staff Maternity Insurance (《企業職工生育保險試行辦法》), which was implemented on January 1, 1995, and the Regulations on Work-Related Injury Insurance (《工傷保險條例》), which was implemented on January 1, 2004, amended on December 20, 2010 and came into effect on January 1, 2011, employers in mainland China shall provide their employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and occupational injury insurance. Employers failed to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a prescribed period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the prescribed period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

Pursuant to the Regulations on Administration of Housing Provident Funds (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999 and last revised on March 24, 2019, employers must contribute to housing provident funds for their employees. If employers fail to pay the housing provident fund within the time limit or have a shortfall in payment, they will be ordered by the housing provident management center to pay or make up the deficiency within the prescribed period. If they still fail to do so after the prescribed period, the housing provident fund management center is entitled to apply for compulsory enforcement with the people's court.

LAWS AND REGULATIONS ON TAXATION

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), promulgated by the SCNPC on March 16, 2007 and implemented on January 1, 2008 and last revised on December 29, 2018, a domestic enterprise which is established within the PRC in accordance with the laws or established in accordance with any laws of foreign country or region but with an actual management entity within the PRC shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT of 25% of any income generated within or outside the PRC. A preferential EIT rate shall be applicable to any key industry or project which is supported or encouraged by the State. Key high-tech enterprises which are supported by the State may enjoy a reduced EIT rate of 15%.

Value-Added Tax

Pursuant to the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council on December 13, 1993 and last revised on November 19, 2017, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the MOF on December 25, 1993 and last amended on October 28, 2011, entities and individuals that sell goods or services of processing, repair or replacement, sell services, intangible assets, or immovables, or import goods within the territory of mainland China are taxpayers of value-added tax, or the VAT, and shall pay VAT in accordance with the law. Unless otherwise stipulated, the VAT rate is 17% for taxpayers selling goods, labour services, or tangible movable property leasing services or importing goods; 11% for taxpayers selling transportation, postal, basic telecommunications, construction, or immovable leasing services, selling immovables, transferring land use rights, or selling or importing specific goods; unless otherwise stipulated, 6% for taxpayers selling services or intangible assets.

Pursuant to the Circular of the MOF and the STA on Adjusting Value-added Tax Rate (《財政部、稅務總局關於調整增值稅稅率的通知》), which was promulgated by the MOF and the STA on April 4, 2018 and became effective on May 1, 2018, the tax rates for the taxable sales or goods import activity, which were subject to the tax rates of 17% and 11% respectively, were adjusted to 16% and 10% respectively.

Pursuant to the Circular on Policies in Relation to the Deepening of Value-added Tax Reforms (《關於深化增值稅改革有關政策的公告》), which was jointly promulgated by the MOF, the STA and the GACC on March 20, 2019, the tax rate of 16% and 10% originally applicable to general VAT taxpayers' VAT taxable sales or goods import shall be adjusted to 13% and 9%, respectively.

On December 25, 2024, the SCNPC promulgated the VAT Law of the PRC (《中華人民共和國增值稅法》), which will come into effect on January 1, 2026, and replace the Interim Regulations of the PRC on Value-added Tax.

LAWS AND REGULATIONS ON REAL ESTATE

Real Estate

Pursuant to the Civil Code, the establishment, modification, assignment and extinguishment of real estate property rights are effective upon registration in accordance with the law; unless the law stipulates otherwise, such establishment, modification, assignment and extinguishment shall be ineffective without registration. Real estate registration shall be handled by the registration authority at the location of the property.

The Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) promulgated by the State Council on November 24, 2014, taking effect on March 1, 2015 and amended on March 24, 2019 and March 10, 2024, and the Implementing Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) promulgated by the Ministry of Land and Resources on January 1, 2016 and last amended by the Ministry of Natural Resources of the PRC on May 9, 2024, provide that, among other things, the State implements a uniform real estate registration system and real estate registration shall follow the principles of strict administration, stability, continuity, and convenience for the masses.

Leasing

Pursuant to the Civil Code, subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor.

According to the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and effective on February 1, 2011, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development authorities or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed on each lease agreement.

Fire Protection

Pursuant to the Fire Protection Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998, and last amended on April 29, 2021 and effective on the same day, the Department of Emergency Management under the State Council and the local people's governments at or above county level shall supervise and administer the matters of fire protection, while the fire control and rescue institutions of such people's governments shall be responsible for implementation. The fire protection design of construction projects shall comply with the national technical standards of fire protection. Construction projects that shall undergo fire safety protection review shall not be constructed without legally required review or if the review is not passed. If a completed construction project has not undergone fire protection inspection or fails to meet the fire protection requirements upon inspection, it shall not be put into use or operation.

Pursuant to the Interim Provisions on the Administration of Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), last amended by the Ministry of Housing and Urban-Rural Development on August 21, 2023 and effective on October 30, 2023, special construction projects shall conduct fire protection design review and fire protection final inspection, construction projects other than special construction projects shall file the fire protection acceptance of the project with the competent authority.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Patent

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984 and implemented on April 1, 1985, and last revised on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Regulations of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which was promulgated by the State Council on June 15, 2001, implemented on July 1, 2001 and last amended on December 11, 2023, with the latest amendment being effective on January 20, 2024, patents in mainland China are divided into invention patent, utility patent and design patent. Invention patent shall be valid for 20 years from the date of application, while utility patent shall be valid for 10 years and design patent shall be valid for 15 years from the date of application respectively. The patent right entitled to its owner shall be protected by the laws. Any person shall be licensed or authorized by the patent owner before using such patent. Otherwise, the use constitutes an infringement of the patent right.

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》), which was promulgated by the SCNPC on August 23, 1982 and implemented on March 1, 1983, and last revised on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on August 3, 2002 and implemented on September 15, 2002, and amended on April 29, 2014 and came into effect on May 1, 2014, a trademark registered by the Trademark Office is a registered trademark, including the commodity trademark, service trademark, collective trademark and certification trademark. The valid period of a registered trademark shall be 10 years, commencing from the date of approval of the registration. The trademark registrant shall apply for renewal within 12 months before the expiry date for further use of the registered trademark. The valid period for each renewal of registration is 10 years, counted from the next day of the expiration day of the last term.

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》), which was promulgated by the SCNPC on September 7, 1990 and implemented on June 1, 1991, and last revised on November 11, 2020 and came into effect on June 1, 2021, Chinese citizens, legal persons or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software created in writing or oral or other forms. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction.

Pursuant to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 and the Regulation on Computers Software Protection (《計算機軟件保護條例》) amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in mainland China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection.

Domain Names

Pursuant to the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and came into effect on November 1, 2017, domain name registrations are handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

LAWS AND REGULATIONS ON CYBERSECURITY AND DATA PROTECTION

Pursuant to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**") promulgated by the SCNPC on November 7, 2016 and came into effect on June 1, 2017, network operators are broadly defined as owners and administrators of networks and network service providers, and such network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who construct or operate networks or provide services through networks shall take technical measures and other necessary measures pursuant to the mandatory requirements of laws, regulations and national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data, and a network operator shall not collect the personal information irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws or agreements between both parties.

Pursuant to the Data Security Law of PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**") promulgated by the SCNPC on June 10, 2021 and came into effect on September 1, 2021, "data" is defined as any record of information in electronic or other forms, and the processing activities of data includes the collection, storage, use, processing, transmission, provision and disclosure of data. The Data Security Law is broadly applicable to such processing activities of data which are carried out in the PRC or, where carried out outside the PRC, damage the national security, public interests or the legitimate rights and interests of citizens and organizations of the PRC. The Data Security Law mainly sets forth specific provisions regarding establishing basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency disposal system. In addition, it clarifies the data security protection obligations of organizations and individuals carrying out data activities and implementing data security protection responsibility, including without limitation, that any organization or individual collecting data shall adopt lawful and proper methods and shall not steal data or obtain the data by other illegal means, and risk monitoring shall be strengthened when data processing activities are carried out, and where risks such as data security flaws and vulnerabilities are discovered, remedial measures shall be immediately taken.

In accordance with the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**"), promulgated by the Standing Committee of the National People's Congress on August 20, 2021 and effective as of November 1, 2021, the basic principles for processing personal information are clearly defined, including: (i) the processing of personal information shall adhere to the principles of legality, legitimacy, necessity, and good faith, and shall not process through misleading, fraudulent, or coercive means; (ii) the processing of personal information shall have a clear and reasonable purpose, be directly related to such purpose, and adopt methods that minimize the impact on individual rights. The collection of personal information shall be limited to the minimum scope necessary to achieve the processing purpose, and excessive collection is prohibited; (iii) the processing of personal information shall follow the principles of openness and transparency, with publicly disclosed processing rules that clearly state the purpose, method, and scope of processing. The Personal Information Protection Law also stipulates rules for processing personal information and sensitive personal information, regulations on cross-border transfers of personal information, the rights of individuals in personal information processing activities, and the obligations of personal information handlers. If a personal information handler violates the provisions of the Personal Information Protection Law or fails to fulfill its legal obligations, it may face penalties such as rectification orders, warnings, confiscation of illegal gains, fines, suspension of related operations, business shutdowns, revocation of relevant licenses, or business revocation. In severe cases, the legal liability of the personal information handler may be significantly increased.

Under the *Regulations on the Security Protection of Critical Information Infrastructure* (《關鍵信息基礎設施安全保護條例》), promulgated by the State Council on July 30, 2021 and effective as of September 1, 2021, "critical information infrastructure" refers to important network facilities and information systems in key industries and fields such as public communications and information services, energy, transportation, water resources, finance, public services, e-government, and defense technology, as well as other systems that, if destroyed, malfunction, or suffer data breaches, could seriously endanger national security, the economy, people's livelihoods, or public interests. The competent authorities and supervisory departments of these industries and fields are responsible for: (i) formulating identification rules for critical information infrastructure based on industry and sector realities and submitting them to the Ministry of Public Security for record-filing; (ii) identifying critical information infrastructure within their respective industries and sectors in accordance with the rules and notifying the operators and the Ministry of Public Security of the results.

In accordance with the *Administrative Regulations on Network Data Security* (《網絡數據安全管理條例》), promulgated by the State Council on September 24, 2024, and effective as of January 1, 2025, "network data" refers to various types of electronic data processed or generated via networks, and "network data processing activities" include the collection, storage, use, processing, transmission, provision, disclosure, and deletion of network data. As a supporting administrative regulation for the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and *Personal Information Protection Law*, the *Administrative Regulations on Network Data Security* introduce additional or refined requirements regarding notification rules for personal information processing, provision of personal information to other network data processors, personal information transfers, additional legal obligations for network data handlers processing personal information of more than 10 million individuals, security of important data, cross-border security management of network data. For example, when providing personal information to other network data handlers, contracts must specify the processing purpose, method, scope, and security obligations with the data recipient.

Pursuant to the *Cybersecurity Review Measures* (《網絡安全審查辦法》), jointly issued by the CAC, the CSRC and 11 other regulatory authorities on December 28, 2021 and effective as of February 15, 2022, cybersecurity reviews shall be conducted in the following circumstances: (i) when critical information infrastructure operators procure network products and services, or when network platform operators conduct data processing activities that affect or may affect national security; (ii) when network platform operators holding personal information of more than one million users seek listing abroad; (iii) when the Cybersecurity Review Office deems a cybersecurity review necessary. The *Cybersecurity Review Measures* also specify key national security risk factors to be evaluated during cybersecurity reviews, including, without limitation, risks of supply chain disruptions affecting the continuity of critical information infrastructure operations, risks of core data, important data, or large amounts of personal information being stolen, leaked, damaged, or illegally used or transferred abroad, and risks of critical information infrastructure, core data, important data, or large amounts of personal information being influenced, controlled, or maliciously exploited by foreign governments.

The *Regulations on Facilitating and Regulating Cross-Border Data Transfer* (《促進和規範數據跨境流動規定》), issued by the CAC on March 22, 2024, and implemented on the same date, optimize and adjust data outbound requirements with respect to data outbound security assessments, standard contracts for personal information cross-border transfer, and personal information protection certification under the previously released *Measures for Security Assessment of Data Cross-Border Transfer*, and the *Measures for the Standard Contract for Personal Information Cross-Border Transfer*. Article 5 of the *Regulations on Facilitating and Regulating Cross-Border Data Transfer* stipulates that data handlers transferring personal information overseas are exempt from declaring a data cross-border transfer security assessment, signing a standard contract for personal information cross-border transfer, or obtaining personal information protection certification if they meet any of the following conditions: ... (iv) non-critical information infrastructure operators that have cumulatively transferred personal information (excluding sensitive personal information) of fewer than 100,000 individuals overseas since January 1 of the current year.

The *Interim Measures for the Management of Generative Artificial Intelligence Services* (《生成式人工智能服務管理暫行辦法》), jointly issued by the CAC, the Ministry of Industry and Information Technology, and five other regulatory authorities on July 10, 2023 and implemented on August 15, 2023, impose regulatory requirements on providers of generative artificial intelligence services in areas such as pre-training, optimization training, data labeling, personal information protection, content labeling, and security assessments. Article 17 of the *Interim Measures for the Management of Generative Artificial Intelligence Services* provides that providers offering generative artificial intelligence services with public opinion attributes or social mobilization capabilities must conduct security assessments in accordance with national regulations and fulfill algorithm filing, modification, and cancellation procedures as required by the *Internet Information Service Algorithm Recommendation Management Provisions*.

LAWS AND REGULATIONS ON SECURITIES AND OVERSEAS LISTINGS

Securities Laws and Regulations

The Securities Law of the PRC (《中華人民共和國證券法》), which was promulgated by the SCNPC on December 29, 1998, and was latest amended on December 28, 2019 and took effect on March 1, 2020, comprehensively regulating activities in the mainland China securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

Overseas Listings

On February 17, 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**", together with several supporting guidelines collectively referred to as the "**Overseas Listing Regulations**"). Under Overseas Listing Regulations, mainland China domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

The Overseas Listing Regulations provides that no overseas offering and listing shall be made under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller. Additionally, the Overseas Listing Regulations stipulates that after an issuer has offering and listing securities in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of (i) a change of control thereof, (ii) investigations of or sanctions imposed on the issuer by overseas securities regulators or relevant competent authorities, (iii) changes of listing status or transfers of listing segment, and (iv) a voluntary or mandatory delisting. Overseas offering and listing by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity, data security and etc., and duly fulfill their obligations to protect national security.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》). Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of mainland China by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of mainland China. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

OVERVIEW

The history of the Group traces back to 2005. After over 20 years of development, the Company has become a specialist in intelligent control and a leader in the global commercial display industry, and we have established market leadership in IFPDs for both education and enterprise collaboration applications and LCD controller boards.

MILESTONES

The following sets out the summary of the Company's key development milestones:

Year	Milestone
2005	The Company was established in Guangzhou.
2006	The Company hosted the industry seminar on China's LCD televisions to promote the popularity of LCD televisions in China.
2009	The Company launched its first independent brand, *seewo* (希沃) and became a pioneer of IFPD in China.
2011	The first "three-in-one" LCD controller board developed in-house was released by the Company.
	Shiyuan HK was established, which marked the Company's further expansion into overseas markets.
2017	The A Shares were listed on the Shenzhen Stock Exchange (stock code: 002841.SZ).
	The Company unveiled its second independent brand, *MAXHUB*, with focus on enterprise intelligent collaboration and the promotion of its global development.
2018	The Group completed the acquisition of Shanghai Xianshi Electronic Technology Co., Ltd. (上海仙視電子科技有限公司) and Xi'an Qingsong, entering into the industry of advertisement machines and LED displays.
2020	The Group's LCD controller board was awarded "Manufacturing Single Champion Product (製造業單項冠軍產品)" by the MIIT.
2021	The Group's *seewo* IFPD was awarded "Manufacturing Single Champion Product" by the MIIT.

Year	Milestone
2022	The Group launched the "*seewo* teacher digital capability enhancement support project (希沃教師數字化能力提升支持項目)" jointly with the Ministry of Education of the PRC (中國人民共和國教育部) and China Education Development Foundation (中國教育發展基金會).
	The Group's *MAXHUB* conference IFPD was awarded "Manufacturing Single Champion Product" by the MIIT.
	The Company was selected as the "chain master (鏈主)" enterprise of the UHD (ultra-high definition) video industry chain of the strategic industry clusters of Guangdong Province.
2023	The Group completed the acquisition of Shenzhen PVT, actively laying out in the field of automotive electronics.
	The Company launched the *seewo* educational model (希沃教學大模型) for the education sector and the *MAXHUB* enterprise collaboration model (*MAXHUB*領效智會大模型) for the conference sector.
	The Group's smart manufacturing facility primarily dedicated to IFPDs commenced trial production.
	Xi'an Qingsong was selected as the "chain master (鏈主)" enterprise of the new display industry chain of Shaanxi Province.
	MAXHUB launched its first product based on Microsoft Teams with Microsoft.
2024	The Group completed the filing of "CVTE Foundation Model (Self-developed) (CVTE大模型(自研))," which strengthened the development of industrial intellectualization.
	The Group collaborated with the Ministry of Higher Education, Science, Research and Innovation of Thailand on the outlook of digital education with aim to promote balanced development of global education in Thailand.

MAJOR SUBSIDIARIES

The following sets out the principal business activities, place of establishment/incorporation and date of establishment/incorporation of the Company's subsidiaries that made a material contribution to the Group's results of operations during the Track Record Period.

Name of subsidiary	Place of establishment/ incorporation	Date of establishment/ incorporation	Equity interest attributable to the Company	Principal business activities
Guangzhou Shikun	Mainland China	August 28, 2015	100%	R&D design & sales of intelligent control components
Shirui Electronic	Mainland China	July 11, 2008	100%	R&D design & sales of intelligent devices
Guangzhou Shicheng	Mainland China	February 3, 2023	100%	Procurement of materials for devices
Shiyuan Innovation	Mainland China	March 9, 2021	100%	Intelligent manufacturing
Shiyuan HK	Hong Kong	September 7, 2011	100%	Trading
Guangzhou Shizhen	Mainland China	August 22, 2011	100%	R&D design & sales of intelligent devices
Shiyuan Ruichuang	Mainland China	August 28, 2014	100%	Intelligent manufacturing
Shirui Software	Mainland China	June 23, 2022	100%	Software development

MAJOR SHAREHOLDING CHANGES OF THE COMPANY

Early Development and Conversion into a Joint Stock Company

On December 28, 2005, the Company was established under the laws of the PRC as a limited liability company with an initial registered capital of RMB1,000,000 and was held as to 20% by each of (i) Ms. Wu Caiping (吳彩平), an Independent Third Party, (ii) Mr. Zhou Kaiqi, an executive Director, (iii) Ms. Chen Liwei (陳麗微), an Independent Third Party, (iv) Ms. Yu Wei, an executive Director, and (v) Mr. Ren Rui (任銳), a former Supervisor, respectively.

Between 2006 and 2011, the Company underwent several rounds of capital increases and equity transfers, upon completion of which its registered capital increased to RMB33,000,000 in October 2011.

On December 31, 2011, the Company was converted into a joint stock company with limited liability and was renamed as Guangzhou Shiyuan Electronic Technology Company Limited (廣州視源電子科技股份有限公司). Upon completion of the conversion, the Company had a total share capital of RMB33,000,000 divided into 33,000,000 Shares. The shareholding structure of the Company immediately following its conversion into a joint stock company was as follows:

Shareholder	Number of Shares	Shareholding percentage
Mr. Wong Ching Chung	4,026,000	12.20%
Mr. Wang Yiran	3,904,000	11.83%
Mr. Sun Yonghui	3,599,000	10.91%
Ms. Yu Wei	3,416,000	10.35%
Mr. Zhou Kaiqi	2,623,000	7.95%
Guangzhou Shixun Investment Management Company Limited (廣州視迅投資管理有限公司) ("**Shixun Investment**")(1)	2,500,000	7.58%
Mr. You Tianyuan	1,423,000	4.31%
Other Shareholders(2)	11,509,000	34.87%
Total	**33,000,000**	**100.00%**

Notes:

(1) Shixun Investment was established by the then core employees of the Company and its subsidiaries to align the interests of such employees and the Group.

(2) Other Shareholders included 27 individual Shareholders, each holding less than 4% of the Shares at that time.

After the Company's conversion into a joint stock company, the Company underwent further capital increases and share transfers, upon completion of which and immediately prior to the listing of A Shares on the Shenzhen Stock Exchange, the total share capital of the Company increased to RMB363,000,000 and its shareholding structure was as follows:

Shareholder	Number of Shares	Shareholding percentage
Mr. Wong Ching Chung	48,510,000	13.36%
Mr. Wang Yiran	47,410,000	13.06%
Mr. Sun Yonghui	47,047,000	12.96%
Shixun Investment	27,500,000	7.58%
Ms. Yu Wei	23,100,000	6.36%
Mr. Zhou Kaiqi	21,648,000	5.96%
Mr. You Tianyuan	17,050,000	4.70%
Other Shareholders[1]	130,735,000	36.02%
Total	**363,000,000**	**100.00%**

Note:

(1) Other Shareholders included 30 Shareholders, each holding less than 4% of the Shares at that time.

Listing on the Shenzhen Stock Exchange

In January 2017, the A Shares were listed on the Shenzhen Stock Exchange (stock code: 002841.SZ) (the "**A-Share Listing**"), pursuant to which, the Company offered a total of 40,500,000 A Shares, representing approximately 10% of the Company's enlarged share capital immediately following the completion of the A-Share Listing. Immediately upon the completion of the A-Share Listing, the share capital of the Company increased to RMB403,500,000, and the shareholding structure of the Company was as follows:

Shareholder	Number of Shares	Shareholding percentage
Mr. Wong Ching Chung	48,510,000	12.02%
Mr. Wang Yiran	47,410,000	11.75%
Mr. Sun Yonghui	47,047,000	11.66%
Shixun Investment	27,500,000	6.82%
Ms. Yu Wei	23,100,000	5.72%
Mr. Zhou Kaiqi	21,648,000	5.37%
Mr. You Tianyuan	17,050,000	4.23%
Other Shareholders(1)	171,235,000	42.43%
Total	**403,500,000**	**100.00%**

Note:

(1) Other Shareholders included other holders of A Shares, each holding less than 4% of the Shares at that time.

Issuance of the Convertible Bonds and Redemption in 2019 and 2020

To satisfy funding needs of the Company for, among others, the construction projects of the Company's efficient meeting platform and intelligent control products for home appliances, on March 11, 2019, the Company conducted public issuance of convertible bonds (the "**Convertible Bonds**") and raised gross proceeds of RMB941,830,400. The Convertible Bonds were listed on the Shenzhen Stock Exchange (bond code: 128059) on April 2, 2019. The conversion period of the Convertible Bonds commenced from the first trading day after six months from the date of completion of the issuance of the Convertible Bonds to the maturity date of the Convertible Bonds, i.e., from September 16, 2019 to March 11, 2025 with the initial conversion price of RMB76.25 per A Share, which was determined after taking into account, among other things, the average trading price of A Shares prior to the date of the offering circular in respect of the Convertible Bonds and was subject to adjustments under the circumstances including, among others, dividend distribution, increase in the share capital and new share issuance.

During the conversion period, the Company has the right to conditionally redeem part or all of the Convertible Bonds at its principal amount together with accrued and unpaid interest. On August 31, 2020, the Company exercised its conditional redemption rights to redeem all outstanding Convertible Bonds at the consideration of RMB1,018,042.56. During the conversion period from September 16, 2019 to August 28, 2020, a total of 12,548,321 A Shares were issued by the Company to the holders of the Convertible Bonds upon exercise of the conversion rights, and the Company's total issued share capital increased to RMB668,207,901 in August 2020. The Convertible Bonds were delisted from the Shenzhen Stock Exchange on September 8, 2020.

Private Placement of A Shares in 2022

As approved by the Shareholders in May 2021 and the CSRC in March 2022, the Company conducted a private placement of its A Shares to raise funds for the construction project of the intelligent interactive display and control product smart manufacturing base (the "**A Share Placement**"). Pursuant to the A Share Placement, a total of 29,466,839 A Shares were issued and the offer price was RMB67.72 per A Share which was determined based on various factors, including, among others, the average trading price of the A Shares of 20 trading days prior to the pricing date and the indicative investment interest of potential investors. The 29,466,839 new A Shares were eventually placed to 19 investors who were Independent Third Parties, raising gross proceeds of approximately RMB1,995.5 million, out of which the Company has utilized approximately RMB1,800.0 million as of December 31, 2024. Immediately following the completion of the A Share Placement, the Company's total issued share capital increased to RMB696,016,545 in August 2022.

MAJOR ACQUISITION, MERGER AND DISPOSAL

Throughout the Track Record Period and up to the Latest Practicable Date, the Company did not conduct any material acquisitions, mergers or disposals.

LISTING ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE H SHARE [REDACTED]

Since January 2017, the A Shares have been listed on the Shenzhen Stock Exchange. The Directors confirm that, since the A-Share Listing and up to the Latest Practicable Date, there had been no instances of material non-compliance of the Company with the applicable rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations. To the best knowledge of the Directors, there are no material matters in relation to the compliance record of the Company on the Shenzhen Stock Exchange that should be brought to the attention of the Hong Kong Stock Exchange or potential investors of the [**REDACTED**]. The PRC Legal Advisor is of the view that, since the A-Share Listing and up to the Latest Practicable Date, there had been no instances of material non-compliance of the Company with the applicable rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations. Based on the independent due diligence conducted by the Joint Sponsors and the PRC Legal Advisor's view above, no material matter has come to the Joint Sponsors' attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange.

The Company seeks to [**REDACTED**] its H Shares on the Hong Kong Stock Exchange to raise additional capital for business growth and expansion, diversify its fundraising channels, reinforce its industry standing, enhance international brand awareness and competitiveness, and optimize its capital structure to support sustainable development and governance. See "Business — Our Strategies" and "Future Plans and Use of [**REDACTED**]" in this Document for more details.

PUBLIC FLOAT

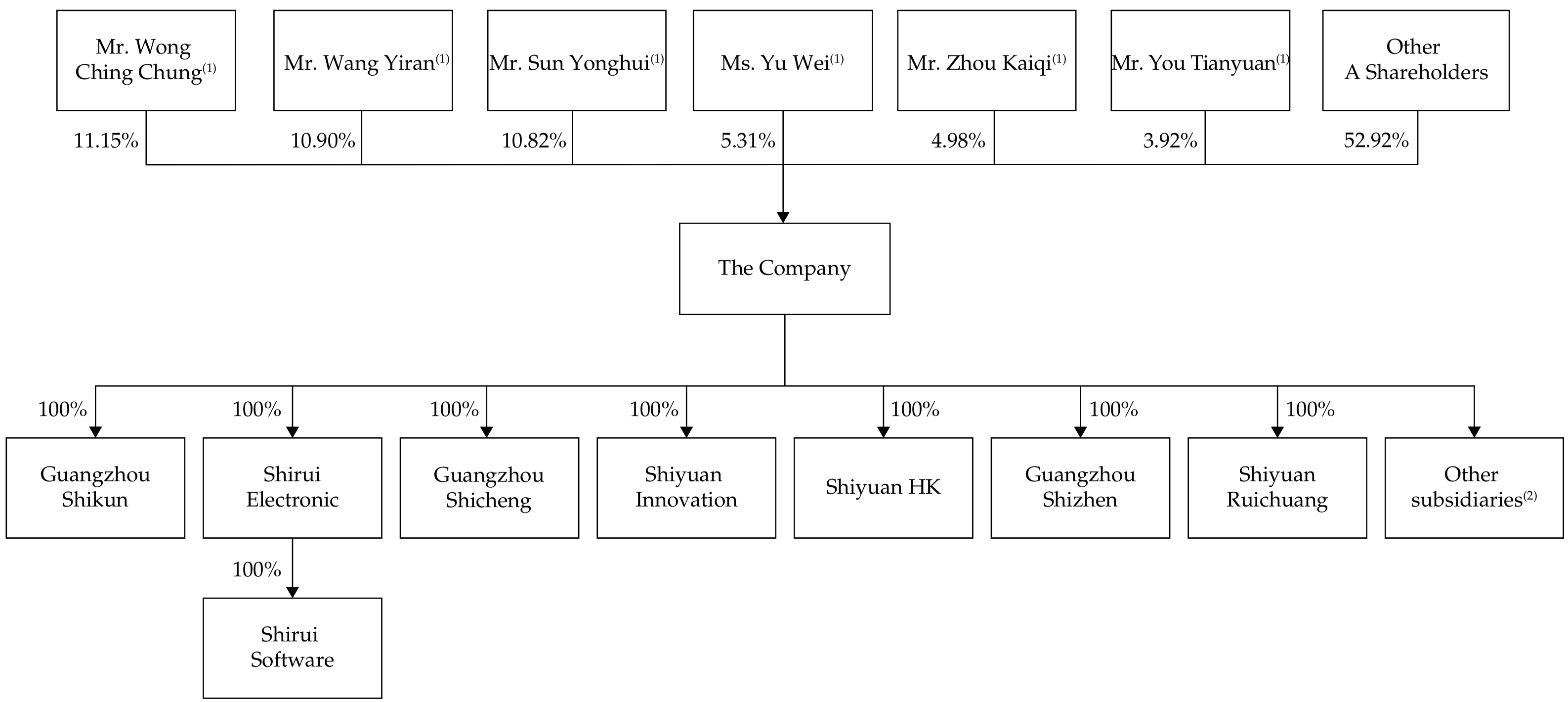
Pursuant to Rules 8.08(1)(b) and 19A.13A of the Hong Kong Listing Rules, as the Company has Shares apart from the H Shares for which the [**REDACTED**] is sought, the total securities of the Company held by the public (on all regulated markets including the Hong Kong Stock Exchange) at the time of the [**REDACTED**] must be at least 25% of the Company's total number of issued Shares (excluding treasury shares), and the H Shares for which the [**REDACTED**] is sought must represent at least 15% of the Company's total number of issued Shares (excluding treasury shares).

It is expected that upon the [**REDACTED**], at least 25% of the Company's total number of issued Shares (A Shares and H Shares in aggregate) will be held by the public. Further, the total number of H Shares of the Company upon the [**REDACTED**] is expected to represent [**REDACTED**]% of the total number of issued Shares of the Company (assuming the [**REDACTED**] is not exercised). [**REDACTED**]

CORPORATE STRUCTURE

Corporate Structure immediately before the [REDACTED]

The following chart sets forth the simplified shareholding and corporate structure of the Group immediately before the **[REDACTED]**:



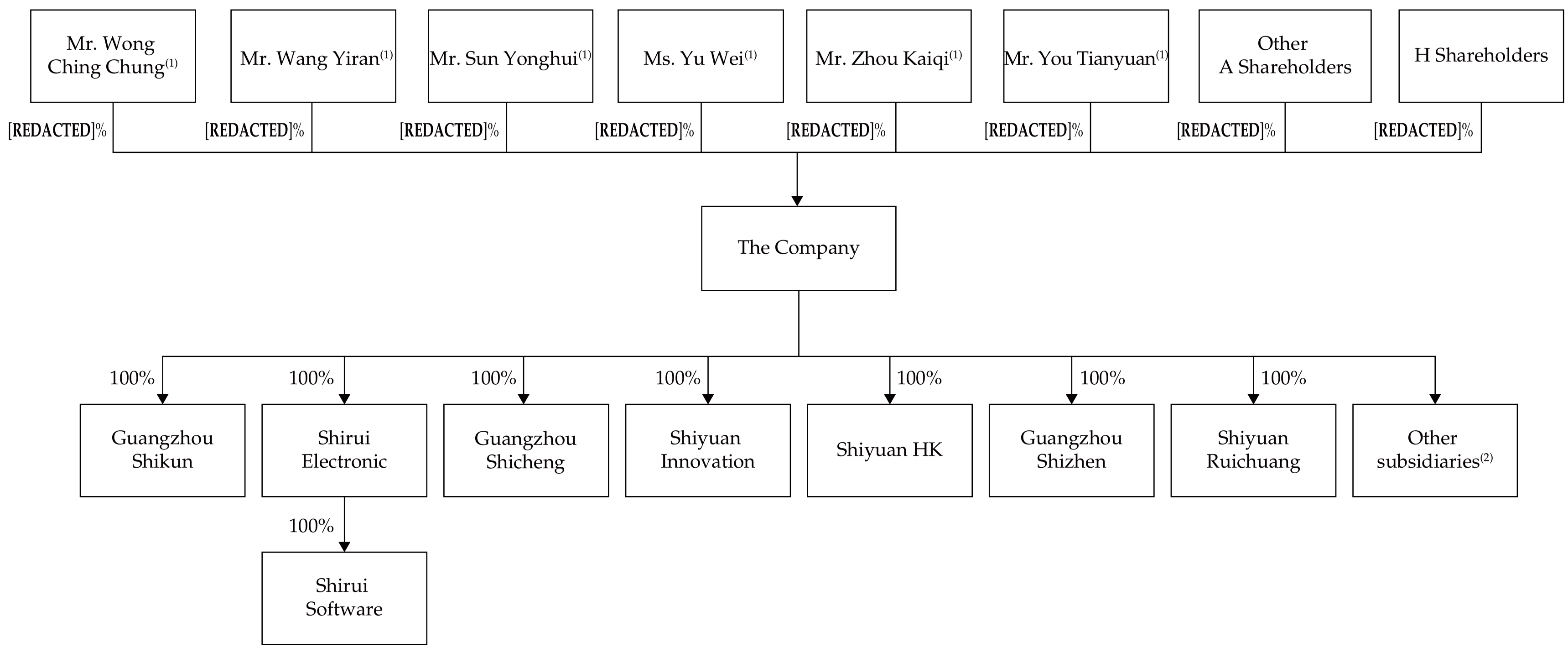
Notes:

(1) Pursuant to the renewed Acting-in-Concert Agreement dated January 16, 2025, Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan have agreed, among others, to act in concert when voting at general meetings of the Company and meetings of the Board until January 15, 2028. See "Relationship with the Controlling Shareholders" in this Document for details.

(2) As of the Latest Practicable Date, other subsidiaries include 109 subsidiaries established in the PRC (including Hong Kong), India, Singapore, the Netherlands, the United States, Thailand, Indonesia and Vietnam.

Corporate Structure immediately after the [REDACTED]

The following chart sets forth the simplified shareholding and corporate structure of the Group immediately after the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised):



Notes:

(1) and (2) See "— Corporate Structure — Corporate Structure immediately before the **[REDACTED]**" in this section.

OVERVIEW

Who We Are

We are a specialist in intelligent control and a leader in the global commercial display industry, and we have established market leadership in IFPDs for both education and enterprise collaboration applications and LCD controller boards.

- ***Global leader in education IFPDs***: In 2024, our *seewo*-branded education IFPDs accounted for 17.5% of the global market by revenue, ranking first worldwide, according to Frost & Sullivan.

- ***Global leader in conference IFPDs:*** In 2024, our *MAXHUB*-branded conference IFPDs accounted for 25.0% of the Chinese market by revenue, ranking first in mainland China, and 9.9% of the global market by revenue, ranking second worldwide, according to Frost & Sullivan.

- ***Global leader in LCD controller boards***: In 2024, we held a 23.8% share of the global LCD controller board market by shipment volume, ranking first worldwide, according to Frost & Sullivan. In 2024, we served as the supplier of LCD controller boards to nine of the world's top ten television brands ranked by shipment volume in the same year, according to Frost & Sullivan.

We started from LCD controller boards and have since expanded into the broader market of intelligent control components, addressing a wide range of use cases with high growth potential, including household appliances (white goods), automotives, energy storage, as well as robotics components.

At the same time, we have established an ecosystem encompassing intelligent terminals and use-case specific solutions, offering a comprehensive portfolio of commercial display products and systems, AV equipment and systems, computing solutions, and other related hardware and domain-specific AI-powered software solutions designed around key application scenarios, particularly in education and enterprise collaboration. Going forward, we are well positioned to capitalize on growth opportunities driven by the digital transformation of education, while further expanding our enterprise collaboration solutions beyond traditional meeting scenarios to broader enterprise environments and diversified industries, including manufacturing, telecom, finance, media and new retail.

Our Evolution

We began our journey in 2005, specializing in LCD controller boards for integration into televisions, monitors and other displays. We subsequently achieved a technological breakthrough by launching the industry's first "three-in-one" LCD controller board solution (which integrates the power module, display control and backlight driver into a single board), significantly enhancing production efficiency and reducing manufacturing costs of our customers. Dedicated to innovation and customer experience, we have been the global market leader by shipment volume in this product category for years, according to Frost & Sullivan.

Leveraging our deep expertise in display technologies, we identified an opportunity to innovate how people learn and collaborate through display solutions. In 2009, we launched our *seewo* brand, introducing the first IFPD product designed for the educational market in China. By 2012, *seewo* had become the leading IFPD brand for education in mainland China by revenue, according to Frost & Sullivan.

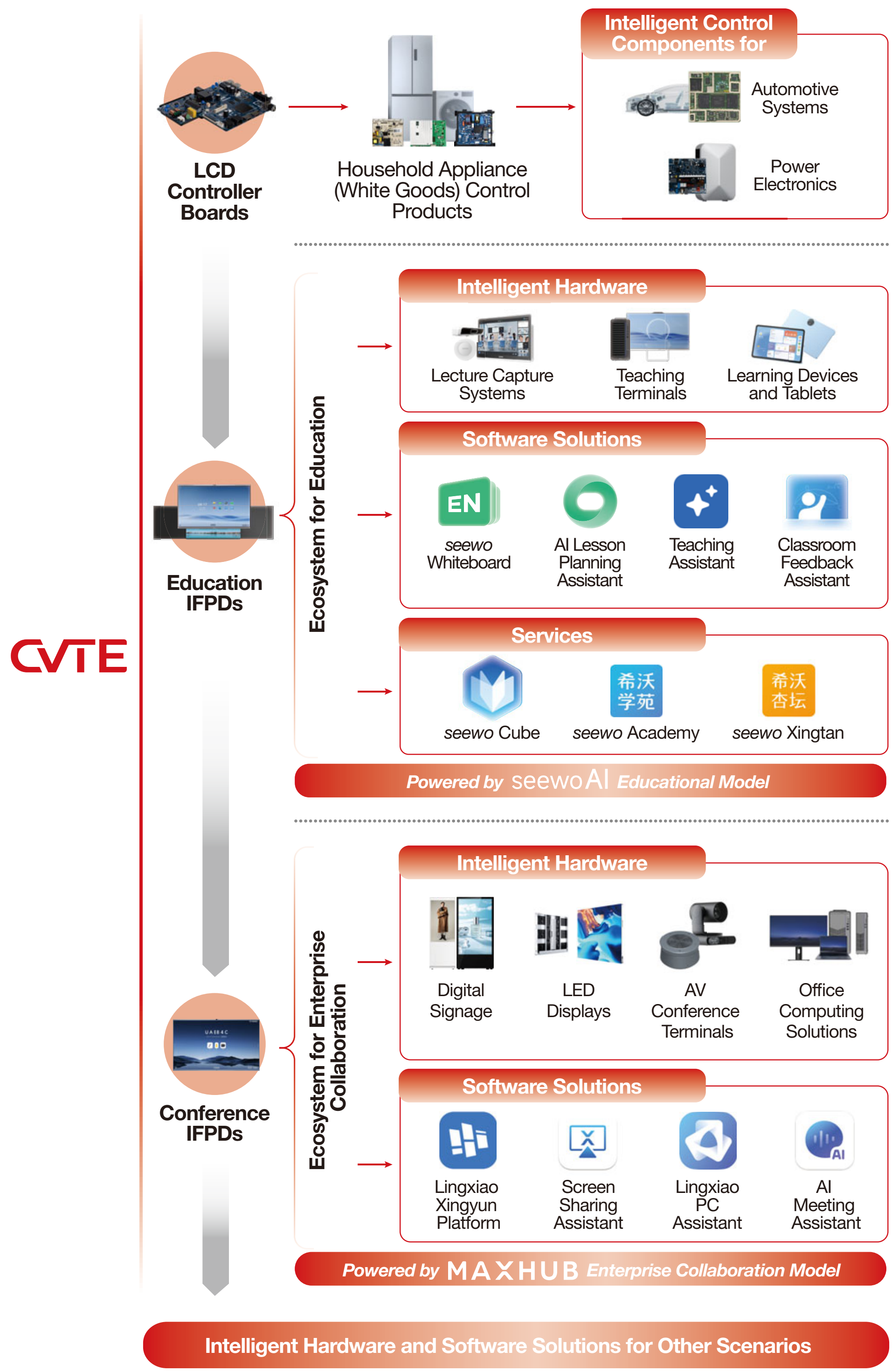
In 2017, capitalizing on emerging market opportunities, we expanded into the enterprise segment with the launch of the *MAXHUB* brand, offering IFPDs tailored for corporate environment to enhance communication, productivity, and collaboration. As one of the first-movers in this product category, *MAXHUB* has been the leading conference IFPD brand in mainland China by revenue for years, according to Frost & Sullivan.

In 2018, we began to place greater emphasis on driving sales of our intelligent devices and solutions, such as IFPDs, in overseas markets. In 2023, we achieved a key milestone in our international growth by entering into a close collaboration with Microsoft Teams.

To address a wide range of use cases with high growth potential in the broader market of intelligent control components, we ventured into the market of household appliance (white goods) control components. By 2021, we have developed a large and growing portfolio of key customers, fueling the fast growth of this product category. As of the Latest Practicable Date, our products were adopted by four of the top five global white goods brands in terms of revenue in 2024, according to Frost & Sullivan.

In 2023, we took a major step toward building integrated intelligent devices and solutions ecosystems for education and enterprise collaboration by launching our domain-specific multimodal LLMs, the *seewo* educational model and the *MAXHUB* enterprise collaboration model, which power a suite of tailored software solutions.

The following diagram illustrates our products and solutions.



Our Growth Opportunities

Intelligent devices and solutions

We believe that the adoption level of digital education solutions remains relatively low in many overseas markets, indicating significant untapped potential. In addition, the broad trend of utilizing AI-powered tools in education is expected to propel the adoption of IFPD and AV equipment as part of digital education solutions. The global market size for education IFPDs is projected to grow at a CAGR of 8.9% from RMB20.0 billion in 2024 to RMB30.7 billion in 2029. Additionally, the global market size for commercial AV equipment in the education sector is projected to grow from RMB86.6 billion in 2024 to RMB119.1 billion in 2029, maintaining a CAGR of 6.6%.

We have introduced our education IFPD and AV products in markets such as the United States, Europe, the Middle East, India, and Southeast Asia, where we have established market presence. As global demand for digital education and smart learning environments continues to grow, we expect broader adoption of our intelligent educational solutions across international markets.

In the enterprise sector, rising demand for smarter, more flexible, and diversified meeting solutions is reshaping the global enterprise collaboration landscape. The global market size for conference IFPDs is projected to grow at a CAGR of 7.4% from RMB9.1 billion in 2024 to RMB13.0 billion in 2029. Additionally, the global market size for AV equipment for enterprise collaboration is projected to grow from RMB403.9 billion in 2024 to RMB493.7 billion by 2029, maintaining a CAGR of 4.1%.

In response to these trends, we have developed a comprehensive portfolio of products tailored to a wide range of enterprise applications, including meetings, presentations, and collaborative work environments. Our offerings provide flexible, scalable, and integrated solutions for corporate users. Through strategic collaborations with global partners, including Microsoft Teams, we are well-positioned to further strengthen our presence in the international enterprise collaboration market.

At the same time, we have observed a growing and diversified demand for customized display and marketing solutions across a wide range of industries. In response, we are expanding our enterprise collaboration solutions beyond traditional meeting environments, extending them into broader corporate settings and diverse sectors, including manufacturing, telecom, finance, media and new retail. For instance, we launched our digital signage solutions in 2018, offering a different way how information and advertising are delivered in public spaces. These dynamic, interactive, and customizable displays are transforming content delivery, offering tailored solutions that enhance customer engagement and optimize communication. Our digital signage products have already been adopted across multiple industries, earning recognition for their ability to meet sector-specific needs. Additionally, our all-in-one LED displays are engineered to elevate visual experiences across a wide range of settings. Moving forward, we plan to deepen our penetration into additional industries and market segments by leveraging our customized enterprise collaboration solutions.

Intelligent control components

The LCD controller board market, as a mature segment of the display control industry, is expected to remain stable in the coming years. Looking ahead, we see significant growth opportunities for our intelligent control components from high-potential sectors such as household appliances (white goods), automotives, energy storage, and robotics components.

The household appliance (white goods) industry is rapidly evolving toward intelligent functionality, driving increased demand for intelligent control components. The global market size for intelligent control components in household appliances (white goods) is projected to grow at a CAGR of 7.7% from RMB122.8 billion in 2024 to reach RMB177.8 billion in 2029. Leveraging our expertise in algorithms, acoustics, thermodynamics, and radio frequency technologies, we provide high-reliability, cost-effective components such as variable frequency drive ("**VFD**") controller, intelligent display modules, and human-machine interaction ("**HMI**") solutions. These have been widely adopted in refrigerators, washing machines, air-conditioners, kitchen appliances, and small household appliances by leading global brands.

In the automotive sector, the ongoing shift toward electrification and smart technologies is driving growth in the global automotive electronics market. The global market size for intelligent control components in automotive electronics is expected to grow at a CAGR of 7.7% from RMB1,033.0 billion in 2024 to RMB1,493.9 billion in 2029. Leveraging our technological strengths in haptics, AV and thermal management, we have developed automotive electronic components, including cockpit control modules, lighting systems, and audio amplifiers, adopted by several automotive brands.

In addition, global demand for high-efficiency, green energy technologies continues to rise, supported by favorable policy trends, which, in turn, drives demand for power electronics components. The global market size for power electronics components is projected to grow at a CAGR of 3.5% from RMB254.3 billion in 2024 to RMB301.4 billion in 2029. We focus on key components for uninterruptible power supplies ("**UPS**") systems, inverters, and server power supplies, delivering safe, efficient energy solutions to customers.

OUR COMPETITIVE STRENGTHS

Leading Position in Commercial Displays for Education and Enterprise Collaboration with Vast Growth Potential, Powered by Integrated, AI-Enabled Hardware-Software-Service Ecosystems

We are the global leader in commercial displays for education and enterprise collaboration markets. Each of our *seewo* brand and our *MAXHUB* brand has established a leading position in education and enterprise collaboration, respectively. Our solutions go beyond display hardware to offer integrated intelligent display and collaboration ecosystems, comprising a comprehensive portfolio of commercial display products and systems, related hardware, domain-specific AI-powered software solutions, and services.

Through comprehensive ecosystems centered around our IFPD products, we provide intelligent and diversified product solutions that drive digital transformation and enhance organizational efficiency. This integrated approach has fostered strong and long-lasting relationships with our customers, positioning us to achieve significant growth potential.

The highlights of our ecosystems for education and enterprise collaboration include:

Education

- *seewo*-branded IFPDs and devices: In 2024, our *seewo*-branded education IFPDs accounted for 53.8% of the market in mainland China and 17.5% of the global market by revenue, ranking first both domestically and globally, according to Frost & Sullivan. Based on our sales volume as of December 31, 2024, we estimate our *seewo* IFPDs have been installed in 2.8 million classrooms across more than 200,000 primary and secondary schools in China. As part of the ecosystem, our learning devices and tablets have enabled digital learning experience in over one million households as of December 31, 2024.

- *seewo* intelligent lecture capture system: Powered by our proprietary audio-visual technologies, this system supports hybrid teaching models (online and offline) and addresses the needs of both real-time instruction and distance learning. According to Frost & Sullivan, our system held a 26.5% share of mainland China's educational recording market in terms of revenue in 2024, ranking first in the industry for the third consecutive year.

- *seewo* Whiteboard: the *seewo* whiteboard is a one-stop interactive platform for K12 educators, integrating functions, among others, lesson planning and interactive teaching, which enhances teaching efficiency and boosts innovation. The platform had over 9 million active users, who generated teaching materials on the platform, in 2024, and more than 1.2 billion sets of member-owned teaching materials as of December 31, 2024.

- *seewo* AI Lesson Planning Assistant: an AI-driven tool specifically designed to support teachers in instructional planning, optimize teaching strategies, and generate interactive teaching materials efficiently. As of March 31, 2025, the *seewo* AI Lesson Planning Assistant had supported the creation of over 350,000 lesson plans, significantly reducing the average time spent by teachers on such task. As reported by People's Daily Online in April 2025, it became 50% more efficient for teachers using our product in Xuhui District, Shanghai to prepare lesson plans.

- *seewo* Classroom Feedback Assistant: a system that facilitates real-time classroom data collection and analysis, providing immediate post-class feedback on teaching effectiveness, thereby supporting both teacher self-evaluation and administrative performance assessment. As of March 31, 2025, the *seewo* Classroom Feedback Assistant had been deployed in more than 2,000 schools and 5,000 classrooms, with 19 key school districts established as demonstration zones to showcase the impact and effectiveness of our AI-powered software solutions. As of the same date, the *seewo* Classroom Feedback Assistant had generated more than 180,000 intelligent feedback reports, offering actionable insights to optimize teaching, research, and educational management. As reported by People's Daily Online in April 2025, the *seewo* Classroom Feedback Assistant facilitated the digital transformation of educational administration in Xuhui District, Shanghai. For example, its feedbacks on 12 quantitative indicators, designed to enable data-driven insights, have been integrated into approximately 75% of teacher performance evaluations.

Enterprise Collaboration

- *MAXHUB*-branded IFPDs: In 2024, our *MAXHUB*-branded conference IFPDs accounted for 9.9% of the global market by revenue, according to Frost & Sullivan.

- *MAXHUB* AI Meeting Assistant: the *MAXHUB* AI Meeting Assistant combines speech recognition and natural language processing to boost meeting efficiency and automate content management. Key features include one-click recording, real-time transcription, speaker identification, smart summaries, and intelligent Q&A. Fully integrated with *MAXHUB* devices, it supports a range of meeting scenarios from conference rooms to personal devices helping users build personal knowledge systems and enabling a smarter, more productive office environment.

- Customer base: Our integrated hardware-software solutions are deeply embedded into enterprise workflows. We have established strong partnerships with leading collaboration platforms such as Tencent Meeting, Microsoft Teams, and Zoom. Our enterprise collaboration devices have been adopted by numerous enterprises, spanning key sectors including food and beverage, retail, manufacturing, finance, and healthcare.

Specialist in Intelligent Control and Global Leader in LCD Controller Boards, Well-Positioned to Capture Growth in the Broader Control Components Market for White Goods, Automotive Electronics and Power Electronics

We are the global leader in LCD controller boards, continuously driving technological advancement within the industry. Leveraging our strong research and development ("**R&D**") capabilities in integrated hardware design, we pioneered the industry's first "three-in-one" LCD controller board, which integrates the power module, display control, and backlight driver into a single board. This innovation transformed the traditional single-board architecture, significantly improving production efficiency and reducing manufacturing costs for our customers, and established a new technological benchmark for the industry.

In 2024, we held a 23.8% share of the global LCD controller board market by shipment volume, ranking first worldwide, according to Frost & Sullivan. We are a key supplier to many of the world's leading consumer electronics brands. As of December 31, 2024, our LCD controller boards had been adopted by more than 30 consumer electronics brands. In 2024, we served as the supplier of LCD controller boards to nine of the world's top ten television brands ranked by shipment volume in the same year, according to Frost & Sullivan, demonstrating our deep industry expertise and strong customer relationships.

Building on our success in display control technologies, we have expanded into household appliances (white goods). Notably, our household appliance (white goods) control components portfolio has grown to include a variety of high-reliability and cost-effective components, such as VFD controllers, intelligent display modules, and HMI solutions. Sales of this product category recorded a CAGR of over 60% from 2022 to 2024, reaching RMB1,722.2 million in 2024. As of the Latest Practicable Date, our products were adopted by four of the top five global white goods brands in terms of revenue in 2024, according to Frost & Sullivan.

Additionally, we offer a variety of in-vehicle electronics components, which have been adopted by several automotive brands. In the power electronics sector, we focus on the development of core components for products such as UPS systems, charging station modules, inverters, and server power supplies, delivering safe, efficient system solutions to customers worldwide.

Deep Expertise in AI Intelligent Interactive Display Technologies, Enabled by a Comprehensive and Synergistic R&D System Driving Continuous Innovation

Guided by our development philosophy of "technology-first, innovation-driven," we place a strong emphasis on technological advancement and maintain a long-term commitment to R&D. We have established a technology platform that integrates artificial intelligence and interactive display technologies, forming the foundation of our innovation and product differentiation. Built on this foundation, we have achieved a leading technological edge in both artificial intelligence and key interactive display technologies including display, tactile sensing (haptic), connectivity, audio and video.

Artificial Intelligence

We have developed two domain-specific multimodal LLMs, leveraging third-party general-purpose LLMs: the *seewo* educational model and the *MAXHUB* enterprise collaboration model. These models power a suite of tailored software solutions that address the diverse needs of stakeholders in the education and enterprise sectors. As of December 31, 2024, we have been granted 131 AI-related patents.

- The *seewo* educational model is finetuned on over 220 billion tokens of domain-specific content, including lesson plans, teaching materials and class videos. Leveraging multimodal perception and understanding, it supports diverse input formats, text, images, and video, to intelligently facilitate the entire educational lifecycle, from lesson preparation and instruction to student learning, assessment, research, and administrative tasks.

- The *MAXHUB* enterprise collaboration model is optimized for corporate meeting scenarios. To address the challenges of long-context understanding, it incorporates an innovative context-aware reasoning strategy, significantly improving the efficiency of key capabilities such as meeting summarization and task generation.

Intelligent Interactive Display Technologies

Our intelligent interactive display technologies are underpinned by AI-enabled algorithmic innovations that drive exceptional performance.

- <u>*Display*</u>: we possess industry-leading capabilities in hardware design and algorithm optimization. We have achieved breakthroughs in ultra-high-definition ("**UHD**") display, optics, materials, and simulation, enabling us to quickly respond to 4K/8K UHD, Mini LED TV solutions and AI-based image enhancement trends. For example, our advanced local dimming algorithms and color calibration models ensure UHD displays achieve imperceptible color variation ($\Delta E \leq 1$), while optical simulation algorithms optimize light efficiency and viewing angles. We have also led the formulation of several industry standards, including the technical specifications for IFPD touch technologies.

- *Haptics*: we continue to innovate across AI-based touch algorithms, application software, circuit systems, materials, and manufacturing processes, to enhance user touch experience in various application scenarios. For example, we have achieved industry-leading high-precision capacitive touch sensing with 440+ channels, supporting 3mm hard-tip passive styluses with enhanced scratch resistance; LiDAR-based touch integration in LED all-in-one displays, enabling intuitive gesture-based interaction; and vibration-based haptic feedback in laptop touchpads, delivering cost-effective, full-area press functionality.

- *Connectivity*: we pioneered in-display antenna and concealed slit antenna technologies, integrating ultrasonic, Wi-Fi, bluetooth, and local network protocols to enable stable, multi-channel screen casting and device interconnectivity.

- *Video and audio*: our strength lies in full-stack algorithm development tailored for real-world performance. We apply cutting-edge spatial awareness, scene-adaptive imaging, super-resolution, noise reduction, HDR, and multi-speaker tracking algorithms to deliver intelligent, immersive visual experiences. Our audio systems incorporate a number of advanced algorithms, including AI-enhanced beamforming, noise suppression, echo cancellation, and multi-source localization algorithms to ensure clear, context-aware sound capture and playback. Additionally, we developed a multi-focus hybrid zoom solution and an industry-first 8K multi-camera wide-angle system for education, significantly enhancing AV quality and smart scenario applications.

We are also actively enhancing our technological capabilities in motor control and power electronics to support the development of intelligent control components for mechatronics, automotive systems, power electronics, and key robotics applications.

Our proprietary mechatronic control algorithms are a key technology enabling intelligent functionalities in household appliances (white goods). Furthermore, leveraging our core competencies in AV systems, touch interaction, and thermal management, we provide high-performance and cost-effective solutions including cockpit control modules, lighting systems, and audio amplifiers to automotive brands.

We are also strengthening our R&D in advanced robotics technologies. Since 2020, we have adopted a modular development approach for key robotics components, including chassis task modules, motion control systems, and integrated motor and control units. We are actively exploring commercial applications in various scenarios for robotics components.

Comprehensive and Synergistic R&D System

Driven by a strong commitment to technological advancement and innovation, we have established a cross-functional R&D team operating under a rolling, multi-party collaborative innovation framework.

As of December 31, 2024, our R&D team comprised 3,229 members, accounting for approximately 48.2% of our total workforce. Our engineers, drawn from diverse technical disciplines, participate in regular internal knowledge-sharing sessions, referred to as "Tech Days," to exchange insights and foster interdisciplinary collaboration. This approach promotes the integration of multiple perspectives, often resulting in technically robust and holistically optimized solutions.

We follow a synchronized and forward-looking R&D framework known as the "Three Institutes and One Postdoctoral Workstation" model, operating under a rolling mechanism of "pre-research one generation, develop one generation, commercialize one generation."

- The Central Research Institute focuses on cutting-edge AI and software technologies.

- The Central Engineering Institute leads advancements in core hardware technologies.

- The Innovation Design Institute is responsible for optimizing user experience and system integration.

- The Postdoctoral Workstation conducts foundational and exploratory research in emerging technologies.

Together, these four units form an integrated innovation system that drives the full lifecycle from technology incubation to product development and commercialization, supporting our long-term leadership in innovation and responsiveness to market needs.

Seamlessly Integrated Global Supply Chain Underpinned by Standardized Operations

Our supply chain network is globally distributed and strategically positioned to serve local markets. In select markets, we have established localized assembly capabilities to ensure a stable and responsive global supply of products and services. Our resilient and flexible supply chain infrastructure enables us to meet customer demand across geographies with consistent quality, stable costs, and rapid responsiveness, while maintaining agility in the face of evolving global trade policies.

We have established rigorous standard operating procedures ("**SOPs**") for manufacturing our products to support the implementation of globally consistent and standardized production systems. In 2024, we launched a smart manufacturing facility that not only supplements our production capacity, but also serves as a demonstration hub for continued research, process optimization, and technology standardization. Our demonstration production lines share SOPs with our network of global manufacturing partners, enabling efficient knowledge transfer and execution under a "local prototyping, global production" model.

To digitalize our supply chain operations, we have developed a suite of efficient, end-to-end collaboration tools on a highly digitalized supply chain collaboration platform. Our platform enables unified online supplier management and real-time production monitoring through automated equipment and digital systems, allowing for timely issue resolution and enhanced operational efficiency.

Locally Adapted Sales Strategies Delivering Intelligent Devices and Solutions to the World

We have established a comprehensive, multi-tiered sales network with deep coverage across China, while continuously expanding our overseas sales channels and localized after-sales service networks. As of December 31, 2024, we operated an extensive distribution network covering all provinces, autonomous regions and municipalities in mainland China, comprising over 7,000 distributors. Through this network, we have established relationships with more than 200,000 primary and secondary schools across China and reached a total of over 19,000 enterprise customers, as of the same date.

Thanks to our success in China and long-term market insights and sales experience in international markets, we have adopted a localized strategy to enter markets across different regions globally, delivering our intelligent devices and solutions tailored for education and enterprise collaboration to the world. As of December 31, 2024, our products and solutions centered around IFPDs have been sold to over 100 countries and regions, forming stable partnerships with more than 100 brand customers.

We have launched our education IFPD products in overseas markets and achieved a leading market position. In 2024, we delivered over 600,000 IFPDs to overseas markets. According to Frost & Sullivan, our IFPDs for the educational market accounted for 40.2% of the overseas market by sales volume, ranking first worldwide, in 2024. Leveraging our comprehensive product portfolio, industry-leading interactive display technologies, and globally integrated supply chain network, we have partnered with over 100 internationally recognized brands as of December 31, 2024. Our products were procured by six of the world's top ten interactive hardware brands (excluding our brand, *seewo*) in the space of educational technology ("**EdTech**") in 2024 in terms of revenue, according to Frost & Sullivan. By integrating with local supply chains in various countries and regions, we have successfully expanded our presence in the global EdTech hardware market, while also offering localized technical support and after-sales services. As part of our commitment to advancing digital transformation of education, we maintain close engagement with public sector stakeholders and educational organizations to promote our intelligent devices and solutions in local markets and support the development of digital education infrastructure. For example, we have collaborated with education authorities in Thailand and Indonesia to deploy smart classroom solutions in selected schools in both countries. Additionally, we collaborate with the UNESCO Higher Education Innovation Centre to provide smart classroom solutions to universities in various countries and share our insights about digital transformation of education worldwide.

Our conference IFPD products have obtained certifications from Microsoft Teams and Zoom, enabling us to address the growing demand in the global commercial display market by offering enterprise users enhanced compatibility and a seamless collaboration experience. In particular, we have established a partnership with Microsoft, jointly launching several Microsoft Teams-certified hardware solutions. These include the XBoard V7 Series, the world's first Microsoft Teams-certified IFPD equipped with an AI-powered Trident Lens system and Windows 11 IoT, offering an all-in-one solution for diverse enterprise environments. We are the only manufacturer in mainland China, authorized to support our brand partners in obtaining Microsoft Teams certification, according to Frost & Sullivan. In addition, we have partnered with Microsoft Azure to improve data processing and transmission efficiency, and have integrated OpenAI services in our products to develop AI-enhanced collaboration solutions tailored to overseas enterprise markets.

Visionary Leadership and a Culture of Innovation

We are led by a seasoned management team with extensive industry experience and strong strategic acumen. Our founding team, with an average of over 20 years of sector experience, has demonstrated the ability to identify and capitalize on market opportunities, driving our Company's growth across different stages and establishing a leading market position in various domains. Their long-standing collaboration, spanning over 20 years, has contributed to exceptional organizational stability and has been instrumental in our Company's rapid development.

Guided by a shared entrepreneurial vision, our founders are committed to aligning corporate growth with employee development and well-being. They have cultivated a corporate culture that emphasizes innovation, collaboration, and continuous improvement, fostering a dynamic and inclusive environment for talent development.

To support internal innovation and business diversification, we have established an open internal venture platform that encourages employee-led entrepreneurship within our Group. The platform offers resource support and allows employees to share in the value they create. This mechanism has facilitated the expansion of our business portfolio, attracted high-caliber professionals, and strengthened the institutional foundation for multi-business collaboration.

We have implemented comprehensive employee equity incentive plans, benefiting thousands of grantees cumulatively. Together with a range of performance-based incentive measures, this plan has effectively enhanced employee motivation, supported talent retention, and driven the rapid development of new business initiatives.

OUR STRATEGIES

Strengthen R&D Capabilities to Solidify Technological Leadership and Develop Emerging Technologies

We intend to increase investment in fundamental research to enhance our core technological strengths, with a focus on artificial intelligence and interactive display technologies. In particular, we aim to advance six key domains: intelligence, display, haptics, connectivity, audio, and video. Our R&D efforts in AI will focus on advancing multimodal capabilities, lightweight large model and on-device deployment, intelligent AI agents, as well as next-generation interactive display and audio and video technologies. We aim to leverage on our technology advancements to strengthen the performance of our products and expand our product portfolio to capture high potential sectors.

In particular, building upon our long-term investment in core technologies and component-level innovation, we will continue to strengthen our capabilities in electromechanical control systems, including algorithm optimization and frequency drive technologies. These advancements will support the expansion of our solutions in areas such as household appliances (white goods), automotives, industrial automation, energy storage and robotics components.

Optimize and Expand Our Intelligent Display and Collaboration Ecosystems to Meet Diverse Customer Needs across Multiple Scenarios, including Education and Enterprise Collaboration in Global Markets

We are committed to continuously enriching our product offerings in commercial display products and systems, AV equipment and systems, computing solutions and related hardware, as well as domain-specific AI-powered software solutions. We will actively pursue global market opportunities with this growing portfolio. In the education sector, we aim to strengthen our market position in the United States and Europe, while accelerating our strategic expansion into emerging markets such as the Middle East, Southeast Asia and India. These regions present significant opportunities due to the growing demand for educational digitalization and low market penetration. In the enterprise collaboration sector, we intend to enhance our global competitiveness and market share by expanding penetration of *MAXHUB* branded-products among overseas and multinational enterprise customers. This will be supported by our close collaboration with leading international platforms such as Microsoft Teams.

We plan to deepen the integration of AI technologies across our intelligent devices and solutions to enhance user experience and operational efficiency. In line with national policies promoting the digital transformation of the education sector, we will further integrate AI capabilities into our intelligent education devices and solutions. Through this approach, we aim to drive continuous product iteration and diversify our product portfolio to meet the evolving needs of education stakeholders. Furthermore, we will broaden the application of AI in enterprise collaboration scenarios to improve efficiency and intelligence across multiple use cases. AI is expected to serve as a core driver of our product innovation and technological advancement.

We will remain focused on diversifying application scenarios and strengthening our presence across various industries. In the education sector, we aim to extend our solutions from in-school teaching environments to at-home learning scenarios, building a seamless and consistent learning experience. In enterprise collaboration sector, we plan to extend our product applications beyond traditional meeting scenarios to broader enterprise environments, including office spaces, exhibitions, and outdoor displays. Concurrently, we will continue to explore opportunities across a wide range of industries, including manufacturing, telecom, finance, media and new retail, seeking to identify new business growth avenues and further diversify the application scenarios of our products and solutions.

Advance Innovation in Intelligent Control Components and Solutions for New Growth Areas to Broaden Market Presence and Product Offerings

We will continue to solidify our leadership position in the LCD controller board market. In addition, we intend to expand our presence in high-growth sectors by advancing innovation in intelligent control components and integrated solutions.

- *Household appliances (white goods)*: In response to increasing demand for intelligent and AI-enabled household appliances (white goods), we will continue to broaden our product portfolio and deepen our customer base in the household appliance (white goods) control components sector.

- *Automotives*: Capitalizing on opportunities in intelligence and electrification for the automotive industry, we aim to provide a comprehensive suite of intelligent control components for various applications to automotive customers, including smart cockpit systems, and automotive lighting components, as well as in-car audio and video technologies.

- *Energy Storage*: In the energy storage sector, we plan to offer more products under key categories such as UPS systems, charging station modules, inverters, and server power systems.

- *Robotics Components*: We will also continue to drive the development of complete robotic systems and core functional modules, targeting physical intelligent robots, industrial automation and other high-potential verticals.

Drive Digital Transformation to Enhance Management Efficiency and Advance Smart Manufacturing

We will continue to enhance our smart manufacturing capabilities by applying digital technologies in the development of next-generation products and product technologies, reinforcing our position as an industry leader in innovation.

We will further strengthen centralized management of customer data and sales processes, enabling us to gain deeper insights into customer preferences and feedback. By collaborating closely with domestic and international distributors, we aim to implement more efficient, data-driven, and tailored sales strategies for each market. In addition, we will upgrade our digital sales platforms to dynamically optimize resource allocation, scheduling, and responsiveness to market changes.

We will also accelerate the application of digital technologies across other core operational processes, including workflow optimization, information systems integration, supply chain management, and quality control. These efforts will support the continuous improvement of our operational efficiency.

Accelerate Growth through Strategic Investments and Acquisitions

We intend to pursue strategic investment and acquisition opportunities in both domestic and international markets, focusing on horizontal integration (for example, complementary product lines or peer companies). Our strategy includes investing in businesses that can expand and diversify our core product portfolio. These initiatives are designed to broaden our product offerings, strengthen our global market presence, and reinforce our technological capabilities.

OUR BUSINESS MODEL

We are a specialist in intelligent control and a leader in the global commercial display industry, and we have established market leadership in IFPDs for both education and enterprise collaboration applications and LCD controller boards. We deliver technologies that redefine communication, collaboration, productivity and engagement across modern workplaces, learning, commercial and public environments.

We began our journey in 2005 as a specialist in LCD controller boards, with a focus on the R&D of display control technologies for integration into televisions, monitors and other displays. Leveraging our deep expertise in display technologies, we identified an opportunity to innovate how people learn and collaborate through display solutions. In 2009, we launched our *seewo* brand, introducing the first IFPD product designed for the educational market in China. Our products transform classroom engagement by enabling dynamic content delivery and interactive learning experiences. Building on this success, we expanded into the enterprise segment with the launch of the *MAXHUB* brand in 2017, offering IFPDs tailored for corporate environment to enhance communication, productivity, and collaboration applications.

Today, we have expanded beyond LCD controller boards into the broader market of intelligent control components, addressing a wide range of use cases, including household appliances (white goods), automotive systems, and power electronics. At the same time, we are advancing towards integrated intelligent display and collaboration ecosystems, offering a comprehensive portfolio of commercial display products and systems, related hardware, domain-specific AI-powered software solutions, and services designed around key application scenarios, particularly in education and enterprise collaboration.

We sell our products through a combination of direct sales and a global distributor network, covering over 100 countries and regions. Domestically, our commercial display products and solutions are mainly marketed under *seewo* and *MAXHUB* brands, catering to the education and enterprise collaboration sectors, respectively. We market our products under *MAXHUB* brand and leverage the ODM model to reach a broader customer base in overseas markets. Under our ODM model, we manufacture products in our self-owned smart manufacturing facility or provide the product design, as well as the components and materials, to our manufacturing partners, who handle production. The finished products are then branded and sold by our customers under their own names.

We research and develop our products in-house and primarily engage specialized third-party partner factories around the world to produce them according to our proprietary designs and standard operating procedures ("**SOPs**"). To enhance our supply chain resilience and operational efficiency, we have established a smart manufacturing facility. This facility is capable of supporting the entire product lifecycle, including customer demand analysis, product R&D, pilot testing, mass production, and global shipment. In addition to fulfilling customer orders, the facility serves as a central hub for refining, testing, and finalizing product SOPs, which are then implemented across our global manufacturing partners, reinforcing our "local prototyping, global production" model that accelerates time-to-market while ensuring consistent product quality and operational scalability worldwide.

OUR PRODUCTS AND SOLUTIONS

We mainly offer two categories of products and solutions: (i) intelligent devices and solutions, primarily including commercial display products and systems, office and industrial computing solutions, and AV equipment and systems; and (ii) intelligent control components, which primarily include LCD controller boards and household appliance (white goods) control components. The following table shows a breakdown of our revenue by products and solutions for the years presented.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	%	*RMB*	%	*RMB*	%
	(in RMB thousands, except for percentages)					
Intelligent devices and solutions						
Commercial display products and systems	10,108,036	48.2	9,202,680	45.6	9,298,321	41.5
Office and industrial computing solutions	198,087	1.0	526,806	2.6	824,708	3.7
AV equipment and systems	403,908	1.9	428,835	2.1	535,538	2.4
Others(1)	1,134,713	5.4	996,265	4.9	968,318	4.3
Subtotal	11,844,744	56.5	11,154,586	55.2	11,626,885	51.9
Intelligent control components						
LCD controller boards	7,018,898	33.4	5,927,808	29.4	6,628,552	29.6
Household appliance (white goods) control components	535,274	2.6	1,039,747	5.2	1,722,238	7.7
Others(2)	1,248,062	5.9	1,567,485	7.8	1,922,834	8.6
Subtotal	8,802,234	41.9	8,535,040	42.4	10,273,624	45.9
Software and other services(3)	343,287	1.6	483,011	2.4	500,673	2.2
Total	**20,990,265**	**100.0**	**20,172,637**	**100.0**	**22,401,182**	**100.0**

Notes:

(1) Primarily include revenue generated from learning devices and tablets.

(2) Primarily include revenue generated from automotive electronics control components and power electronics control components.

(3) Primarily include revenue generated from software services, testing and after-sales services.

Intelligent Devices and Solutions

We offer a range of intelligent devices and solutions that primarily include commercial display products and systems, office and industrial computing solutions, and AV equipment and systems.

Commercial display products and systems

IFPDs

IFPD is a smart all-in-one device that combines a high-resolution display, responsive touch controls, and rich multimedia capabilities, using advanced technologies such as multimodal interaction (touch, voice, and visual recognition), artificial intelligence, and cloud computing. Our IFPDs are purpose-built for diverse use cases and designed to engage audiences, connect teams, and enhance collaboration in both educational and professional environments.

<u>Education IFPDs</u>

We offer education IFPDs under our *seewo* brand in domestic market, and primarily through ODM model in overseas markets. Our range of education IFPDs includes our latest *seewo* IFPD 7 and our *seewo* Smart Blackboard 7. Our products are available in different sizes from 55 inches to 110 inches, designed to suit various educational environments, from standard classrooms to lecture halls and auditoriums.

seewo **IFPD 7** is our latest generation education IFPD and has specifically been designed to harness the power of AI in enhancing teaching and learning experiences. *seewo* IFPD 7 features a TÜV Rheinland-certified paper-like eye protection display, an intelligent quad-lens camera, and an 8-microphone array. With an integrated local computing module and the *seewo* educational model, it enables seamless data collection and intelligent analysis when connected to our lecture capture system, empowering more efficient and data-driven instruction.

seewo **Smart Blackboard 7** is our latest generation IFPD blackboard and has been fully optimized in audio-visual performance, display quality, interactive experience, and intelligent connectivity. It seamlessly combines traditional blackboard writing with advanced interactive features by integrating IFPD with traditional blackboard. Using high-precision infrared or capacitive touch technology, it accurately captures handwriting, delivering a natural writing experience alongside convenient digital storage.

seewo **IFPD 7**

seewo **Smart Blackboard 7**

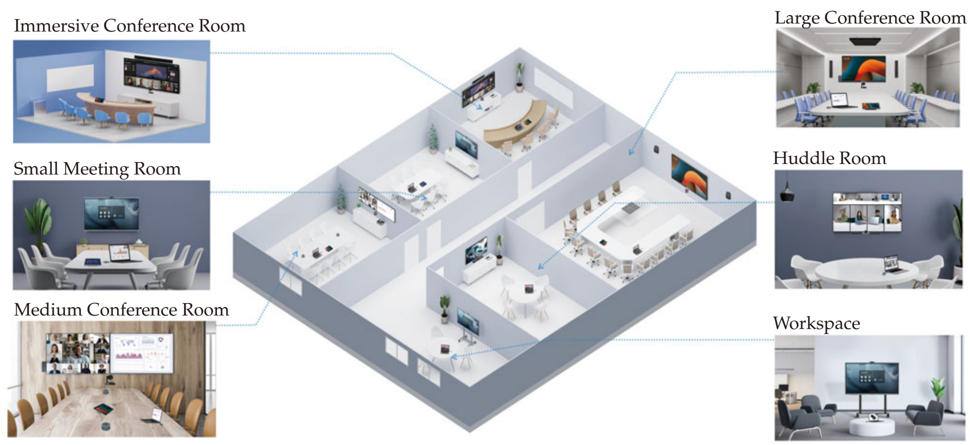
Conference IFPDs

Our conference IFPDs, offered primarily under the *MAXHUB* brand, are designed to empower modern workplaces. They support a wide range of functions, including screen sharing, interactive whiteboard writing, video conferencing, intelligent recording, and smart meeting summaries, and are available in sizes from 55 to 98 inches to suit diverse meeting room needs, from huddle room, small room, medium room, large room to auditorium room. Our product lineup includes our recently launched XBoard V7 Series, certified for Microsoft Teams, Zoom-certified V6 Classic Series, as well as additional series to meet diverse collaboration needs. Leveraging an integrated local computing module and the *MAXHUB* enterprise collaboration model, our conference IFPDs empower enterprise collaboration through improving meeting productivity and accelerating organizational knowledge accumulation.

XBoard V7 Series is the first Teams-certified IFPD with AI-powered Trident Lens system and Windows 11 IoT, providing an all-in-one solution for diverse spaces. The advanced Trident Lens system features three 50MP cameras, one panoramic and two with 2x optical and 5x hybrid zoom, ensuring clear room views and capturing participant expressions. The Windows-based system offers seamless compatibility with enterprise applications. Additionally, it supports Bring Your Own Meeting ("**BYOM**"), enabling users to host meetings directly from their own devices while utilizing XBoard's professional-grade audiovisual equipment for an exceptional meeting experience.

V6 Classic Series is a Zoom certified all-in-one IFPD. This BYOM ready device is pre-configured with Zoom Rooms to support Zoom Whiteboard with 10-point multi-touch functionality, annotation capabilities and Auto Framing — an intelligent feature that automatically adjusts the camera's field of view to frame participants optimally during a meeting.

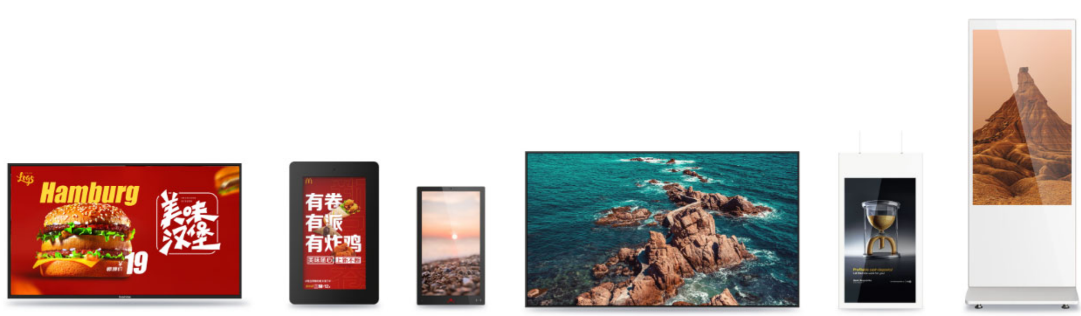
The V6 Series also includes the ViewPro and Transcend Series, offering advanced features designed to deliver a premium user experience.



Digital signage

Digital signage is transforming how information and advertising are delivered in public spaces, bringing content to life through dynamic, interactive, and customizable displays. Our product lineup includes cloud based signage, electronic menu boards, interactive signage, freestanding advertising displays, high brightness window screens, outdoor digital signage and splicing screens. Our solutions are powered by a proprietary cloud platform and content management system, enabling seamless, centralized control and real-time content distribution across multiple locations.

Our digital signage solutions have been adopted across industries such as manufacturing, telecom, finance, media and new retail, redefining the customer and audience experience.



LED displays

LED displays, powered by advanced LED technology, deliver exceptional brightness, long lifespan, high reliability, and energy efficiency, all while being environmentally friendly.

Our comprehensive LED display portfolio includes all-in-one displays ranging from 120 to 299 inches (including COB (chip on board) models from 135 to 216 inches), as well as a variety of specialized solutions such as indoor and outdoor LED walls, glasses-free 3D displays, and cinema-grade LED screens. These products are engineered to elevate visual experiences across a wide range of settings, including conference rooms, lecture halls, command centers, exhibition spaces, outdoor advertising, sports arenas, and movie theaters.

Notably, our all-in-one LED displays are equipped with a built-in display, audio and video conference system and a wide range of application, transforming any room into a versatile, interactive space that offers much more than just a display. According to Frost & Sullivan, our all-in-one LED displays held a 28.0% market share in mainland China by shipment volume in 2024.

Office and industrial computing solutions

Office computing solutions

Our office computing portfolio includes a wide range of products such as office computers, cloud desktop terminals, monitors, and smart office laptops. These offerings come in various form factors, including desktops, laptops, all-in-one PCs, and mini-PCs, supporting multiple chip platforms and operating systems to meet the diverse and personalized needs of users across education, government, and enterprise environments.

For the education sector, *seewo* has introduced a line of "teacher-friendly" computers — *seewo* teaching terminals — available in desktop, laptop, and all-in-one formats. Designed with teachers in mind, these devices support a variety of hardware platforms and systems and come pre-installed with proprietary AI-enabled software that enhances teaching efficiency. Seamlessly integrated with *seewo* IFPDs, they provide a smooth, end-to-end experience from lesson planning to classroom delivery.

For government and enterprise users, *MAXHUB* offers a lineup of commercial office terminals designed to boost productivity and enhance the user experience. Available in multiple configurations, including desktops and laptops, *MAXHUB* devices support a range of chip platforms and operating systems. Driven by pre-installed AI-enabled software such as *MAXHUB* Lingxiao PC Assistant, they connect effortlessly with *MAXHUB* IFPDs to create a unified hardware ecosystem and also integrate with the *MAXHUB* Lingxiao Xingyun platform, helping organizations meet the growing demands of digital collaboration.

Industrial computing solutions

We offer industrial computing solutions under our *SPESTECH* brand, addressing demand from smart manufacturing and smart city. By focusing on the essential needs of industrial control applications in demanding industrial environments, *SPESTECH* has developed a comprehensive portfolio of industrial computing products with customized features designed to meet specific needs. These include fanless embedded industrial PCs, expandable fanless industrial PCs, industrial monitor boards, industrial-grade tablets, industrial touch-screen displays, and network security devices. *SPESTECH* solutions are widely adopted across a range of industries, including photovoltaics, batteries, semiconductors and robotics components.

AV equipment and systems

Intelligent lecture capture system

Our intelligent lecture capture system integrates multi-angle cameras, omnidirectional microphones, a central recording hub, and specialized software. It supports automatic multi-screen switching, intelligent editing, and cloud-based storage. The system can output standardized, editable footage or publish-ready content, meeting the professional demands of teaching, research, and broadcasting scenarios.

Specifically designed for educational environments, the *seewo* lecture capture system offers a comprehensive range of solutions, including standard and premium recording classrooms, 4K mobile recording setups, as well as solutions for course production studios, virtual studios, labs and training rooms, as well as meeting rooms, training centers, virtual digital instructors, and digital twin campuses. It supports hybrid learning model that combines online and offline education, addressing diverse needs such as live streaming, high-quality lesson recording, remote interactive teaching, and online collaborative research. Used with *seewo* Classroom Feedback Assistant, the system can capture data for *seewo* Classroom Feedback Assistant to provide intelligent classroom feedback features, such as teaching behavior analysis and AI-generated instructional suggestions, enabling teachers to continuously enhance teaching quality and student learning outcomes.

AV conferencing terminals

Our AV conferencing terminals include local sound reinforcement solutions, video conferencing terminals, and related accessories.

Our sound reinforcement solutions encompass both traditional and digital network-based audio systems. Traditional systems include digital or analog components such as audio matrices, amplifiers and speakers. Our newly developed, highly integrated digital network audio solution features an all-in-one digital network audio host that combines three core functions, audio pickup, mixing, and amplification. With just a single network cable, it enables seamless connectivity with microphones, speakers, and other devices, offering simplified deployment, easy configuration, and high operational efficiency for modern audio environments.

Our video conferencing terminals consist of all-in-one videobar units as well as modular solutions, including video conferencing hosts, professional-grade cameras, microphones, and speakers. Built on a robust hardware architecture and advanced algorithms, these systems deliver high-fidelity, low-latency real-time audio and video communication across distributed locations.

Our AV conferencing terminals support a full range of applications, including cloud conferencing based on scalable video coding ("**SVC**"), on-premises deployments, and hardware-based video conferencing using advanced video coding ("**AVC**"). They provide stable performance across various network environments and device types, and are compatible with multi-platform, multi-system software clients.

We have successfully obtained ecosystem certifications from leading domestic cloud conferencing platforms, including Tencent Meeting, DingTalk, and Feishu. At the same time, we are actively expanding our global ecosystem presence. In collaboration with Microsoft, we have developed multiple products certified for Microsoft Teams. Building on our modular Xcore Kit video conferencing terminal, we launched the UC BM45 omnidirectional microphone and the UC P30 camera in 2025.

Learning devices and tablets

To empower effective learning at home, we have launched three flagship series of smart learning devices, the W, V, and T series, thoughtfully designed to support students aged 3 to 18. Built on a foundation of advanced eye-care technology and AI capabilities, these devices are enhanced by unique features and rich educational resources, offering a versatile product lineup that adapts to a wide range of learning needs and household budgets. As of December 31, 2024, we offered three series of learning devices and tablets.

Each device boasts Class 3A paper-like display technology and has earned six prestigious certifications, including the TÜV Rheinland Eye Comfort Certification and the CESI Paper-like Display Certification, ensuring a safer, more comfortable viewing experience that protects developing eyes.

Preloaded with a comprehensive curriculum spanning kindergarten through high school, the devices incorporate a structured, subject-based learning framework that delivers targeted academic support. Intelligent age-based growth plans guide students through personalized learning journeys, while *seewo* educational model powers a suite of smart features, from AI-powered picture book reading and automated essay review, to image recognition-enabled question solving and voice cloning.

We are also exploring the growth opportunities for our learning devices and tablets in school scenarios to further enrich our education ecosystem, facilitating a seamless learning experience from school to home.

Our Intelligent Display and Collaboration Ecosystems

Beyond standalone display and collaboration hardware, we are advancing towards integrated intelligent display and collaboration ecosystems, offering a comprehensive portfolio of commercial display products and systems, related hardware, domain-specific AI-powered software solutions, and services designed around key application scenarios, particularly in education and enterprise collaboration. The following table shows a breakdown of our revenue from our intelligent display and collaboration ecosystems (which is the sum of our revenue from (i) intelligent devices and solutions, and (ii) software and other services) by industry application for the years presented. See "— Our Products and Solutions."

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Self-owned brands						
Education						
Commercial display products and systems	5,094,788	41.8	4,429,562	38.1	3,728,452	30.7
Computing solutions	51,058	0.4	234,474	2.0	448,565	3.7
AV equipment and systems	263,925	2.1	299,269	2.6	320,447	2.7
Others[(1)]	725,766	6.0	665,920	5.7	633,546	5.2
Subtotal	6,135,537	50.3	5,629,225	48.4	5,131,010	42.3
Enterprise Collaboration						
Commercial display products and systems	2,054,593	16.8	1,935,632	16.6	1,927,074	15.9
Computing solutions	117,316	1.0	168,474	1.4	296,742	2.4
AV equipment and systems	55,339	0.5	72,832	0.6	96,693	0.8
Others[(2)]	65,508	0.5	75,384	0.7	121,162	1.0
Subtotal	2,292,756	18.8	2,252,322	19.3	2,441,671	20.1
Others[(3)]	352,437	2.9	368,041	3.2	636,918	5.3
ODM Model	3,407,301	28.0	3,388,009	29.1	3,917,959	32.3
Total	**12,188,031**	**100.0**	**11,637,597**	**100.0**	**12,127,558**	**100.0**

Notes:

(1) Primarily include revenue generated from learning devices and tablets.

(2) Primarily include revenue generated from accessories in enterprise collaboration application.

(3) Primarily include revenue generated from testing, after-sales services, as well as products and solutions for industrial applications.

Ecosystem for Education — Empowering Education through Digital Innovation

In 2009, we launched our *seewo* brand, introducing the first IFPD product designed for the educational market in China. Since then, *seewo* has evolved into the leading brand for intelligent display and collaboration solutions in education in China. According to Frost & Sullivan, *seewo* held a 50.7% market share in mainland China by sales volume of IFPD products in the educational market in 2024. Based on our sales volume as of December 31, 2024, we estimate our *seewo* IFPDs have been installed in 2.8 million classrooms across more than 200,000 primary and secondary schools and over 2,500 higher education institutions in China.

We have also launched a suite of education-focused hardware products designed to integrate seamlessly with IFPDs as part of a comprehensive system to enhance the learning experience. For example, our learning devices and tablets have enabled digital learning experience in over one million households as of December 31, 2024. We are also exploring the growth opportunities for our learning devices and tablets in school scenarios to further enrich our education ecosystem, facilitating a seamless learning experience from school to home. In addition, we introduced the *seewo* educational model, a domain-specific multimodal LLM tailored to meet the complex needs of modern education. This model empowers our hardware and software offering with advanced AI capabilities and facilitates seamless integration across our hardware and software ecosystem, enabling teachers to effortlessly unify curriculum design, lesson preparation, teaching, and post-class assessment into a seamless system, which accelerates the digital and smart transformation of education. See "— Research and Development — Artificial intelligence."

Today, we have built an ecosystem for education includes hardware, domain-specific AI-powered software and services solutions designed to transform classroom engagement and enhance digital teaching and learning experiences.

Notably, the ecosystem features the following *seewo*-branded products and solutions.

Intelligent hardware

- IFPDs: As flagship hardware, the IFPDs boast a high-resolution touch display with multi-touch, wireless screen sharing, and handwriting input. Used across all educational levels, their seamless interactive features boost teacher-student engagement and knowledge sharing, greatly enhancing teaching efficiency and classroom participation. See "— Intelligent Devices and Solutions — Commercial display products and systems — IFPDs — Education IFPDs."

- Lecture capture systems: The intelligent lecture capture systems feature high-quality video recording and storage capabilities, greatly enhancing learning flexibility by allowing teachers and students to access and share classroom content whenever needed. See "— Intelligent Devices and Solutions — AV equipment and systems — Intelligent lecture capture system."

- Teaching terminals: Available in desktop, laptop, and all-in-one form factors, the teaching terminals are equipped with "teacher-friendly" features. They support a variety of hardware platforms and systems and come pre-installed with proprietary AI-enabled software that enhances teaching efficiency. See "Intelligent Devices and Solutions — Office and industrial computing solutions — Office computing solutions."

- Learning devices and tablets: the learning devices deliver convenient and personalized learning experiences by aligning educational content with each student's needs in both classrooms and homes. They offer flexible learning paths and supports a variety of online and offline resources to encourage independent learning. See "— Intelligent Devices and Solutions — Learning devices and tablets."

Software solutions powered by seewo educational model

- *seewo* Whiteboard: the *seewo* whiteboard is a one-stop interactive platform for K12 educators, integrating functions, among others, lesson planning and interactive teaching, which enhances teaching efficiency and boosts innovation. The platform had over 9 million active users, who generated teaching materials on the platform, in 2024, and more than 1.2 billion sets of member-owned teaching materials s of December 31, 2024.

- *seewo* AI Lesson Planning Assistant: Powered by AI and big data analysis, the *seewo* AI Lesson Planning Assistant revolutionizes traditional lesson preparation process by intelligently generating high-quality lesson plans tailored to specific teaching needs. Through seamless human-machine collaboration, it frees teachers from repetitive tasks and allows them to concentrate on innovative educational ideas and classroom engagement. As of March 31, 2025, the *seewo* AI Lesson Planning Assistant had supported the creation of over 350,000 lesson plans, significantly reducing the average time spent by teachers on such task. As reported by People's Daily Online in April 2025, it became 50% more efficient for teachers using our product in Xuhui District, Shanghai to prepare lesson plans. We charge subscription fees for this product.

- *seewo* Teaching Assistant: A solution that enables real-time digitalization of teaching content, including handwritten notes and printed textbook pages, through optical character recognition technology, and automatically generates corresponding structured, engaging, and interactive digital learning materials.

- *seewo* Classroom Feedback Assistant: the *seewo* Classroom Feedback Assistant facilitates real-time classroom data collection and analysis, providing immediate post-class feedback on teaching effectiveness, thereby supporting both teacher self-evaluation and administrative performance assessment. Powered by AI algorithms, it analyzes multimodal data to quantify teacher-student interactions, using scientific models and indicators to generate personalized assessment reports. As of March 31, 2025, the *seewo* Classroom Feedback Assistant had been deployed in more than 2,000 schools and 5,000 classrooms, with 19 key school districts established as demonstration zones to showcase the impact and effectiveness of our AI-powered software solutions. As of the same date, the *seewo* Classroom Feedback Assistant had generated more than 180,000 intelligent feedback reports, offering actionable insights to optimize teaching, research, and educational management. As reported by People's Daily Online in April 2025, the *seewo* Classroom Feedback Assistant facilitated the digital transformation of educational administration in Xuhui District, Shanghai. For example, its feedbacks on 12 quantitative indicators, designed to enable data-driven insights, have been integrated into approximately 75% of teacher performance evaluations.

- *seewo* AI teaching skills training system: Designed for teacher training, the *seewo* AI teaching skills training system focuses on five key competencies, i.e. language expression, board writing, gestures, emotional expressions, and questioning. It utilizes behavior recognition and data analytics to provide real-time feedback and personalized improvement suggestions, accelerating skill development in simulated teaching environments. As of December 31, 2024, the *seewo* AI teaching skills training system has been implemented in 20 teacher training universities across China.

- *seewo* AI toolbox: the *seewo* AI toolbox supports teachers with intelligent solutions across high-frequency tasks such as preparing activity proposal, administrative notifications and writing feedbacks to students, boosting efficiency and reducing time spent on repetitive and low-value tasks. This allows teachers to focus more on quality classroom teaching and student development.

Services

We offer a comprehensive suite of digital educational management platforms, such as the *seewo* Cube, the *seewo* Academy and the *seewo* Xingtan (杏壇) Plan.

The *seewo* Cube, our one-stop educational management platform, leverages proprietary technology and advanced architecture to seamlessly integrate digital infrastructure, business and data middleware, and open platforms. Through empowering data-driven decision-making, the *seewo* Cube helps educational authorities optimize resource distribution and drive regional education development. We charge project-based fees for initial deployment and ongoing maintenance services.

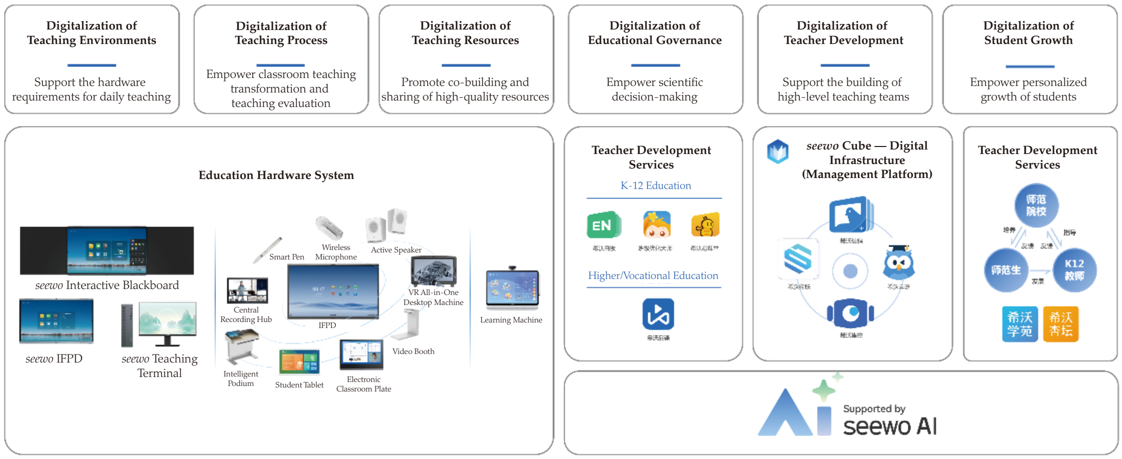
The *seewo* Academy is an online platform dedicated to teacher development, offering training in digital product applications, teaching integration with information technology, and other specialized courses led by expert *seewo* instructors and frontline educators. The *seewo* Academy fosters cross-regional, cross-disciplinary exchanges, helping build renowned teaching teams while advancing the digital transformation and quality development of education. In 2024, the *seewo* Academy provided online trainings to more than 750,000 teachers across over 1,700 districts and 30,000 schools, and hosted more than 90 live-streaming events, reaching over 4.6 million teachers.

The *seewo* Xingtan (杏壇) Plan is a "teachers educating teachers" initiative, enhances educators' teaching philosophy and practical skills through an information-driven interdisciplinary training system, offering personalized learning paths to help them grow professionally and adapt to the evolving education landscape.

We also offer comprehensive offline services, including installation, regular updates, and maintenance of both hardware and software, ensuring the seamless operation of the entire solution and uninterrupted teaching activities in real-world settings.

Together, these solutions enable full-spectrum digitalization across key dimensions of education, including the digitalization of teaching environments, teaching process, teaching resources, teaching governance, teacher development and student growth.

The following diagram illustrates our *seewo* product matrix.



Our *seewo*-branded products are mainly marketed in mainland China, and we have been driving sales of our products in an increasing number of overseas educational markets primarily through ODM partnerships.

Ecosystem for Enterprise Collaboration — Enabling Smart Collaboration across Workspaces

We expanded into the enterprise segment with the launch of the *MAXHUB* brand in 2017, offering intelligent display and collaboration solutions tailored for corporate environment to enhance communication, productivity, and collaboration. According to Frost & Sullivan, *MAXHUB* held a 29.4% share of the conference IFPD market in mainland China by sales volume in 2024.

MAXHUB is focused on the field of intelligent collaboration, building a comprehensive product ecosystem of smart hardware and software applications across three core environments: meeting spaces, office spaces, and public spaces. Leveraging the *MAXHUB* enterprise collaboration model, a domain-specific multimodal LLM tailored to address the complex collaboration needs of modern enterprises, *MAXHUB* integrates advanced AI technology across a variety of software and hardware products. This all-in-one solution optimizes the entire meeting lifecycle, from pre-meeting preparation, to in-meeting execution and to post-meeting follow-up, improving meeting productivity and accelerating organizational knowledge accumulation. See "— Research and Development — Artificial intelligence."

Similar to our solutions for the education sector, we have built an ecosystem for enterprise collaboration, featuring *MAXHUB*-branded products and solutions.

Intelligent Hardware

- IFPDs: the IFPDs integrate high-definition display, touch functionality, and multi-screen collaboration, delivering a smooth and interactive user experience. Pre-installed with proprietary AI-enabled software, our conference IFPDs boast robust capabilities to improve meeting productivity and accelerate organizational knowledge accumulation. See "— Intelligent Devices and Solutions — Commercial display products and systems — IFPDs — Conference IFPDs."

- Digital signage: the digital signage provide an all-in-one solution for information display and management in public venues like malls and corporate spaces. With real-time content updates and remote control capabilities, they enhance communication efficiency and elevate the overall user experience. See "— Intelligent Devices and Solutions — Commercial display products and systems — Digital signage."

- LED displays: designed for large conference venues, exhibition halls, and commercial advertising, the LED displays ensure clear visibility and superior image quality in challenging lighting conditions, making them ideal for impactful large-scale presentations. See "— Intelligent Devices and Solutions — Commercial display products and systems— LED displays."

- AV conference terminals: the AV conference terminal integrates an HD camera, microphone, speaker, and collaboration tools into a single device, enabling seamless, high-quality communication for remote and cross-regional meetings. It streamlines setup, reduces equipment costs, and enhances the overall conferencing experience. See "— Intelligent Devices and Solutions — AV equipment and systems — AV conference terminal."

- Office computing solutions: *MAXHUB* also delivers high-performance computing solutions for modern workplaces, enabling smart office terminals and seamless remote collaboration. These solutions enhance operational efficiency and accelerate digital transformation for enterprises. See "— Intelligent Devices and Solutions — Office and industrial computing solutions — Office Computing Solutions."

Software solutions powered by MAXHUB enterprise collaboration model

- *MAXHUB* Lingxiao Xingyun Platform: the *MAXHUB* Lingxiao Xingyun Platform is a comprehensive software suite that integrates device management, end-to-end meeting lifecycle management, cloud-based content distribution, and operational analytics. It supports both private deployment and SaaS models, offering an efficient solution for unified control of large-scale smart terminals.

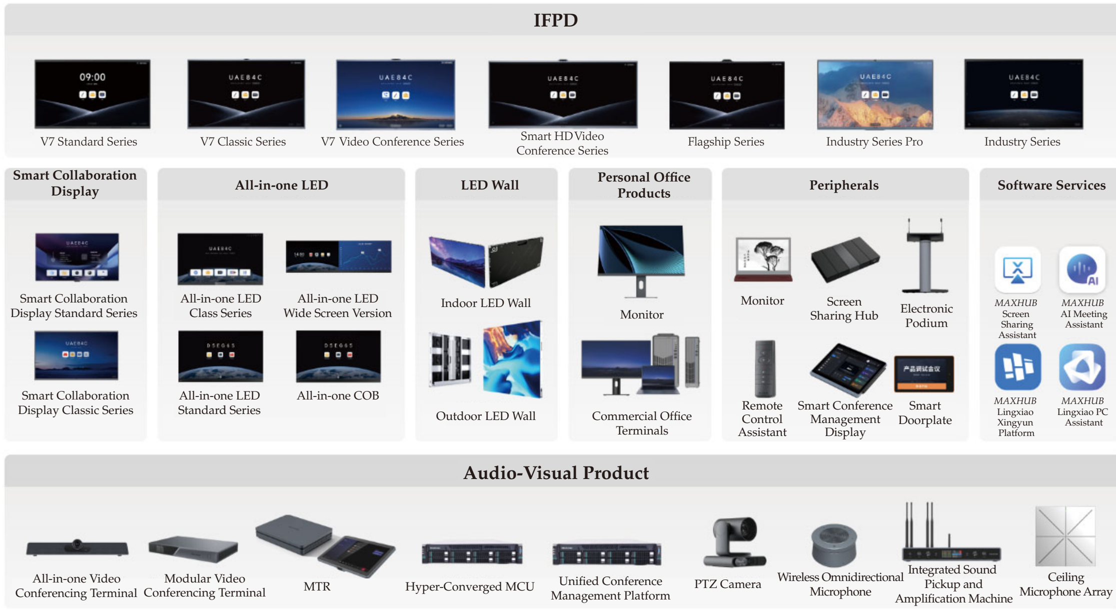
- *MAXHUB* Screen Sharing Assistant: the *MAXHUB* Screen Sharing Assistant is a cross-device application that enables, among others, wireless screen mirroring, file transfer and BYOM access. It connects multiple devices and operating systems seamlessly, facilitating smooth interaction in meeting spaces and enhancing both meeting efficiency and cross-device collaboration.

- *MAXHUB* Lingxiao PC Assistant: the *MAXHUB* Lingxiao PC Assistant leverages AI technologies to proactively anticipate user needs through smart features like operation, file, and search predictions. By intelligently suggesting frequently used shortcuts, it reduces the learning curve and boosts user efficiency in office settings.

- *MAXHUB* AI Meeting Assistant: the *MAXHUB* AI Meeting Assistant combines speech recognition and natural language processing to boost meeting efficiency and automate content management. Key features include one-click recording, real-time transcription, speaker identification, smart summaries, and intelligent Q&A. Fully integrated with *MAXHUB* devices, it supports a range of meeting scenarios from conference rooms to personal devices helping users build personal knowledge systems and enabling a smarter, more productive office environment.

Together, these offerings empower enterprises and organizations across various industries to accelerate their digital and intelligent transformation across various collaborative scenarios.

The following diagram illustrates our *MAXHUB* product matrix.



Intelligent Control Components

We began as a specialist in discrete LCD controller boards and have since expanded into the broader market of intelligent control components, offering household appliance (white goods) control components, automotive electronic control components and power electronics control components. Our products are widely adopted by leading brand companies in the household appliance (white goods) and consumer electronics industries, and are increasingly being adopted by automotive brands.

LCD controller boards

We are a global leader in LCD controller boards, with a 23.8% global market share in terms of shipment volume in 2024, according to Frost & Sullivan.

An LCD controller board serves as the central interface between a video source and an LCD panel, playing a critical role in defining the performance, resolution, and functionality of LCD display products. Integrated with an LCD controller and various connectors, the board handles image signal processing, LCD panel driving, control logic, power management, system interfacing, and application-specific functions.

Through continuous innovation, we have built a diverse and robust product portfolio, ranging from basic single-function boards to highly integrated all-in-one solutions, which enables our customers to select products that best meet their varied requirements. Our products are widely used in televisions, monitors, IFPDs, and digital signage, addressing the market's increasing demand for high-performance and feature-rich display technologies. In 2024, we served as the supplier of LCD controller boards to nine of the world's top ten television brands ranked by shipment volume in the same year, according to Frost & Sullivan, demonstrating our deep industry expertise and strong customer relationships.

We have developed the following technologies to empower our LCD controller boards:

- ***4K/8K ultra high definition technology***: our 4K/8K LCD controller boards leverage cutting-edge display processing technologies to deliver ultra-high resolution images. Through advanced video decoding and image processing algorithms, we present finer, more realistic details, enabling an exceptional viewing experience to customers. As a key player in setting industry standards, we continue to drive the global adoption of 4K/8K display technologies, accelerating the upgrade of display devices worldwide.

- ***AI upscaling technology***: powered by advanced deep learning and AI algorithms, our AI upscaling technology can enhance low-resolution images to near-4K quality in real-time. Through intelligently refining image details and filling in missing parts, it significantly improves picture clarity, offering a sharper and more detailed viewing experience. This technology is especially effective with high-definition source content, reducing resolution gaps and delivering more lifelike visuals.

We have enhanced compatibility with major global mainboards by integrating advanced Local Dimming algorithms. By combining power board hardware design with optimized LDM software, we are accelerating the global adoption of MiniLED TV solutions. This synergy accelerates the global rollout of MiniLED TV solutions and drives new industry momentum. See "— RESEARCH AND DEVELOPMENT — Our R&D approach and achievements — Interactive display technologies."

Our solutions can be achieved through standardized components, which allows us to provide stable and high-performance products to global customers in a cost-effective manner, while rapidly developing and iterating products.

Household appliance (white goods) control components

We provide highly reliable, cost-effective discrete control components and modules, such as smart inverter controllers, smart display modules, and human-machine interaction solutions, for a wide range of white goods, including refrigerators, washing machines, air-conditioners, kitchen appliances, and small home devices. We also offer comprehensive testing and validation services, along with failure analysis, supporting leading domestic and international brands and driving the continued advancement of household appliance (white goods) technologies. As of the Latest Practicable Date, our products were adopted by four of the top five global white goods brands in terms of revenue in 2024 according to Frost & Sullivan.

Our smart inverter controllers are primarily applied in white goods such as refrigerators, washing machines and air-conditioners with variable-frequency capabilities. The advanced frequency conversion algorithm dynamically adjusts motor speed based on equipment load and environmental conditions, optimizing energy efficiency and delivering significant savings. By providing precise real-time control, the algorithm not only reduces energy consumption but also extends equipment lifespan and minimizes noise. In household appliances (white goods) like air conditioners and refrigerators, the algorithm automatically adjusts operating modes in response to environmental changes, ensuring optimal energy use and improving overall energy performance. These modules integrate advanced touch control technology, display driving technology, network connectivity, and proprietary control algorithms, offering powerful real-time data processing capabilities. They support smart functions such as remote control, automatic adjustment, fault diagnosis, and over-the-air updates, providing users with an exceptional product experience through instant display and seamless human-machine interaction.

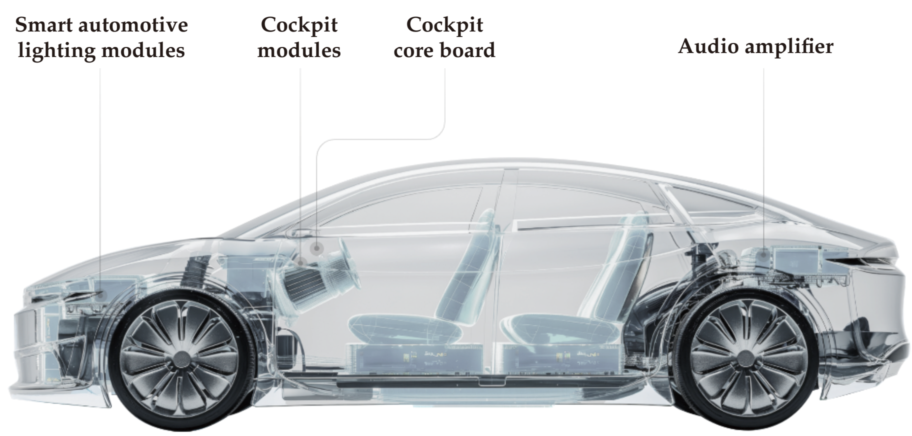
Our smart display modules integrate thin-film-transistor LCD panels, capacitive touch technology, and electronic control systems into a unified, high-performance interface solution.

Through AI-powered smart home technologies, we enable household appliances (white goods) with self-learning capabilities and deliver a smarter, more comfortable home experience to consumers globally.

Additionally, leveraging our success in household appliance (white goods) control components, we have ventured into industrial control product sector and launched an industrial frequency-controlled fan module, catering to a variety of industrial equipment, including ventilation systems and air conditioning units.

Automotive electronics control components

We offer a variety of in-vehicle component solutions, including cockpit modules and core boards, smart automotive lighting modules, and car audio amplifiers.



Power electronics control components

In the power electronics sector, we focus on the development of core components for products such as UPS systems, charging station modules, inverters, and server power systems, delivering safe, efficient system solutions to customers worldwide.

Seasonality

Our sales are affected by seasonal fluctuations. Sales of our intelligent devices and solutions fluctuate primarily as a result of the purchasing cycles of the educational market and enterprise spending cycles. As a result, we typically experience higher sales in the third quarter. See "Risk Factors — Our sales may be influenced by seasonality" for risks associated with the seasonality of our sales.

Product Pricing

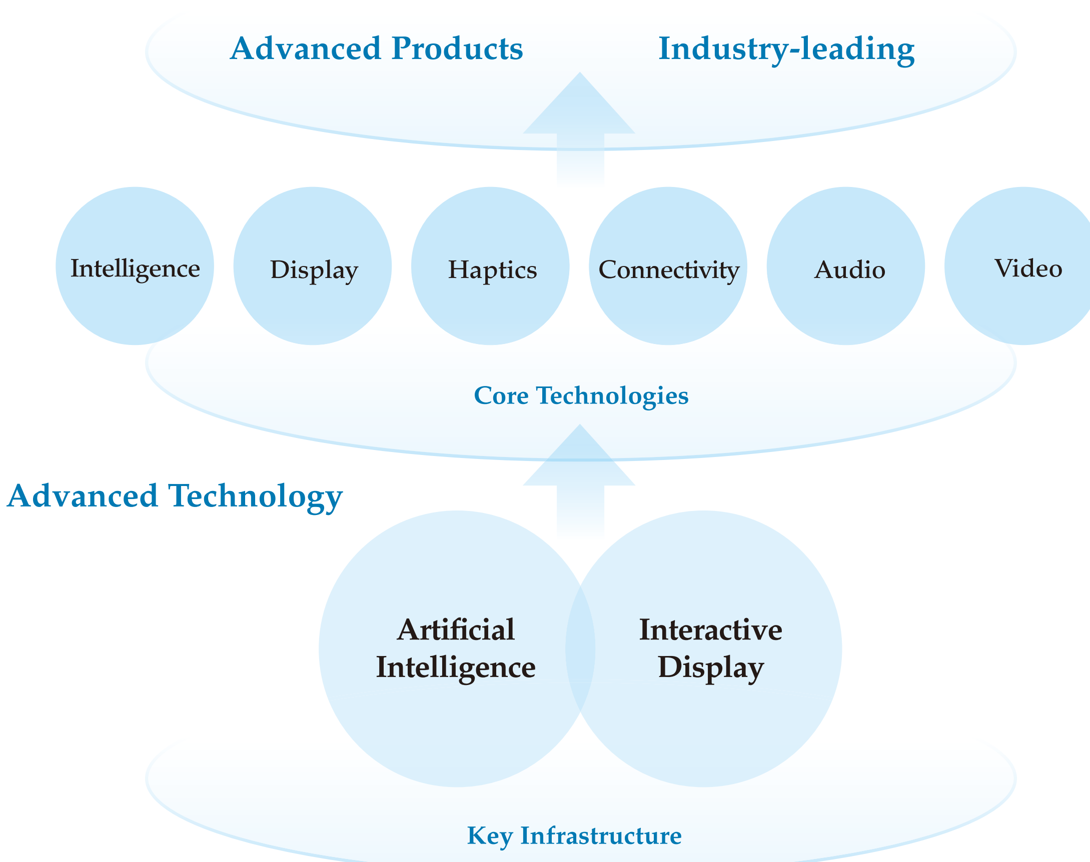
We generally determine the prices of our products based on the costs of developing and manufacturing such products. We also consider various other factors when pricing our products, such as our relationship with the customers, complexity of product design, size of the order, our expected profit margin, competition and exchange rate fluctuations.

RESEARCH AND DEVELOPMENT

R&D are critical to maintaining our market-leading position and driving the sustained growth of our business, enabling us to continuously meet the evolving needs of our customers.

Our R&D approach and achievements

Guided by both technological advancement and customer demand, we are dedicated to in-house R&D focused on artificial intelligence and interactive display technologies, which form the foundation of our innovation and product differentiation. Built on this foundation, we have achieved a leading technological edge in both artificial intelligence and key interactive display technologies including display, haptics, connectivity, audio and video.



Artificial intelligence

We center our strategy on advancing artificial intelligence with capabilities in perception, reasoning, and generation, focusing on four core technology domain, computer vision, speech processing, tactile sensing, and data intelligence. Our goal is to enable multimodal fusion and understanding powered by LLMs, forming a robust "4+1" AI architecture that underpins our innovation roadmap.

We have developed two domain-specific multimodal LLMs, leveraging third-party general-purpose LLMs:

- The *seewo* educational model is finetuned on over 220 billion tokens of domain-specific content, including lesson plans, teaching materials, and instructional videos. Leveraging multimodal perception and understanding, it supports diverse input formats, text, images, and video, to intelligently support the entire educational lifecycle, from lesson preparation and instruction to student learning, assessment, research, and administrative tasks.

- The *MAXHUB* enterprise collaboration model is optimized for corporate meeting scenarios. To address the challenges of long-context understanding, it incorporates an innovative context-aware reasoning strategy, significantly improving the efficiency of key capabilities such as meeting summarization and task generation.

Both models are powered by model compression and inference acceleration technologies, enabling efficient deployment at the device and edge level. This ensures high-performance, low-latency, and cost-effective operation, meeting the demands of both educational and enterprise environments.

Interactive display technologies

Display technology

We have enhanced compatibility with major global mainboards by integrating advanced Local Dimming algorithms. By combining power board hardware design with optimized Local Dimming Management ("**LDM**") software, we are accelerating the global adoption of MiniLED TV solutions. Our key achievements include:

- Leveraging our in-house expertise in ultra-large, UHD display module development, alongside innovations in optics, materials, simulation, and AI-driven algorithms, we have achieved professional-grade color accuracy with $\Delta E \leq 1$, a level at which color differences are imperceptible to the human eye.

- Through the use of high-efficiency MiniLED backlighting and integrated optical film design, we became the first in the commercial display industry to meet the latest top-tier energy efficiency standards. For instance, our 86-inch display reduces power consumption by 80 watts compared to traditional solutions, significantly cutting total lifecycle energy usage.

- We have also adopted innovative optical film structures to extend viewing angles, while our proprietary 3A glass processing technology minimizes screen reflections, ensuring consistent visual quality from every angle.

Tactile sensing (haptic) technology

We are driving innovation in AI algorithms, application software, circuit systems, materials, and manufacturing processes to enhance haptic interaction across diverse use cases. Supported by a robust quality assurance system for haptic technologies, we ensure a smooth transition from R&D to mass production while maintaining high product standards. Our key achievements include:

- Industry-leading high-precision capacitive touch sensing with 440+ channels, supporting 3mm hard-tip passive styluses with enhanced scratch resistance.

- LiDAR-based touch integration in all-in-one LED displays, enabling intuitive gesture-based interaction.

- Vibration-based haptic feedback in laptop touchpads, delivering cost-effective, full-area press functionality.

Connectivity technology

We have developed a high-precision wireless testing framework that accurately simulates real-world user scenarios within laboratory environments, enabling rigorous evaluation and optimization of wireless performance. Combined with network architecture optimization and end-to-end customization of wireless modules, from hardware design, low-level drivers, to application-layer software, we ensure seamless connectivity across a wide range of use cases.

Our proprietary device interconnection and sharing solution enables automatic device discovery and secure, seamless connections, supporting fast deployment, stable data transmission, intuitive control, and flexible cloud-based operation and maintenance. This solution allows for inter-device collaboration across integrated systems and peripheral devices, enhancing interoperability and user experience.

Video technology

We have established a full-stack innovation ecosystem that spans from custom hardware design to advanced algorithm development, driving next-generation visual intelligence:

- Our proprietary multi-focal hybrid zoom technology, combined with spatial awareness and scene-adaptive algorithms, enables us to deliver cutting-edge 8K multi-camera wide-angle system solutions.

- Through AI-powered super-resolution, noise reduction, and HDR technologies, we significantly enhance image quality, ensuring a consistently stable and immersive visual experience.

- By integrating human perception models and multimodal data fusion, we have developed intelligent features such as AI smart gallery and multi-speaker tracking, elevating the intelligence level of collaborative conferencing.

- In educational environments, our technologies, such as high-precision classroom layout estimation and behavioral and facial expression recognition, provide actionable insights to support interactive and data-driven teaching.

These innovations are also being extended to emerging fields including automotive electronics, augmented reality (AR), and virtual reality (VR). To ensure high reliability and global compatibility, we have established a professional-grade imaging laboratory and a quality evaluation system aligned with international standards, enabling full certification for platforms such as Microsoft Teams, Zoom, and Tencent Meeting.

Audio technology

We focus on high-fidelity sound reproduction and scenario-driven innovation, continuously advancing our capabilities in microphone array design, audio capture, signal processing, and reconstruction:

- Our proprietary 16-microphone linear array, combined with multi-device signal fusion technology, provides a solid foundation for high-quality audio pickup across complex environments. By integrating AI technologies into key processes, such as noise reduction, reverberation suppression, echo cancellation, and beamforming, we significantly enhance speech clarity in real-world environments.

- Through advanced multi-source sound localization and audio-visual multimodal scene understanding, we can accurately distinguish between multiple speakers, enabling precise speech transcription and real-time speaker tracking.

In addition, we continue to optimize our acoustic testing and certification systems, building scientific and rigorous evaluation standards to ensure exceptional acoustic performance. These capabilities support high-quality, customized audio solutions for diverse scenarios such as video conferencing, classroom teaching analysis, and in-vehicle audio systems.

We are also actively enhancing our technological capabilities in motor control and power electronics to support the development of intelligent control components for mechatronics, automotive systems, power electronics, and key robotics applications.

Our proprietary mechatronic control algorithms are a key technology enabling intelligent functionalities in household appliances (white goods). Furthermore, leveraging our core competencies in AV systems, touch interaction, and thermal management, we provide high-performance and cost-effective solutions including cockpit control modules, lighting systems, and audio amplifiers to automotive brands.

R&D organization and expenses

As of December 31, 2024, we had 3,229 experienced R&D personnel, accounting for 48.2% of our total employees.

Our R&D organization is structured around three institutes and one workstation: the Central Research Institute, Central Engineering Institute, Innovation Design Institute, and a Postdoctoral Research Workstation. Together, they bring over 100 PhDs and senior experts from domestic and international institutions.

- The Central Research Institute serves as a hub for cutting-edge basic and applied research, with a focus on multimodal LLMs, visual computing, speech and haptic technologies, and data intelligence.

- The Central Engineering Institute specializes in advanced engineering research, covering key domains such as materials science, optics, radio frequency, fluid dynamics and mechanics.

- The Innovation Design Institute applies design thinking to drive innovation and business growth, conducting research in industrial design, interaction design, and user experience.

- The Postdoctoral Research Workstation, which had hosted 25 postdoctoral researchers as of December 31, 2024, serves as a strategic platform for high-level talent development and frontline technological innovation within the industry.

In 2022, 2023 and 2024, our research and development expenses amounted to RMB1,280.9 million, RMB1,422.5 million and RMB1,540.2 million, representing 6.1%, 7.1% and 6.9% of our total revenue in the respective years.

SALES AND MARKETING

We believe that consistently delivering high-quality products on time and exceeding customer expectations is the most effective sales and marketing strategy for our business. We market and sell our products through a combination of direct sales and a global distributor network, reaching customers in over 100 countries and regions as of December 31, 2024.

Our direct sales and marketing efforts focus on maintaining and expanding strategic relationships with our customers, as we aim to become and remain their long-term trusted partner. In addition to strengthening ties with existing customers, our sales team also actively pursues new partnerships, particularly as we continue to broaden our product portfolio.

Our Customers

Our customers primarily include brand companies in the electronics industry who are our direct sales customers, as well as distributors who resell our products to end users.

The following table sets forth our revenue breakdown by customer type for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Direct sales customers	13,488,289	64.3	11,203,946	55.5	13,394,385	59.8
Distributors	7,501,976	35.7	8,968,691	44.5	9,006,797	40.2
Total	**20,990,265**	**100.0**	**20,172,637**	**100.0**	**22,401,182**	**100.0**

Direct sales customers

We sell a significant portion of our intelligent control components directly to brand companies in the electronics industry, particularly television brands. In addition, we offer our intelligent devices and solutions under an ODM model to overseas brand companies. Under our ODM model, we manufacture products in our self-owned smart manufacturing facility, or provide the product design, as well as the components and materials, to our manufacturing partners, who handle production. The finished products are then branded and sold by our customers under their own names.

Arrangement with our direct sales customers

We generally enter into framework agreements with our direct sales customers, with actual price and volume specified in individual purchase orders. The terms of these agreements vary depending on the specific product or solution and the result of our negotiation with each customer, but these agreements generally contain the following terms:

Order placement	:	The product name, quantity, specification, purchase price and delivery date are specified in purchase orders based on the demand of our customers. We do not impose a minimum purchase amount on our customers.
Shipment and delivery	:	We assume the costs and risks associated with the shipment of ordered products if delivery to the customer's designated location is required.

Product return	:	We generally do not allow product return after shipments have been accepted, except in cases of product quality issues within the warranty period, which is in line with customary industry practice.
Credit terms	:	We generally do not grant credit terms to our customers. We generally require the customers to make full payment to us before we ship our products.
Duration	:	We typically enter into long-term agreements with our direct sales customers unless terminated earlier subject to conditions thereof.

In addition, we also sell products through intermediaries to our designated end customers who are brand companies in the electronics industry, under trade arrangements we refer to as facilitated sales. In facilitated sales transactions, intermediaries make payments to us in accordance with our policy of requiring advance payment. These intermediaries are responsible for settling payment directly with the end customers, and we bear no liability in that regard. Accordingly, we recognize the intermediaries as our customers. Their order placement with us is conditional upon order confirmation with the end customer. Meanwhile, we arrange for the products to be shipped directly to the end customers, ensuring efficient fulfillment while maintaining our trade and credit policies.

Customer service

We cooperate closely with our customers throughout the product design and development processes and strive to ensure that we provide our customers with satisfactory products and solutions that meet their expectations. Specifically, we communicate with our customers frequently during the product design process since we may conduct the R&D activities together with our customers from time to time, and we also regularly collect customer feedback during our cooperation to ensure that they are satisfied with our products and solutions.

Distributors

To extend our market reach, we engage distributors for the sales of our products to supplement our direct sales model. In 2022, 2023 and 2024, sales to our distributors amounted to RMB7,502.0 million, RMB8,968.7 million and RMB9,006.8 million, accounting for 35.7%, 44.5% and 40.2% of our total sales in the same year.

We have a seller-buyer relationship with our distributors whereby the ownership of the products is transferred to our distributors upon their purchase of the products.

To the best knowledge of our Directors, during the Track Record Period, all our distributors were Independent Third Parties.

Selection and management of distributors

We select our distributors based on a number of factors, including their qualifications, scope of operations, business scale, relevant industry experience and customer service capabilities.

We regularly assess the performance of our distributors and leverage the assessment as a basis to determine whether to renew our agreement with a certain distributor. More specifically, we periodically review the sales performance of all our distributors and, for the distributors who are not performing well, we work with these distributors to try to identify and solve the issues impacting their performance. If the sales performance of these distributors is still not improving, we may consider terminating our relationship with them. To assist our performance review, we also conduct periodical review of our distributors' inventory level.

We consider various factors for renewing agreements with distributors, including their historical sales, payment record, compliance with the distribution agreement and sales and marketing capabilities.

We generally reserve the right to impose penalty and terminate the distribution agreement in the event that the distributors breach such requirements on distribution channels and areas.

In terms of pricing, our distributors are recommended to sell our products in accordance with our suggested prices, which may be adjusted in response to market dynamics. We would take the individual distributor's compliance record to our pricing policies into account in the performance review process.

Some of our distributors may engage sub-distributors, in which case they may further enter into agreements with the sub-distributors. We generally do not enter into agreements or directly establish relationships with the sub-distributors. Consequently, we have no control over sub-distributors.

Arrangement with our distributors

We enter into distribution agreements with our distributors. The terms of the agreements vary depending on the result of our negotiation with each distributor, but these agreements largely follow our standard template for distribution agreements. The table below sets forth the key terms of our distribution agreements:

Duration	:	The agreements are typically effective for one year from the date of signing unless terminated earlier and renews subject to mutual agreement.
Channel restrictions	:	We generally designate geographic distribution regions for each distributor for their offline sales activities.

Sales target	:	We require the distributors for our enterprise collaboration products to meet certain sales targets during the term of the distribution agreements, and we have the right to withdraw or cancel certain market resources and promotion policies based on sales performance review. The achievement of the sales target by our distributors is a key performance indicator and the basis for the sales initiatives and rebates programs.
Credit terms	:	We generally do not grant credit terms to our distributors. We generally require the distributors to make full payment to us before we ship our products.
Shipment and delivery	:	We assume the costs and risks associated with the shipment of ordered products if delivery to the distributors' designated location is required. Conversely, the distributors assume these costs and risks if they arrange for product pickup at our designated location.
Transfer of risks	:	The risks transfer after the distributors or the first carriers pick up the products from us.
Product returns	:	We generally do not allow product return after shipments have been accepted, except in cases of product quality issues within the warranty period, which is in line with customary industry practice.
Minimum purchase requirements	:	We generally do not impose minimum purchase requirements for our distributors.
Pricing policy	:	The prices offered to distributors for our products are generally provided in our price lists, which may be updated periodically. Our distributors are recommended to sell our products in accordance with our suggested price.
Termination	:	The agreements may be terminated by mutual agreement or by other means as specified in the agreement.

The table below sets forth the total number of our distributors and their movement during the Track Record Period.

	2022	2023	2024
Number of distributors at the beginning of the period	10,148	10,257	10,728
Number of new distributors	4,915	5,094	3,805
Number of terminated/inactive distributors[1]	4,806	4,623	5,747
Number of distributors at the end of the period	**10,257**	**10,728**	**8,786**

Note:

(1) Terminated and inactive distributors refer to distributors from whom revenue was recorded in the immediately preceding year but no revenue was recorded in the current or subsequent year(s)/period(s).

The fluctuations in the number of our distributors during the Track Record Period primarily reflected the dynamics of our sales of intelligent devices and solutions targeted at the educational market in China. The principal end users of these products were K12 schools, whose purchasing decisions were influenced by their respective budgetary allocations and spending cycles. Given the long product life cycle of our offerings, many of our distributors became inactive in subsequent years after schools within their respective areas completed their purchases. In addition, we proactively developed new distributors who can secure orders for our products for project-based procurements from schools.

In 2024, the number of new distributors we engaged decreased, as we partnered with larger distributors possessing more robust financial resources and stronger sales capabilities in the local education sector. This adjustment was driven by evolving market conditions, including an observed shift among schools towards centralized, district-level procurement programs, as opposed to individual school-based purchasing projects.

Major customers

In 2022, 2023 and 2024, sales to our five largest customers amounted to RMB5,471.4 million, RMB5,149.1 million and RMB6,087.6 million, accounting for 26.1%, 25.5% and 27.2% of our total sales in the respective years. In 2022, 2023 and 2024, sales to our largest customer amounted to RMB2,875.9 million, RMB2,772.2 million and RMB3,346.9 million, accounting for 13.7%, 13.7% and 14.9% of our total sales in the respective years. During the Track Record Period, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest customers in any period during the Track Record Period that are required to be disclosed under the Hong Kong Listing Rules.

OUR SUPPLY CHAIN

Production

Our manufacturing facility

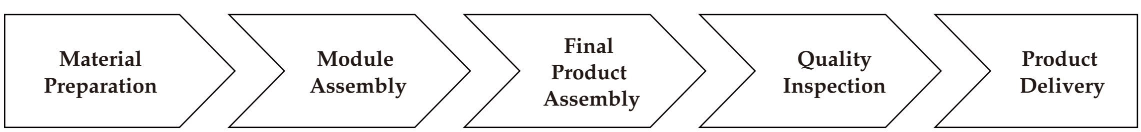
We have established smart manufacturing facility primarily dedicated to IFPDs, which became operational in 2024. This facility features state-of-the-art laboratories, automated production workshops, intelligent warehousing and logistics systems, and digital manufacturing management systems, capable of supporting the entire product lifecycle, including customer demand analysis, product R&D, pilot testing, mass production, and global shipment. In addition to fulfilling customer orders, the facility serves as a central hub for refining, testing, and finalizing product SOPs, which are then implemented across our global manufacturing partners, reinforcing our "local prototyping, global production" model that accelerates time-to-market while ensuring consistent product quality and operational scalability worldwide.

The facility has a designed annual production capacity of 863,000 units of IFPDs. Accounting for the facility's actual start of operations, its annual production capacity in 2024 was 431,500 units of IFPDs, with a utilization rate of 66.3% as we were in the process of ramping-up production.

Production process

We generally plan for production according to the orders we have received, as well as our sales plan.

The chart below illustrates the production process of our commercial display products and systems:



- *Material Preparation.* Key raw materials such as display panels are sourced and inspected to ensure they meet quality standards. Materials are then sorted and pre-processed for assembly.

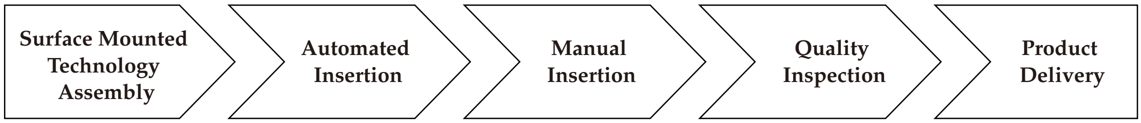
- *Module Assembly.* The prepared components are precisely assembled into display module. This stage requires strict dust and static control to ensure product stability.

- *Final Product Assembly.* The display module is integrated with the outer casing, power supply, and interface components to complete the full unit. Initial functionality checks are performed post-assembly.

- *Quality Inspection.* The product goes through various checks, such as visual display testing, electrical performance checks, interface verification, and cosmetic evaluation to ensure product quality.

- *Product Delivery.* Finished products are securely packaged with appropriate shock protection and labeling, then delivered to the customers.

The chart below illustrates the production process of our LCD controller boards:



- *Surface Mounted Technology Assembly.* Surface-mount components are precisely placed onto printed circuit boards using high-speed pick-and-place machines, followed by reflow soldering to form reliable electrical and mechanical connections.

- *Automated Insertion.* Through-hole components are inserted by automated insertion machines to ensure consistent positioning and improve assembly efficiency, especially for high-volume production.

- *Manual Insertion.* Components that require special handling, such as connectors, transformers, or heat-sensitive parts, are manually inserted by trained technicians to ensure proper orientation and fit.

- *Quality Inspection.* The product goes through various checks, such as visual checks, automated optical inspection, and functional testing, to verify performance and reliability.

- *Product Delivery.* Finished products are securely packaged with appropriate shock protection and labeling, then delivered to the customers.

Our production partners

We engage specialized third-party partner factories around the world to produce our products according to our proprietary designs and SOPs, including products we offer under ODM model.

We carefully select our production partners, and we evaluate them based on a range of factors, including overall track record, technological expertise, product quality and quality control effectiveness, price, reliability, ability to meet our delivery timeline and production capacity.

Under our ODM model, aside from manufacturing products in our self-owned smart manufacturing facility, we provide the product design, as well as the components and materials, to our production partners, who handle production. The finished products are then branded and sold by our customers under their own names.

As of December 31, 2024, we had a global network of over 35 specialized partner factories manufacturing our products, including over 25 dedicated to intelligent control components and over 10 focused on intelligent devices and solutions.

Both China and international markets offer abundant high-quality production resources for our products. For instance, our IFPDs can take advantage of existing television production lines. With our key patents, proprietary know-how, and well-established SOPs, we are able to collaborate with new production partners and quickly set up production lines.

We typically enter into long-term outsourcing production agreements with our production partners, unless terminated earlier subject to conditions thereof. We provide our production partners with major raw materials such as LCD controller chips and display panels, and pay them manufacturing fees. We place processing orders with production partners based on our business needs, and specify in each order the product design, technical specifications, SOPs and delivery schedule. Fees payable to the production partners are determined based on the quantity of the products and the complexity of the manufacturing techniques involved. We generally settle payments with our production partners upon the completion of their manufacturing services within a credit term ranging from 45 to 60 days.

Quality Control

We emphasize quality control in all aspects of our operations. From product development, sourcing of components to sale and delivery, we strictly control the quality of our products and components, to ensure our products meet our stringent internal standards as well as international and industry standards.

We have implemented various quality-control checks into our production process and the production process of our production partners. For example, each of our display products undergoes rigorous white balance calibration and uniformity testing before shipment, delivering industry-leading image performance. We cooperate with specialized third-party partner factories that we believe safeguards the quality of our products.

We devote significant resources to quality control of our products. We help ensure the quality of our operations through a comprehensive quality management system which is formulated in accordance with international standards such as ISO9001. This system encompasses nearly every aspect of our operations, including product design, R&D, procurement and production, ensuring compliance with both relevant regulatory requirements and our stringent internal quality standards. Our approach includes the execution of integrated product development and capability maturity model integration processes. We utilize internal reviews, specialized audits, root cause analysis and statistical process control to ensure our products meet the required standards before being released to the market.

Furthermore, we promote quality awareness among our employees through newsletters, training sessions, and seminars. By targeting industry best benchmarks, we foster a culture of continuous improvement and consistently drive process enhancements.

During the Track Record Period and as of the Latest Practicable Date, we have never experienced any penalties in relation to production quality or any material product quality disputes.

Our Suppliers

Our suppliers are mainly manufacturers of LCD control chips and display panels, as well as our production partners.

Major suppliers

In 2022, 2023 and 2024, purchases from our five largest suppliers amounted to RMB3,501.8 million, RMB3,560.2 million and RMB3,241.4 million, accounting for 26.6%, 25.7% and 20.1% of our total purchases in the respective years. In 2022, 2023 and 2024, purchases from our largest supplier amounted to RMB1,039.1 million, RMB1,092.0 million and RMB1,022.3 million, accounting for 7.9%, 7.9% and 6.3% of our total purchases in the respective years.

During the Track Record Period, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest suppliers in any period during the Track Record Period that are required to be disclosed under the Hong Kong Listing Rules.

Arrangement with our suppliers

We generally enter into framework agreements with our suppliers, with actual price and volume specified in individual purchase orders. The terms of these agreements vary depending on the specific product or solution and the result of our negotiation with each supplier, but these agreements generally contain the following terms:

Order placement	:	Procurement orders, which include the product name, quantity, unit price, total purchase amount, delivery date and location, and payment terms and conditions will be placed separately. Our suppliers generally do not impose a minimum purchase requirement on us.
Order forecast	:	We may provide non-binding order forecasts to suppliers for their reference.
Delivery	:	Suppliers are typically responsible for delivering ordered products to our designated location.
Credit terms and payment method	:	The credit terms and payment method shall be in accordance with the purchase order. We are typically offered a credit term of 30 to 60 days.

Product return	:	We conduct product inspections ourselves. If the products provided by suppliers fail to pass our inspection, they can be returned, and suppliers are responsible for associated costs. During the Track Record Period and up to the Latest Practicable Date, there had been no material claims between suppliers and us regarding product returns and refunds.
Duration	:	We typically enter into long-term agreements with our suppliers unless terminated earlier subject to conditions thereof.

Overlapping Customers and Suppliers

Two and two of our five largest suppliers in 2023 and 2024 were also our customers in the same years, respectively. None of our five largest suppliers in 2022 was also our customer in that year. Our procurement from them amounted to RMB1,926.6 million and RMB1,830.2 million in 2023 and 2024, respectively, accounting for 13.9% and 11.3% of our total procurement amount in the same years, respectively, and our revenue from them amounted to RMB962.7 million and RMB1,411.5 million in 2023 and 2024, respectively, accounting for 4.8% and 6.3% of our total revenue in the same years, respectively.

Three, three and four of our five largest customers in 2022, 2023 and 2024 were also our suppliers in the corresponding years. Our revenue from them amounted to RMB2,118.5 million, RMB1,992.8 million and RMB2,740.7 million in 2022, 2023 and 2024, respectively, accounting for 10.5%, 9.9% and 12.2% of our total revenue in the same years, respectively, and our procurement from them amounted to RMB46.2 million, RMB1,132.2 million and RMB1,348.7 million in 2022, 2023 and 2024, respectively, accounting for 0.4%, 8.2% and 8.3% of our total procurement amount in the same years, respectively.

The relevant transactions with the entities mentioned above are conducted on an arm's length basis.

We are engaged in the sale of control components, such as LCD controller boards, to brand companies in the electronics industry. Concurrently, we procure components, including display panels, and collaborate with production partners to manufacture our intelligent devices and solutions, which we also sell to companies within the same industry. As a result of our business model, there was an overlap between our customers and suppliers during the Track Record Period. In particular, we primarily sourced display panels from several major suppliers during the Track Record Period, some of whom also purchased our LCD controller boards. Conversely, we also sold LCD controller boards to certain major customers from whom we also sourced display panels.

Procurement and Inventory Management

Our inventory primarily includes raw materials, such as LCD control chips and display panels, finished goods and components and materials used for outsourced manufacturing.

We are a global leader in LCD controller boards and IFPD solutions. Our strong market share provides a significant scale advantage in raw material procurement, enabling us to reduce procurement costs. This scale has also allowed us to forge close partnerships with leading upstream chip manufacturers and major LCD panel suppliers, keeping us at the forefront of supply chain technology developments and supporting continuous product innovation, which in turn drives faster inventory turnover.

To maintain our competitive position and align our products with evolving market demands, we have implemented various measures to optimize our inventory levels, such as enhancing our inventory management processes. We have established internal procedures for submission and approval to streamline logistics and standardize purchase orders for our products. We employ enterprise-resource-planning software to track inventory levels as well as ensure appropriate levels of raw materials and finished products, and monitor the inflow and outflow of items from our warehouses in real-time.

Logistics

We are responsible for shipping our products to our customers. When selecting a logistics service provider, we typically consider their specialty and professional qualification, price, reputation, transportation efficiency, transportation capability and their track records. We also require our logistics providers to possess transportation permits and other relevant qualifications to conduct their business, as well as other qualifications as required by law. We normally enter into one-year agreements with our logistics companies and evaluate their performance on an annual basis. We purchase insurance policy against the risks associated with delivery of our system products, including those arising from traffic accidents or delivery delays.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any significant delay in delivery that materially affected our business operations.

Warranty and After Sales Services

We offer a warranty period ranging from one year to five years, depending on the product type, as stated in our contracts with our customers. The warranty period typically starts from the date of shipment of the products. Our warranty term is usually limited to defects or failure of products or services that do not meet the quality standards as specified and agreed with our customers. In case of product failure within the warranty period, we will arrange for repair or replacement of products without extra charge. After the warranty period expires, we may provide maintenance and repair services at a reasonable cost.

We have devised a standard operation procedure for customer service. We collect and record customer feedbacks and complaints from different channels and make timely responses in order to achieve customer satisfaction.

We accept returns of our products for defects. We believe our return policy is consistent with the relevant laws and regulations governing product quality and consumer rights and interests. We have not received any requests for returns during the Track Record Period which individually or in aggregate have a material adverse effect on our business and financial condition. In addition, during the Track Record Period and up to the Latest Practicable Date, we have not experienced any product recall that adversely impacted our reputation, business operations or financial condition.

INTELLECTUAL PROPERTIES

Our research and development efforts have produced over 11,000 patents, 3,950 registered trademarks, 854 copyrights and 226 domain names as of December 31, 2024. See "Appendix VI — Statutory and General Information — Further Information about the Business — Intellectual Property."

We rely on a combination of intellectual property protections laws in the jurisdictions in which we operate and contractual arrangements (including confidentiality provisions) to establish and protect our proprietary technologies, know-how and other intellectual property rights. Our legal department is primarily responsible for protecting our intellectual properties. We proactively manage and expand our intellectual property portfolio and use confidentiality and non-compete clauses to protect our intellectual properties and trade secrets. Despite our efforts, we may be subject to risks associated with alleged infringement of third parties' intellectual property rights, or infringement of our intellectual property rights by third parties. See "Risk Factors — As a technology company, our ability to protect our intellectual property rights are crucial to our R&D efforts, sustainable development and continued success. Intellectual property infringement by and disputes with third parties may adversely affect our business, financial condition and results of operations."

During the Track Record Period, we did not experience any material infringement of our intellectual property rights. Neither our Group nor any of our intellectual properties was the subject of, or to the best of the Directors' knowledge, is expected to be subject to, any disputes or litigation in relation to the infringement of any intellectual property rights during the Track Record Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

Environmental, Social and Governance ("**ESG**") considerations are an essential part of our business strategy. We are committed to building a lasting brand, and we believe our long-term success rests on our ability to make positive impacts on the environment and society. We have established various ESG initiatives to comprehensively improve our corporate governance and benefit the society.

ESG Governance

We have established a tiered, comprehensive ESG management framework, consisting of the Board, the Strategy and ESG Committee, the ESG management committee and an ESG working group in charge of implementing our ESG policies.

The Board and the Strategy and ESG Committee are primarily responsible for setting the ESG development direction, strategies and objectives, reviewing and approving our ESG management framework, ESG reports and major matters related to ESG. The ESG management committee is primarily responsible for researching, analyzing and evaluating matters related to ESG, raising ESG suggestion to the Board, guiding the daily implementation of ESG work and the preparation of ESG reports. The ESG working group is primarily responsible for: (i) formulating our ESG strategies, objectives, plans and related policies, and submitting them to the Strategy and ESG Committee for review and approval, (ii) collecting information about the progress of our ESG work and related ESG risks, and reporting to the Strategy and ESG Committee, and (iii) coordinating the various business functions of our Company in setting ESG management indicators and detailed ESG measures, and tracking the progress of the execution of such indicators and measures, among other things.

In 2024, our global brand *MAXHUB* became a member of the United Nations Global Compact ("**UNGC**"), and committed to supporting its ten principles across four key areas encompassing human rights, labor, environment, and anti-corruption. By taking actions to fulfill commitments and better advance the progress of sustainable development goals, we continue to improve information transparency, and communicate the values and principles of sustainable development to a wider array of stakeholders.

Material ESG Topics

Material ESG topics serve as key focal points for the management of our sustainable development. Following stakeholder engagement principles, we regularly conduct importance assessments by consulting both internal and external stakeholders to determine our material topic matrix.

Environment

Climate change

We have positioned climate change and carbon emissions as core strategic priorities in our sustainable development agenda, and have established a climate governance framework based on our sustainability management system. The Board is the highest institution of our climate governance framework.

Furthermore, in accordance with relevant requirements, we regularly carry out greenhouse gas emissions accounting, and perform independent verification of greenhouse gas emissions in 2024, strengthening the foundation of our carbon emissions data.

In the future, we will further enhance the effectiveness of our carbon emission management by consistently measuring and transparently disclosing the carbon emissions from our operations. Aligned with our operational characteristics and development strategy, we will gradually establish reasonable and achievable quantitative carbon emission targets to support low-carbon and sustainable development.

Energy management

We actively advance our energy management through various measures, including enhancing energy efficiency and implementing renewable energy solutions.

To strengthen our efforts, we have established internal systems such as the Resource and Energy Management Specifications and formed an energy-saving leadership team led by the General Manager to coordinate company-wide energy conservation initiatives. These efforts aim to standardize our energy management practices, foster a green office culture, and promote low-carbon environmental protection. We continuously explore ways to enhance energy efficiency through advanced technology and management. We actively implement a peak-valley electricity price storage strategy, achieving over 410,000 kWh of stored electricity in 2024. Several of our subsidiaries have also obtained ISO 50001 energy management system certification.

Furthermore, we are committed to advancing the use of clean energy by harnessing solar power through photovoltaic systems. This initiative helps reduce our reliance on traditional energy sources and supports the ongoing energy transition. By 2024, our photovoltaic power generation systems have been successfully implemented across the Fifth Industrial Park in Guangzhou, Xi'an Industrial Park, and Hefei Industrial Park, generating a total of 679,300 kWh in 2024 and making significant progress in optimizing our energy structure.

Water resources management

To improve water use efficiency, we have implemented various water-saving measures and actively developed and utilized non-conventional water sources. For example, rainwater harvesting systems have been built to collect and treat rainwater for landscape irrigation, reducing reliance on traditional water sources and achieving diversified water supply.

In addition, we actively promote water-saving technologies and equipment, such as water-saving fixtures and smart irrigation systems, to further optimize the efficiency of water resource use.

Waste management

Solid Waste

For general solid waste, we classify it and entrust qualified third-party recycling agencies for proper recycling and disposal. For industrial hazardous waste, we strictly comply with relevant regulations, regularly report waste transfers on the Solid Waste Management Information Platform of Guangdong Province, and engage certified third-party agencies to ensure compliant disposal of hazardous waste.

Wastewater

The wastewater we generate primarily consists of domestic sewage and a small amount of industrial wastewater. After pre-treatment in septic tanks and ensuring it meets the standards, domestic sewage is uniformly discharged into the municipal sewage network. For industrial wastewater, we entrust it to a certified hazardous waste disposal unit for standardized treatment, ensuring the safety and compliance of the entire wastewater management process.

Waste Gas

We strictly adhere to waste gas management regulations to control emissions. Through rigorous treatment processes, we ensure that waste gases are purified by treatment equipment and meet emission standards, effectively preventing air pollution. In 2024, our Fifth Industrial Park smart manufacturing factory added RCO waste gas treatment facilities, which efficiently decomposed harmful substances in organic waste gas at a lower temperature, increasing the organic waste gas treatment capacity to 95,000 m^3 per hour.

Social Responsibility

Supply Chain Management

We place great emphasis on supply chain management and are committed to establishing a responsible and sustainable green supply chain. We have established a comprehensive supply chain management system and continuously improved a series of internal supplier management regulations, including the Supplier Performance Evaluation Management Standards and Supplier Code of Conduct. Meanwhile, by utilizing our SRM system, we have achieved integrated, standardized and refined management of suppliers.

Admission assessment. We conduct thorough qualification reviews of suppliers during the supplier admission assessment, covering essential assessment items such as qualifications and certifications, operational risks, and safety requirements, as well as reference evaluation factors including industry reputation, upstream resources, and production capacity scale.

Compliance commitment. We require suppliers to strictly comply with environmental requirements, ensuring they obtain, maintain, and renew all legally mandated environmental permits, approvals, licenses, and registrations. Suppliers must commit to using natural resources prudently, including water, fossil fuels, minerals and forest timber. Additionally, we sign Integrity Agreements with suppliers and conduct supplier conferences to promote anti-corruption initiatives, emphasizing our firm stance against all forms of commercial bribery, fraud, and unfair competition practices.

Regular evaluation. We have implemented a structured supplier performance evaluation mechanism to regularly assess suppliers across multiple dimensions, including quality, cost, delivery, service, and technological capabilities. This enables us to identify potential risks, drive continuous improvement, and ensure supply chain security and stability. For direct suppliers rated as high-risk and all raw material suppliers, we conduct on-site evaluations covering multiple critical areas, including but not limited to environmental management systems, hazardous substance control, product quality and safety, and occupational health and safety.

Occupational Health, Safety and Care

We attach great importance to employees' occupational health and safety, continuously improving our safety management system and enhancing safety management capabilities to create a safe working environment for employees. The Company legally contributes to employees' work injury insurance and additionally provides commercial insurance including employer's liability insurance and public liability insurance to safeguard employees' occupational health and life safety. To effectively reduce and eliminate occupational health and safety risks, we regularly conduct inspections and assessments of workplace safety risks and hazards. We actively promote digital transformation in safety management and have established a series of digital management systems, including hazard rectification system, incident reporting system, and smart fire protection system.

Employee diversity and equality

We uphold a fair and equitable employment philosophy, continuously optimizing its talent structure while firmly opposing any form of discrimination based on gender, race, religion, age, nationality, or health status. We strive to foster an inclusive, diverse, and harmonious working environment and we are committed to fostering an inclusive and diverse culture, providing equal employment and promotion opportunities for every employee.

The following table sets forth the number of full-time employees by gender as of the dates indicated.

	For the year ended December 31,		
	2022	**2023**	**2024**
Female	1,769	1,938	1,898
Male	4,424	4,842	4,795

Career Development

We are committed to investing in training and career development programs and have established a comprehensive training system covering management, compliance, research and development, sales and marketing, quality control and information security, ensuring holistic talent development. We have established a digital learning platform hosting over 8,000 standardized courses. In 2024, we conducted more than 8,000 training sessions, ensuring 100% participation across all employees.

Additionally, we have established a comprehensive, standardized, and scientifically rigorous employee assessment system. We offer distinct career development paths for both managerial and professional staff, ensuring equal growth opportunities across all roles. To better support employees' career aspirations, we enable internal transfers based on individual development plans, allowing them to excel in their areas of interest.

Community Relations Management

We are committed to promoting rural revitalization and community welfare through a variety of initiatives. We have launched the "*seewo* public welfare initiative" project, which has invested a total of RMB62.27 million as of the end of 2024, covering 31 provinces, municipalities, and autonomous regions across the country. This project has benefited over 57,000 teachers and 660,000 students. Our Volunteer Service Team has organized a variety of activities, including tree planting, elder care, and blood donation. In 2024, a total of 1,824 employees participated in volunteer efforts, contributing over 11,000 hours of service.

Corporate Governance

Anti-corruption and Anti-bribery

We strictly abide by the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) and other relevant local laws and regulations. We have established and implemented internal systems such as the Integrity System, Employee Conflict of Interest Management System, and Code of Business Ethics. We regularly conduct conflict of interest declarations for all employees and suppliers to comprehensively regulate the business conduct of all stakeholders. To continuously enhance the effectiveness of our anti-corruption system, we have established a discipline inspection and supervision team to oversee and evaluate the implementation of anti-corruption measures. The team regularly reports on the effectiveness of these efforts to the Board, ensuring the effective enforcement of business ethics management.

We actively foster a culture of integrity in the workplace. Every year, we conduct anti-corruption training and integrity culture awareness programs for all employees, emphasizing the strict prohibition of accepting bribes in any form and other fundamental ethical standards. These initiatives aim to guide employees in strengthening their self-discipline and commitment to integrity.

DATA PRIVACY AND CYBERSECURITY

In recent years, data privacy and cybersecurity have emerged as critical governance priorities for companies worldwide. In particular, the PRC legislative and government authorities regularly introduce new cybersecurity, data security and privacy laws and regulations. Consequently, our practices regarding the collection, process and transfer of various types of data may come under increased administrative scrutiny. See "Risk Factors — Risk Relating to Our Business Operations — Our operations rely on IT systems and networks, and IT system failures, network disruptions or cybersecurity breaches may affect our business."

We collect and store business data, management data and transaction data generated during or in connection with our business operations, including data related to our business and transactions with our customers, suppliers and other relevant parties.

Our legal and information technology departments are responsible for developing and implementing our policies and procedures relating to cybersecurity and data security.

We have established a comprehensive data compliance system that consists of organizational structure and internal policies. Our platforms and procedures ensure that we have a comprehensive set of protocols covering the prevention of data breaches, immediate action and response in case of data incidents and post-incident assessment and analysis. Our data security policies have been certified under ISO27001. In addition, we conduct annual trial runs of data breach incidents to test our data protection mechanism and provide various data security trainings to our employees (including trainings during their on-boarding process) to ensure that our employees are well aware of our data security policies and their responsibilities in terms of data protection. We require our employees to pass our data security tests before they can commence working for us.

During the Track Record Period, we had complied with applicable laws and regulations related to cybersecurity and data protection in all material aspects.

INFORMATION TECHNOLOGY

Our information technology systems are essential to our business operations. We have developed or employ various information technology systems covering all material aspects of our operations, including sales, supply chain management, inventory management, production and quality control. Our information technology department is responsible for developing and maintaining information technology systems to support our business operations and growth.

Our key information technology systems are set forth below:

- Our customer relationship management system manages customers' information and sales processes. It helps to track potential customers and sales opportunities in order to enhance efficiency, reduce human errors and increase customer satisfaction.

- Our enterprise resource planning system provides a unified platform that enables cross-departmental collaboration and enhances overall operational efficiency. It delivers real-time business data to help management in decision-making.

- Our supplier relationship management system optimizes supply chain processes by predicting demand, managing inventories, reducing costs and enhancing the flexibility of the supply chain. It helps to ensure timely supply of raw materials and products.

- Our quality management system monitors and controls product quality to ensure compliance with our and industry standards. By conducting quality inspection and analysis, it detects and resolves quality issues early on and minimizes product defects.

COMPETITION

We operate in highly competitive markets, and we compete with intelligent devices and solutions providers and intelligent control components providers. Our ability to maintain and grow our market share depends on us competing effectively against our competitors. The competitive landscape is shaped by multiple factors, including the growth of our customers and their respective industries, advancements in technology, emergence of new technology, regulatory changes and general economic conditions. New market participants may emerge, introducing innovative or cost-effective products that challenge existing players. If we are unable to keep pace with such advancements or fail to differentiate our products in terms of quality or cost, we risk losing market share to our competitors. See "Industry Overview" for details relating to our competitive landscape.

INSURANCE

We maintain insurance policies to cover product liability. In addition, we have purchased a number of property-related insurance policies covering our facilities, machinery, equipment, inventories and other assets. We review our insurance policies from time to time to assess the adequacy and breadth of coverage. We believe that our existing insurance coverage is adequate for our business operations and is in line with industry standards in the countries in which we operate. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See "Risk Factors — Risks Relating to our Business Operations — Our insurance coverage may not cover all losses related to our operational risks" for details.

During the Track Record Period, we had not made, and were not the subject of, any insurance claims which are material to our business or financial condition.

PROPERTIES

As of December 31, 2024, we operated our business through self-owned and over 50 leased properties, with a gross floor area of over 360,000 square meters, in China and overseas. We primarily use our properties as our office, R&D and operation premises.

As of December 31, 2024, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Hong Kong Listing Rules to include any valuation report in this Document. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

EMPLOYEES

As of December 31, 2024, we had 6,693 full-time employees, with over 90% of our employees located in China. The following table sets forth a breakdown of our full-time employees by function as of December 31, 2024.

	As of December 31, 2024	
Function	**Number**	**%**
Technology[(1)]	3,849	57.5
Sales and marketing	1,463	21.9
Administrative	873	13.0
Supply chain	282	4.2
Finance	163	2.4
Production	63	1.0
Total	**6,693**	**100**

Note:

(1) includes our R&D personnel and employees in other departments responsible for technology function.

We provide our employees with certain benefits including social insurance coverage and retirement benefits. We enter into individual employment contracts with our employees to cover matters such as wages, employee benefits, confidentiality and grounds for termination. Our employees' compensation is determined with reference to their job positions, technical skills, job performance and competition. We have various employee training programs that aim to enhance our employees' technical skills and innovation capability.

We believe that we have good employment relationships with our employees. During the Track Record Period, we did not experience any strikes, work stoppages, labor disputes or actions which had a material adverse effect on our business and operations.

RISK MANAGEMENT AND INTERNAL CONTROL

Our future operating performance may be affected by risks relating to our business. Some of these risks are specific to us while others relate to economic conditions and the general industry in which we operate. See "Risk Factors" for a discussion of these risks.

The Board of Directors and our senior management are responsible for establishing and maintaining adequate risk management and internal control systems. Risk management is the process designed to identify potential events that may affect us and to manage risks to be within our risk appetite. Internal control is the process designed to provide reasonable assurance regarding achievement of objectives related to effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

Risk Management and Internal Control Policies

We have implemented or will adopt upon **[REDACTED]** a number of policies and measures to manage our risks and set up proper internal controls. These policies cover areas such as (i) the duties and roles of the Directors, the Board and our senior management; (ii) social and environmental matters, including policies on diversity; (iii) financial reporting; (iv) whistleblowing; (v) prevention of market misconduct and (vi) compliance with the Hong Kong Listing Rules.

Under our risk management and internal control policies, the Board oversees risk management and internal control systems on an ongoing basis and reviews the effectiveness of these systems.

In 2025, we engaged an independent consulting firm to perform a review over our internal control. The key areas of inspection include financial reporting and disclosure, research and development management, management policies over sales, supply chain controls, trade receivables and payables management, product safety control, inventory management, intangible assets management, human resource and remuneration management, capital management, tax management, insurance management, contract control and information system control.

LICENSES, PERMITS AND APPROVALS

We are required to obtain or maintain various licenses, permits and approvals in order to operate our business. We believe we have all material licenses, permits and approvals necessary in order to operate our business. We continually monitor our compliance with these requirements in order to ensure that we have all such approvals, licenses and permits as are necessary to operate our business.

We had not experienced any material difficulties in renewing such licenses, permits or approvals during the Track Record Period and do not expect there to be any material difficulties in renewing them upon their expiry.

LEGAL PROCEEDINGS

We may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business.

As of the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings pending or threatened against us or any of our Directors which could have a material and adverse effect on our business, financial condition or results of operations.

During the Track Record Period and up to the Latest Practicable Date, there were no breaches or violations of laws or regulations applicable to us which are expected to have a material adverse effect on our business, financial condition or results of operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes included in the Accountants' Report in Appendix I to this Document. Our consolidated financial statements have been prepared in accordance with IFRSs.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us 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. You should not place undue reliance on any such statements. Our actual future results and timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors," "Forward-Looking Statements" and elsewhere in this Document.

For the purpose of this section, unless the context otherwise requires, reference to the years of 2022, 2023 and 2024 refer to the years ended December 31, 2022, 2023 and 2024, respectively.

OVERVIEW

We are a specialist in intelligent control and a leader in the global commercial display industry, and we have established market leadership in IFPDs for both education and enterprise collaboration applications and LCD controller boards.

We started from LCD controller boards and have since expanded into the broader market of intelligent control components, addressing a wide range of use cases with high growth potential, including household appliances (white goods), automotives, energy storage, as well as robotics components.

At the same time, we have established an ecosystem encompassing intelligent terminals and use-case specific solutions, offering a comprehensive portfolio of commercial display products and systems, AV equipment and systems, computing solutions, and other related hardware and domain-specific AI-powered software solutions designed around key application scenarios, particularly in education and enterprise collaboration.

Our revenue remained stable at RMB20,990.3 million in 2022 and RMB20,172.6 million in 2023, and increased by 11.0% to RMB22,401.2 million in 2024. We recorded net profit of RMB2,120.8 million, RMB1,399.7 million and RMB1,036.1 million in 2022, 2023 and 2024, respectively.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors. The followings are the principal factors that have affected, and are expected to continue to affect, our business, financial condition, results of operation and prospects.

Global Economic Conditions and Education and Enterprise-Related Spending

Our business and operating results are affected by the global economic conditions, including the overall global economic growth and level of per capita disposable income, international trade policies and tariffs, among other things, as our products and solutions are sold globally. Unfavorable changes in the global economic conditions and macrotrends, particularly, education and enterprise-related spending could negatively affect demand for our products and solutions and materially and adversely affect our results of operations.

Our education-related products and solutions are subject to fluctuations in demand that are influenced by the budgetary allocations and spending levels of schools, universities and other educational institutions, as well as by consumer discretionary spending. These factors are, in turn, affected by government policies, public funding priorities and broader macroeconomic conditions, which may have a material impact on our business, financial condition and results of operations. We believe that the adoption of digital education solutions remains relatively low in many overseas markets, indicating significant untapped potential. In addition, the broad trend of utilizing AI-powered devices and solutions in education is also expected to propel the adoption of our products, such as IFPDs and AV equipment, as part of digital education solutions.

Demand for our products and solutions for enterprise and industrial applications is influenced by the level of business spending, which is, in turn, affected by global economic conditions and business cycles. We see rising demand for smarter, more flexible, and diversified meeting and other solutions for enterprise and industrial applications, which we believe will continue to drive the growth and adoption of our products and solutions.

Demand for our intelligent control components is affected by consumer discretionary spending, which is in turn influenced by broader macroeconomic conditions. We see significant growth opportunities for our intelligent control components from high-potential sectors such as household appliances (white goods), automotives, energy storage and robotics components.

Expanding Our Offerings of Products and Solutions to Meet More Customer Needs

Our ability to continue to grow our business will depend on whether we can expand our offerings of products and solutions to satisfy the evolving demand of global customers. We have been continuously growing our portfolio of products and solutions to capture emerging opportunities from new markets or application scenarios. For example, we have expanded beyond LCD controller boards into the broader market of intelligent control components, such as household appliance (white goods) control components, and in 2022, 2023 and 2024, revenue generated from household appliance (white goods) control components accounted for 2.6%, 5.2% and 7.7% of our total revenue in the same year, respectively. We also successfully expanded our portfolio of intelligent devices and solutions with the launch of the *MAXHUB* brand in 2017 for enterprise collaboration, and we have entered into the markets of automotive electronics control components and power electronics control components, exploring growth opportunities across the broader market of intelligent control components. As we expand our product portfolio to address more use cases, we can reach more customers.

We expect that our revenue from these new markets will grow in the future due to the anticipated development of these markets. Our ability to successfully capitalize on such development and acquire new customers in these markets will affect our business and financial condition.

Product Mix and Pricing

Our revenue and profitability are affected by the mix of our products and solutions. In line with our strategy of offering vertically integrated solutions to our customers, we have been expanding our product and solution offerings along the industry value chain. Our product offerings have expanded from LCD controller boards to the broader market of intelligent control components such as household appliance (white goods) control components, from commercial display products and systems to office and industrial computing solutions and further to AV equipment and systems. Our wide range of products and solutions have highly different selling price and margin profile. Even within the same category of products, we offer an extensive range of different products with varying prices and margin profiles.

Our profitability is also affected by our ability to price our products and solutions to achieve our intended profit margins. If we are unable to manage our portfolio of products and solutions or to price our products and solutions to achieve our desired profitability, our business and financial condition will be adversely affected.

Ability to Control Cost of Sales

Our cost of sales primarily consists of (i) cost of raw materials, primarily including chips, electronic components and display panels, and (ii) manufacturing costs, primarily including the fees paid to our production partners for outsourced manufacturing and costs associated with our self-owned smart manufacturing facility.

Our ability to control our cost of sales is crucial in maintaining our desired profitability. While we are able to source our raw materials through a variety of sources, if the availability of, or access to, or the cost of purchasing certain raw materials that we need to manufacture our products is adversely affected (for example, due to a decrease in the number of suppliers of such materials or a reduction in the overall availability of such materials, whether due to a lack of supply or increased demand from our competitors or fluctuations in market prices), we may have to pay more for these materials. As such, our ability to effectively manage raw material costs through measures such as improving production efficiencies and our ability to pass on price increases to customers will affect our profitability.

Research and Development Efforts and Achievements

Research and development are crucial to our sustained business growth as our competitiveness depends on our ability to develop and implement new technologies, products and production techniques to address evolving needs of our customers. Therefore, we have been investing and will continue to invest in research and development efforts. In 2022, 2023 and 2024, our research and development expenses amounted to RMB1,280.9 million, RMB1,422.5 million and RMB1,540.2 million, representing 6.1%, 7.1% and 6.9% of our total revenue in the same year, respectively.

Our research and development achievements affect our business in multiple ways, such as (i) whether we will be successful in maintaining our relationships with our existing customers and acquiring new customers to serve their evolving needs through new product features, such as AI-empowered solutions, and (ii) whether we can expand our portfolio of products and solutions to address more use cases. Our ability to successfully implement technologies resulting from our research and development to achieve our intended benefits will affect our results of operations.

BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with the IFRSs. All IFRSs that are effective for the accounting period beginning on January 1, 2024, together with the relevant transitional provisions, have been early adopted by us in the preparation of the historical financial information throughout the Track Record Period. The historical financial information has been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair value. See Note 2 to "Appendix I — Accountants' Report."

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Note 4 to "Appendix I — Accountants' Report" to this Document sets forth certain material accounting policy information, which are important for understanding our financial conditions and results of operations.

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on past experiences and other factors, including industry practices and expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. See Note 5 to "Appendix I — Accountants' Report."

RESULTS OF OPERATIONS

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Revenue	**20,990,265**	**100.0**	**20,172,637**	**100.0**	**22,401,182**	**100.0**
Cost of sales	(15,491,636)	(73.8)	(15,220,640)	(75.5)	(17,713,185)	(79.1)
Gross profit	**5,498,629**	**26.2**	**4,951,997**	**24.5**	**4,687,997**	**20.9**
Other income	511,502	2.4	678,436	3.4	521,646	2.3
Other gains and losses, net	26,271	0.1	36,311	0.2	(3,870)	(0.0)
Provision for impairment losses	(239,356)	(1.1)	(165,117)	(0.8)	(142,351)	(0.6)
Selling expenses	(1,187,767)	(5.7)	(1,343,131)	(6.7)	(1,205,971)	(5.4)
Administrative expenses	(964,393)	(4.6)	(1,177,632)	(5.8)	(1,177,362)	(5.2)
Research and development expenses	(1,280,863)	(6.1)	(1,422,498)	(7.1)	(1,540,155)	(6.9)
Finance costs	(71,276)	(0.3)	(76,224)	(0.4)	(99,336)	(0.4)
Share of results of associates	33,012	0.2	6,483	0.0	6,118	0.0
Profit before tax	**2,325,759**	**11.1**	**1,488,625**	**7.3**	**1,046,716**	**4.7**
Income tax expenses	(204,957)	(1.0)	(88,892)	(0.4)	(10,568)	(0.1)
Profit for the year	**2,120,802**	**10.1**	**1,399,733**	**6.9**	**1,036,148**	**4.6**
Attributable to						
Owners of the parent	2,072,419	9.9	1,370,001	6.8	970,956	4.3
Non-controlling interests	48,383	0.2	29,732	0.1	65,192	0.3

PRINCIPAL COMPONENTS OF RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we derived revenue primarily from sale of products, including intelligent devices and solutions and intelligent control components. We also generate a small portion of our revenue from providing software services, testing and after-sales services.

By product category

The table below sets forth the breakdown of our revenue by product category for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Intelligent devices and solutions						
Commercial display products and systems	10,108,036	48.2	9,202,680	45.6	9,298,321	41.5
Office and industrial computing solutions	198,087	1.0	526,806	2.6	824,708	3.7
AV equipment and systems	403,908	1.9	428,835	2.1	535,538	2.4
Others(1)	1,134,713	5.4	996,265	4.9	968,318	4.3
Subtotal	11,844,744	56.5	11,154,586	55.2	11,626,885	51.9
Intelligent control components						
LCD controller boards	7,018,898	33.4	5,927,808	29.4	6,628,552	29.6
Household appliance (white goods) control components	535,274	2.6	1,039,747	5.2	1,722,238	7.7
Others(2)	1,248,062	5.9	1,567,485	7.8	1,922,834	8.6
Subtotal	8,802,234	41.9	8,535,040	42.4	10,273,624	45.9
Software and other services(3)	343,287	1.6	483,011	2.4	500,673	2.2
Total	**20,990,265**	**100.0**	**20,172,637**	**100.0**	**22,401,182**	**100.0**

Notes:

(1) Primarily include revenue generated from learning devices and tablets.

(2) Primarily include revenue generated from automotive electronics control components and power electronics control components.

(3) Primarily include revenue generated from software services, testing and after-sales services.

During the Track Record Period, our revenue is primarily derived from intelligent devices and solutions and intelligent control components.

By geographical location

The table below sets forth the breakdown of our revenue by geographical location for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Mainland China	16,076,252	76.6	15,509,842	76.9	16,701,908	74.6
Overseas	4,914,013	23.4	4,662,795	23.1	5,699,274	25.4
Total	**20,990,265**	**100.0**	**20,172,637**	**100.0**	**22,401,182**	**100.0**

During the Track Record Period, a majority of our revenue was from Mainland China, while the revenue contribution from overseas increased in 2024 primarily due to our continued efforts in penetrating overseas markets and improvement of global presence. As a result of our globalization strategy, we expect that the overseas market will continue to account for a substantial portion of our total revenue in the future.

Cost of Sales

Our cost of sales primarily consists of (i) cost of raw materials, primarily including chips, electronic components and display panels, and (ii) manufacturing costs, primarily including the fees paid to our production partners for outsourced manufacturing and costs associated with our self-owned smart manufacturing facility.

The table below sets forth the breakdown of our cost of sales by nature for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Raw materials	13,463,084	86.9	13,195,787	86.7	15,451,258	87.2
Manufacturing costs	1,390,650	9.0	1,353,695	8.9	1,461,384	8.3
Transportation and storage costs	192,581	1.2	185,068	1.2	185,892	1.0
Repair and maintenance costs	201,475	1.3	130,627	0.9	149,464	0.8
Labor costs	101,683	0.7	171,005	1.1	259,012	1.5
Others	142,163	0.9	184,458	1.2	206,175	1.2
Total	**15,491,636**	**100.0**	**15,220,640**	**100.0**	**17,713,185**	**100.0**

During the Track Record Period, cost of raw materials was the largest component of our cost of sales, accounting for over 80% in each year.

Gross Profit and Gross Profit Margin

By product category

The table below sets forth the breakdown of our gross profit and the gross profit margin by product category for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Intelligent devices and solutions	4,211,503	35.6	3,364,755	30.2	2,936,628	25.3
Intelligent control components	1,090,173	12.4	1,315,654	15.4	1,472,751	14.3
Software and other services	196,953	57.4	271,588	56.2	278,618	55.6
Total/Overall	**5,498,629**	**26.2**	**4,951,997**	**24.5**	**4,687,997**	**20.9**

By geographical location

The table below sets forth the breakdown of our gross profit and the gross profit margin by geographical location for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Mainland China	3,978,124	24.7	3,725,768	24.0	3,299,760	19.8
Overseas	1,520,505	30.9	1,226,229	26.3	1,388,237	24.4
Total	**5,498,629**	**26.2**	**4,951,997**	**24.5**	**4,687,997**	**20.9**

Other Income

Our other income primarily consists of (i) interest income from bank deposits, (ii) interest income from time deposits and certificates of deposits held, and (iii) government grants we received from local government authorities. There were no unfulfilled conditions or contingencies relating to these government grants.

The table below sets forth the breakdown of other income for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Interest income from bank deposits	229,319	44.8	330,062	48.7	225,892	43.3
Interest income from time deposits and certificates of deposits held	178,473	34.9	131,940	19.4	140,978	27.0
Government grants	94,174	18.4	207,203	30.5	146,347	28.1
Others	9,536	1.9	9,231	1.4	8,429	1.6
Total	**511,502**	**100.0**	**678,436**	**100.0**	**521,646**	**100.0**
as % of total revenue		*2.4*		*3.4*		*2.3*

Other Gains and Losses, Net

The table below sets forth the breakdown of our other gains and losses, net for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Net foreign exchange loss	(37,917)	(144.3)	(38,916)	(107.1)	(37,896)	979.2
Gain/(loss) on disposal of property, plant and equipment, net	4,146	15.8	(2,886)	(7.9)	(3,054)	78.9
Gain on disposal of intangible assets, net	11,277	42.9	306	0.8	9	(0.2)
Gain on lease modification	829	3.1	762	2.1	137	(3.5)
Change in fair value of structured deposits	5,165	19.7	33,268	91.6	27,568	(712.4)
Change in fair value of unlisted equity interests	41,102	156.4	31,883	87.8	3,542	(91.5)
Change in fair value of derivative financial instruments	–	–	42	0.1	5,824	(150.5)
Gain on disposal of partial equity interests of associates	1,669	6.4	11,852	32.6	–	–
Total	**26,271**	**100.0**	**36,311**	**100.0**	**(3,870)**	**100.0**
as % of total revenue		*0.1*		*0.2*		*(0.0)*

In 2022 and 2023, we recorded other gains of RMB26.3 million and RMB36.3 million, respectively. In 2024, we recorded other losses of RMB3.9 million.

Provision for Impairment Losses

During the Track Record Period, our provision for impairment losses were primarily related to inventories, goodwill and trade, bills and other receivables.

In 2022, 2023 and 2024, our provision for impairment losses amounted to RMB239.4 million, RMB165.1 million and RMB142.4 million, respectively.

Selling Expenses

Our selling expenses consist of (i) salaries, compensations and benefits for personnel engaging in the sales function, (ii) advertising and promotion expenses, (iii) business development and travel expenses, (iv) patent and technical service fee; and (v) others, primarily including certification fee and expenses related to office premises.

The table below sets forth the breakdown of our selling expenses for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Salaries, compensations and benefits	617,799	52.0	654,329	48.7	673,093	55.8
Advertising and promotion expenses	253,283	21.3	273,633	20.4	166,062	13.7
Business development and travel expenses	210,176	17.7	296,772	22.1	234,610	19.5
Patent and technical service fee	63,068	5.3	57,953	4.3	39,566	3.3
Others	43,441	3.7	60,444	4.5	92,640	7.7
Total	**1,187,767**	**100.0**	**1,343,131**	**100.0**	**1,205,971**	**100.0**
as % of total revenue		*5.7*		*6.7*		*5.4*

Administrative Expenses

Our administrative expenses consist of (i) salaries, compensation and benefits for personnel engaging in the administrative function, (ii) business development and travel expenses, (iii) depreciation and amortisation, (iv) professional service fee; and (v) others, primarily including administrative service fee and software subscription fee.

The table below sets forth the breakdown of the administrative expenses for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Salaries, compensations and benefits	624,617	64.8	789,127	67.0	808,898	68.7
Business development and travel expenses	106,027	11.0	127,873	10.9	127,359	10.8
Depreciation and amortisation	95,265	9.9	107,604	9.1	118,941	10.1
Professional service fee	24,081	2.5	23,892	2.0	17,454	1.5
Others	114,403	11.8	129,136	11.0	104,710	8.9
Total	**964,393**	**100.0**	**1,177,632**	**100.0**	**1,177,362**	**100.0**
as % of total revenue		*4.6*		*5.8*		*5.2*

Research and Development Expenses

Our research and development expenses consist of (i) salaries, compensations and benefits for personnel engaging in the research and development function, (ii) raw materials consumed in the research and development process, (iii) depreciation and amortisation; and (iv) others, primarily including testing fee, certification fee and travel expenses.

The table below sets forth the breakdown of the research and development expenses for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Salaries, compensations and benefits	1,055,329	82.4	1,126,742	79.2	1,269,111	82.4
Raw materials costs	88,449	6.9	105,002	7.4	84,370	5.5
Depreciation and amortisation	46,140	3.6	57,783	4.1	54,251	3.5
Others	90,945	7.1	132,971	9.3	132,423	8.6
Total	**1,280,863**	**100.0**	**1,422,498**	**100.0**	**1,540,155**	**100.0**
as % of total revenue		*6.1*		*7.1*		*6.9*

Finance Costs

Our finance costs primarily consist of interest expenses on borrowings.

The table below sets forth the breakdown of our finance costs for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)					
Interest expenses on borrowings	68,736	96.4	72,307	94.9	97,175	97.8
Interest expenses on lease liabilities	2,540	3.6	3,917	5.1	2,161	2.2
Total	**71,276**	**100.0**	**76,224**	**100.0**	**99,336**	**100.0**
as % of total revenue		*0.3*		*0.4*		*0.4*

Income Tax Expenses

Our income tax expenses comprise current tax and deferred tax. We recorded income tax expenses of RMB205.0 million, RMB88.9 million and RMB10.6 million in 2022, 2023 and 2024, respectively.

We are subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which the members of our Group are domiciled and operate.

During the Track Record Period and up to the Latest Practicable Date, we had fulfilled all our tax obligations and did not have any unresolved tax disputes.

YEAR-ON-YEAR COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

By product category

	Year Ended December 31,		
	2023	2024	% Change
	(in RMB thousands, except for percentages)		
Intelligent devices and solutions			
Commercial display products and systems	9,202,680	9,298,321	1.0
Office and industrial computing solutions	526,806	824,708	56.5
AV equipment and systems	428,835	535,538	24.9
Others	996,265	968,318	(2.8)
Subtotal	11,154,586	11,626,885	4.2
Intelligent control components			
LCD controller boards	5,927,808	6,628,552	11.8
Household appliance (white goods) control components	1,039,747	1,722,238	65.6
Others	1,567,485	1,922,834	22.7
Subtotal	8,535,040	10,273,624	20.4
Software and other services	483,011	500,673	3.7
Total	**20,172,637**	**22,401,182**	**11.0**

Our revenue increased by 11.0% from RMB20,172.6 million in 2023 to RMB22,401.2 million in 2024 primarily due to a 20.4% increase in revenue generated from intelligent control components from RMB8,535.0 million in 2023 to RMB10,273.6 million in 2024.

Intelligent devices and solutions

Our revenue from intelligent devices and solutions increased by 4.2% from RMB11,154.6 million in 2023 to RMB11,626.9 million in 2024, primarily due to:

- a 56.5% increase in revenue generated from office and industrial computing solutions from RMB526.8 million in 2023 to RMB824.7 million in 2024, which was attributable to an increase in the sales volume of office and industrial computing solutions during the same period as the results of (i) the growth in customers' demand for smart office and industrial computing solutions driven by products iterations associated with innovative technologies and features and (ii) our enhanced cooperation with existing customers; and

- a 24.9% increase in revenue generated from AV equipment and systems from RMB428.8 million in 2023 to RMB535.5 million in 2024, which was attributable to an increase in the sales volume of AV equipment and systems during the same period as we continued to expand our customer base and enhance cooperation with existing customers.

- the revenue generated from commercial display products and systems remained stable at RMB9,202.7 million in 2023 and RMB9,298.3 million in 2024, respectively.

Intelligent control components

Our revenue from intelligent control components increased by 20.4% from RMB8,535.0 million in 2023 to RMB10,273.6 million in 2024, primarily due to:

- a 65.6% increase in revenue generated from household appliance (white goods) control components from RMB1,039.7 million in 2023 to RMB1,722.2 million in 2024, which was attributable to an increase in the sales volume of household appliance (white goods) control components during the same period, which in turn was the result of the ramp up of our household appliance (white goods) control components business as we accelerated product iteration and diversified our offering portfolio, as well as deepened cooperation with select key customers and expanded our customer base globally;

- an 11.8% increase in revenue generated from LCD controller boards from RMB5,927.8 million in 2023 to RMB6,628.6 million in 2024, which was attributable to an increase in the sales volume of LCD controller boards during the same period, reflecting our strengthened relationship with existing customers; and

- a 22.7% increase in revenue generated from others from RMB1,567.5 million in 2023 to RMB1,922.8 million in 2024 as we enhanced our penetration in the markets for automotive electronics control components and power electronics control components.

Software and other services

Our revenue from software and other services increased slightly by 3.7% from RMB483.0 million in 2023 to RMB500.7 million in 2024.

Cost of Sales

	Year Ended December 31,		
	2023	2024	% Change
	(in RMB thousands, except for percentages)		
Raw materials	13,195,787	15,451,258	17.1
Manufacturing costs	1,353,695	1,461,384	8.0
Transportation and storage costs	185,068	185,892	0.4
Repair and maintenance costs	130,627	149,464	14.4
Labor costs	171,005	259,012	51.5
Others	184,458	206,175	11.8
Total	**15,220,640**	**17,713,185**	**16.4**
as % of total revenue	*75.5*	*79.1*	

Our cost of sales increased by 16.4% from RMB15,220.6 million in 2023 to RMB17,713.2 million in 2024, primarily due to a 17.1% increase in our cost of raw materials, which was generally in line with our growth in revenue and sales volume.

Gross Profit and Gross Profit Margin

	Year Ended December 31,			
	2023		2024	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)			
Intelligent devices and solutions	3,364,755	30.2	2,936,628	25.3
Intelligent control components	1,315,654	15.4	1,472,751	14.3
Software and other services	271,588	56.2	278,618	55.6
Total/Overall	**4,951,997**	**24.5**	**4,687,997**	**20.9**

Our gross profit decreased by 5.3% from RMB4,952.0 million in 2023 to RMB4,688.0 million in 2024, primarily due to a 12.7% decrease in gross profit from intelligent devices and solutions from RMB3,364.8 million in 2023 to RMB2,936.6 million in 2024, partially offset by an 11.9% increase in gross profit from intelligent control components from RMB1,315.7 million in 2023 to RMB1,472.8 million in 2024.

Our gross profit margin decreased from 24.5% in 2023 to 20.9% in 2024, primarily because (i) the revenue increase from intelligent control components, which carried a lower gross profit margin, outpaced the revenue increase from intelligent devices and solution and (ii) the gross profit margin from intelligent devices and solutions decreased from 30.2% in 2023 to 25.3% in 2024.

Intelligent devices and solutions

Our gross profit from intelligent devices and solutions decreased by 12.7% from RMB3,364.8 million in 2023 to RMB2,936.6 million in 2024, primarily due to:

- a decrease in gross profit generated from commercial display products and systems from 2023 to 2024, primarily due to changes in end customers' budget allocations and our then focus on expanding market share, which resulted in lower average selling prices in 2024. For the same reason, the gross profit margin of commercial display products and systems decreased during the same period; and

- a decrease in gross profit generated from products under others category from 2023 to 2024, which was attributable to a decrease in the revenue generated from this category during the same period.

Intelligent control components

Our gross profit from intelligent control components increased by 11.9% from RMB1,315.7 million in 2023 to RMB1,472.8 million in 2024, primarily due to:

- an increase in gross profit generated from household appliance (white goods) control components from 2023 to 2024, which was attributable to a 65.6% increase in revenue generated from household appliance (white goods) control components. The gross profit margin of household appliance (white goods) control components also witnessed a moderate increase during the same period, reflecting our enhanced cost control efforts;

- an increase in gross profit generated from products under others category from 2023 to 2024, which was attributable to a 22.7% increase in revenue generated from this category. The gross profit margin of this category remained stable during the same period; and

- an offsetting factor, which was a decrease in gross profit from LCD controller boards from 2023 to 2024. The gross profit margin of LCD controller boards decreased slightly during the same period, which was the result of supply and demand dynamics.

Software and other services

Our gross profit generated from this category remained stable at RMB271.6 million and RMB278.6 million, representing a gross profit margin of 56.2% and 55.6% in 2023 and 2024, respectively.

Other Income

	Year Ended December 31,		
	2023	2024	% Change
	(in RMB thousands, except for percentages)		
Other income	678,436	521,646	(23.1)
as % of total revenue	*3.4*	*2.3*	

Our other income decreased by 23.1% from RMB678.4 million in 2023 to RMB521.6 million in 2024, primarily due to (i) a decrease in government grants and (ii) a decrease in interest income from bank deposits as the result of a decrease in interest rate. For the same reason, our other income as a percentage of our total revenue decreased from 3.4% to 2.3%.

Other Gains and Losses, Net

We recorded net gains of RMB36.3 million in 2023, and recorded net losses of RMB3.9 million in 2024. The change was primarily due to (i) a decrease of RMB28.3 million in change in fair value of unlisted equity interest and (ii) a decrease of RMB11.9 million in gain on disposal of partial equity interests of associates.

Provision for Impairment Losses

Our provision for impairment losses decreased by 13.8% from RMB165.1 million in 2023 to RMB142.4 million in 2024, primarily due to a decrease in impairment related to our inventories.

Selling Expenses

	Year Ended December 31,		
	2023	2024	% Change
	(in RMB thousands, except for percentages)		
Selling expenses	1,343,131	1,205,971	(10.2)
as % of total revenue	*6.7*	*5.4*	

Our selling expenses decreased by 10.2% from RMB1,343.1 million in 2023 to RMB1,206.0 million in 2024, primarily due to a decrease of RMB107.6 million in advertising and promotion expenses, reflecting our enhanced marketing efficiency.

Administrative Expenses

	Year Ended December 31,		
	2023	2024	% Change
	(in RMB thousands, except for percentages)		
Administrative expenses	1,177,632	1,177,362	(0.0)
as % of total revenue	*5.8*	*5.2*	

Our administrative expenses remained relatively stable at RMB1,177.6 million in 2023 and RMB1,177.4 million in 2024.

Research and Development Expenses

	Year Ended December 31,		
	2023	2024	% Change
	(in RMB thousands, except for percentages)		
Research and development expenses	1,422,498	1,540,155	8.3
as % of total revenue	*7.1*	*6.9*	

Our research and development expenses increased by 8.3% from RMB1,422.5 million in 2023 to RMB1,540.2 million in 2024, primarily due to an increase of RMB142.4 million in salaries, compensation and benefits for personnel engaging in the research and development function, reflecting our continued efforts to retain and motivate talents. Our research and development expenses as a percentage of our total revenue slightly decreased from 7.1% in 2023 to 6.9% in 2024, primarily due to the growth in our revenue.

Finance Costs

Our finance costs increased by 30.3% from RMB76.2 million in 2023 to RMB99.3 million in 2024, primarily due to an increase in interest expenses on borrowings.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 26.0% from RMB1,399.7 million in 2023 to RMB1,036.1 million in 2024.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

By product category

	Year Ended December 31,		
	2022	2023	% Change
	(in RMB thousands, except for percentages)		
Intelligent devices and solutions			
Commercial display products and systems	10,108,036	9,202,680	(9.0)
Office and industrial computing solutions	198,087	526,806	165.9
AV equipment and systems	403,908	428,835	6.2
Others	1,134,713	996,265	(12.2)
Subtotal	11,844,744	11,154,586	(5.8)
Intelligent control components			
LCD controller boards	7,018,898	5,927,808	(15.5)
Household appliance (white goods) control components	535,274	1,039,747	94.2
Others	1,248,062	1,567,485	25.6
Subtotal	8,802,234	8,535,040	(3.0)
Software and other services	343,287	483,011	40.7
Total	**20,990,265**	**20,172,637**	**(3.9)**

Our revenue decreased by 3.9% from RMB20,990.3 million in 2022 to RMB20,172.6 million in 2023 primarily due to (i) a 5.8% decrease in revenue generated from intelligent devices and solutions from RMB11,844.7 million in 2022 to RMB11,154.6 million in 2023, (ii) a 3.0% decrease in revenue generated from intelligent control components from RMB8,802.2 million in 2022 to RMB8,535.0 million in 2023, and (iii) partially offset by an increase in revenue generated from others from RMB343.3 million in 2022 to RMB483.0 million in 2023.

Intelligent devices and solutions

Our revenue from intelligent devices and solutions decreased by 5.8% from RMB11,844.7 million in 2022 to RMB11,154.6 million in 2023, primarily due to:

- a 9.0% decrease in revenue generated from commercial display products and systems from RMB10,108.0 million in 2022 to RMB9,202.7 million in 2023 as a result of supply and demand dynamics, partially offset by an increase in the sales volume of commercial display products and systems during the same period, reflecting our then focus to expand market share, which resulted in lower average selling prices in 2023; and

- a 12.2% decrease in revenue generated from products in others category from RMB1,134.7 million in 2022 to RMB996.3 million in 2023, as a result of supply and demand dynamics; and

partially offset by:

- a 165.9% increase in revenue generated from office and industrial computing solutions from RMB198.1 million in 2022 to RMB526.8 million in 2023, which was attributable to an increase in the sales volume of office and industrial computing solutions during the same period as we continued to expand our customer base, capturing opportunities from customers' increasing willingness to pay for quality computing solutions.

Intelligent control components

Our revenue from intelligent control components decreased by 3.0% from RMB8,802.2 million in 2022 to RMB8,535.0 million in 2023, primarily due to:

- a 15.5% decrease in revenue generated from LCD controller boards from RMB7,018.9 million in 2022 to RMB5,927.8 million in 2023, which was attributable to supply and demand dynamics; and

partially offset by:

- a 94.2% increase in revenue generated from household appliance (white goods) control components from RMB535.3 million in 2022 to RMB1,039.7 million in 2023, which was attributable to an increase in the sales volume of household appliance (white goods) control components during the same period, which in turn was the result of our accelerated product iteration and diversified product portfolio, as well as deepened cooperation with select key customers; and

- a 25.6% increase in revenue generated from products in others category from RMB1,248.1 million in 2022 to RMB1,567.5 million in 2023, which was attributable to our further penetration in the markets for automotive electronics control components and power electronics control components.

Software and other services

Our revenue from software and other services increased by 40.7% from RMB343.3 million in 2022 to RMB483.0 million in 2023, primarily due to the increase in revenue generated from software services, testing and after-sales services.

Cost of Sales

	Year Ended December 31,		
	2022	2023	% Change
	(in RMB thousands, except for percentages)		
Raw materials	13,463,084	13,195,787	(2.0)
Manufacturing costs	1,390,650	1,353,695	(2.7)
Transportation and storage costs	192,581	185,068	(3.9)
Repair and maintenance costs	201,475	130,627	(35.2)
Labor costs	101,683	171,005	68.2
Others	142,163	184,458	29.8
Total	**15,491,636**	**15,220,640**	**(1.7)**

Our cost of sales slightly decreased by 1.7% from RMB15,491.6 million in 2022 to RMB15,220.6 million in 2023, which was generally in line with a slight decrease in our revenue from RMB20,990.3 million in 2022 to RMB20,172.6 million in 2023.

Gross Profit and Gross Profit Margin

	Year Ended December 31,			
	2022		2023	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)			
Intelligent devices and solutions	4,211,503	35.6	3,364,755	30.2
Intelligent control components	1,090,173	12.4	1,315,654	15.4
Software and other services	196,953	57.4	271,588	56.2
Total/Overall	**5,498,629**	**26.2**	**4,951,997**	**24.5**

Our gross profit decreased by 9.9% from RMB5,498.6 million in 2022 to RMB4,952.0 million in 2023, primarily due to a 20.1% decrease in gross profit from intelligent devices and solutions from RMB4,211.5 million in 2022 to RMB3,364.8 million in 2023, partially offset by (i) a 20.7% increase in gross profit from intelligent control components from RMB1,090.2 million in 2022 to RMB1,315.7 million in 2023 and (ii) a 37.9% increase in gross profit from software and other services from RMB197.0 million in 2022 to RMB271.6 million in 2023.

Our gross profit margin decreased from 26.2% in 2022 to 24.5% in 2023, primarily because the gross profit margin of intelligent devices and solutions decreased from 35.6% in 2022 to 30.2% in 2023.

Intelligent devices and solutions

Our gross profit from intelligent devices and solutions decreased by 20.1% from RMB4,211.5 million in 2022 to RMB3,364.8 million in 2023, primarily due to:

- a decrease in gross profit generated from commercial display products and systems from 2022 to 2023, which was attributable to a 9.0% decrease in revenue generated from commercial display products and systems from RMB10,108.0 million in 2022 to RMB9,202.7 million in 2023, primarily due to changes in end customers' budget allocations and our then focus on expanding market share, which resulted in lower average selling prices in 2023. For the same reason, the gross profit margin of commercial display products and systems slightly decreased during the same period; and

- a decrease in gross profit generated from products in others category from 2022 to 2023, which was attributable to a 12.2% decrease in the revenue generated from RMB1,134.7 million in 2022 to RMB996.3 million in 2023.

Intelligent control components

Our gross profit from intelligent control components increased by 20.7% from RMB1,090.2 million in 2022 to RMB1,315.7 million in 2023, primarily due to:

- an increase in gross profit generated from household appliance (white goods) control components, which was attributable to a 94.2% increase in revenue generated from household appliance (white goods) control components from RMB535.3 million in 2022 to RMB1,039.7 million in 2023. The gross profit margin of household appliance (white goods) control components also witness a moderate increase, reflecting our enhanced cost control efforts during the same period; and

- an increase in gross profit generated from products in others category from 2022 to 2023, which was attributable to a 25.6% increase in revenue generated from others category. The gross profit margin of others category also witnessed a moderate increase during the same period.

Software and other services

Our gross profit from software and other services increased by 37.9% from RMB197.0 million in 2022 to RMB271.6 million in 2023, which was attributable to a 40.7% increase in revenue generated from software and other services from RMB343.3 million in 2022 to RMB483.0 million in 2023. The gross profit margin of software and other services slightly increased from 57.4% in 2022 to 56.2% in 2023.

Other Income

Our other income increased by 32.6% from RMB511.5 million in 2022 to RMB678.4 million in 2023, primarily due to (i) an increase of RMB113.0 million in government grants and (ii) an increase of RMB100.7 million in interest income from bank deposits.

Other Gains and Losses, Net

Our net other gains increased from RMB26.3 million in 2022 to RMB36.3 million in 2023, primarily due to (i) an increase of RMB28.1 million in change in fair value of structured deposits and (ii) an increase of RMB10.2 million in gain on disposal of partial equity interests of associates.

Provision for Impairment Losses

Our provision for impairment losses decreased by 31.0% from RMB239.4 million in 2022 to RMB165.1 million in 2023, primarily due to a decrease in impairment related to our inventories.

Selling Expenses

	Year Ended December 31,		
	2022	**2023**	**% Change**
	(in RMB thousands, except for percentages)		
Selling expenses	1,187,767	1,343,131	13.1
as % of total revenue	*5.7*	*6.7*	

Our selling expenses increased by 13.1% from RMB1,187.8 million in 2022 to RMB1,343.1 million in 2023, primarily due to (i) an increase of RMB36.5 million in salaries, compensations and benefits for personnel engaging in the sales function and (ii) an increase of RMB20.4 million in advertising and promotion expenses, reflecting our expanded investments in sales and marketing efforts.

Administrative Expenses

	Year Ended December 31,		
	2022	2023	% Change
	(in RMB thousands, except for percentages)		
Administrative expenses	964,393	1,177,632	22.1
as % of total revenue	*4.6*	*5.8*	

Our administrative expenses increased by 22.1% from RMB964.4 million in 2022 and RMB1,177.6 million in 2023, primarily due to (i) an increase of RMB164.5 million in salaries, compensations and benefits for personnel engaging in the administrative function and (ii) an increase of RMB21.8 million in business development and travel expenses incurred by our administrative function.

Research and Development Expenses

	Year Ended December 31,		
	2022	2023	% Change
	(in RMB thousands, except for percentages)		
Research and development expenses	1,280,863	1,422,498	11.1
as % of total revenue	*6.1*	*7.1*	

Our research and development expenses increased by 11.1% from RMB1,280.9 million in 2022 to RMB1,422.5 million in 2023, primarily due to (i) an increase of RMB71.4 million in salaries, compensation and benefits for personnel engaging in the research and development function and (ii) an increase of RMB16.6 million in the cost of raw materials consumed in the research and development process, reflecting our expanded investment in research and development initiatives.

Finance Costs

Our finance costs increased by 6.9% from RMB71.3 million in 2022 to RMB76.2 million in 2023, primarily due to an increase in interest expenses on borrowings.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 34.0% from RMB2,120.8 million in 2022 to RMB1,399.7 million in 2023.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our operations primarily through proceeds cash generated from our operating activities and bank borrowings. As of December 31, 2024, we had cash and cash equivalents of RMB4,889.7 million.

Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of cash generated from our operating activities, bank facilities and net [**REDACTED**] from the [**REDACTED**].

Taking into account the net [**REDACTED**] from the [**REDACTED**] and cash generated from our operating activities available to us, our Directors believe that we have sufficient working capital to meet our present and future cash requirements for at least the next 12 months from the date of publication of this Document.

Net Current Assets/Liabilities

The table below sets forth our current assets and liabilities as of the dates indicated.

	As of December 31,			As of April 30, 2025
	2022	2023	2024	
	(in RMB thousands)			
Current assets:				
Inventories	1,857,114	2,238,319	2,314,804	2,913,107
Trade, bills and other receivables	563,711	893,980	988,225	1,515,524
Prepayments	50,409	72,890	58,908	85,489
Financial assets at FVTPL	818,317	794,280	333,064	402,444
Tax recoverable	35,592	60,822	95,091	110,545
Time deposits	3,092,478	4,206,407	5,035	–
Certificates of deposits held	4,276,974	305,915	588,292	530,557
Restricted bank deposits	26,968	36,291	14,385	5,351
Cash and bank balances	4,714,752	4,681,386	4,889,691	3,406,944
Total current assets	**15,436,315**	**13,290,290**	**9,287,495**	**8,969,961**
Current liabilities:				
Trade, bills and other payables	4,205,664	4,625,303	4,561,688	5,123,409
Contract liabilities	981,930	903,487	1,110,454	1,194,573
Borrowings	2,066,793	2,646,600	2,710,171	3,032,945
Tax payables	60,301	28,698	34,048	14,467
Derivative financial instruments	–	3,324	17,062	6,761
Provisions	139,466	144,995	129,113	123,945
Lease liabilities	26,062	24,813	21,674	8,223
Total current liabilities	**7,480,216**	**8,377,220**	**8,584,210**	**9,504,323**
Net current assets/(liabilities)	**7,956,099**	**4,913,070**	**703,285**	**(534,362)**

Comparison between April 30, 2025 and December 31, 2024

We recorded net current assets of RMB703.3 million as of December 31, 2024, and recorded net current liabilities of RMB534.4 million as of April 30, 2025, primarily due to (i) a decrease in cash and bank balances of RMB1,482.7 million, (ii) an increase in trade, bills and other payables of RMB561.7 million, and (iii) an increase in borrowings of RMB322.8 million, partially offset by (i) an increase in inventories of RMB598.3 million, and (ii) an increase in trade, bills and other receivables of RMB527.3 million.

Comparison between December 31, 2024 and December 31, 2023

Our net current assets decreased from RMB4,913.1 million as of December 31, 2023 to RMB703.3 million as of December 31, 2024, primarily due to (i) a decrease in time deposits of RMB4,201.4 million, (ii) a decrease in financial assets at FVTPL of RMB461.2 million, and (iii) a decrease in restricted bank deposits of RMB21.9 million. See "— Selected Balance Sheet Items" for further details.

Comparison between December 31, 2023 and December 31, 2022

Our net current assets decreased from RMB7,956.1 million as of December 31, 2022 to RMB4,913.1 million as of December 31, 2023, primarily due to (i) a decrease in certificates of deposit held of RMB3,971.1 million, (ii) an increase in trade, bills and other payables of RMB419.6 million, and (iii) an increase in borrowings of RMB579.8 million, partially offset by (i) an increase in time deposits of RMB1,113.9 million, and (ii) an increase in inventories of RMB381.2 million. See "— Selected Balance Sheet Items" for further details.

SELECTED BALANCE SHEET ITEMS

The following table sets forth our financial position as of the dates indicated.

	As at December 31,		
	2022	2023	2024
	(in RMB thousands)		
Non-current assets			
Property, plant and equipment	2,745,479	3,773,609	4,550,428
Intangible assets	114,071	164,455	172,286
Right-of-use assets	345,953	380,704	560,119
Goodwill	89,949	231,803	262,381
Investments in associates	165,581	196,427	319,496
Financial assets at fair value through other comprehensive income ("**FVTOCI**")	72,852	72,490	71,908
Financial assets at fair value through profit or loss ("**FVTPL**")	181,102	228,696	236,488
Deferred tax assets	384,129	425,324	456,087
Prepayments	76,652	524,741	330,715
Time deposits	–	504,748	3,301,379
Certificates of deposits held	536,411	2,012,314	3,121,499
Total non-current assets	4,712,179	8,515,311	13,382,786
Current assets			
Inventories	1,857,114	2,238,319	2,314,804
Trade, bills and other receivables	563,711	893,980	988,225
Prepayments	50,409	72,890	58,908
Financial assets at FVTPL	818,317	794,280	333,064
Tax recoverable	35,592	60,822	95,091
Time deposits	3,092,478	4,206,407	5,035
Certificates of deposits held	4,276,974	305,915	588,292
Restricted bank deposits	26,968	36,291	14,385
Cash and bank balances	4,714,752	4,681,386	4,889,691
Total current assets	15,436,315	13,290,290	9,287,495
Total assets	20,148,494	21,805,601	22,670,281

	As at December 31,		
	2022	2023	2024
	(in RMB thousands)		
Current liabilities			
Trade, bills and other payables	4,205,664	4,625,303	4,561,688
Contract liabilities	981,930	903,487	1,110,454
Borrowings	2,066,793	2,646,600	2,710,171
Tax payables	60,301	28,698	34,048
Derivative financial instruments	–	3,324	17,062
Provisions	139,466	144,995	129,113
Lease liabilities	26,062	24,813	21,674
Total current liabilities	7,480,216	8,377,220	8,584,210
Net current assets	7,956,099	4,913,070	703,285
Total assets less current liabilities	12,668,278	13,428,381	14,086,071
Non-current liabilities			
Other payables	83	257	–
Contract liabilities	44,081	53,358	101,490
Borrowings	100,000	203,171	564,033
Deferred income	86,460	98,146	127,093
Provisions	170,734	124,787	117,556
Lease liabilities	38,605	39,638	26,365
Deferred tax liabilities	57,571	42,281	24,497
Total non-current liabilities	497,534	561,638	961,034

Inventories

Our inventories include finished goods, raw materials and work in progress. The table below sets forth the breakdown of our inventories as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	(in RMB thousands)		
Raw materials	926,958	1,264,595	1,192,395
Work in progress	114,462	129,686	180,955
Finished goods	1,022,331	987,719	1,093,250
Less: provision for inventory impairment	(206,637)	(143,681)	(151,796)
Total	**1,857,114**	**2,238,319**	**2,314,804**

Our inventories increased from RMB1,857.1 million as of December 31, 2022 to RMB2,238.3 million as of December 31, 2023, primarily due to our strategic stocking to mitigate potential negative impact of the supply and demand dynamics with respect to certain raw materials. Our inventories increased from RMB2,238.3 million as of December 31, 2023 to RMB2,314.8 million as of December 31, 2024, which was generally in line with our revenue growth.

Turnover Days

The table below sets forth the turnover days of our inventories for the years indicated.

	Year Ended December 31,		
	2022	2023	2024
Inventory turnover days(1)	55	53	50

Note:

(1) Inventory turnover days for each year equals the average of the beginning and ending gross inventories balance for that year divided by cost of sales for that year and multiplied by 365 days.

Our inventory turnover days decreased from 55 days in 2022 to 53 days in 2023, and further decreased to 50 days in 2024 primarily due to improvements in inventory management.

Aging Analysis

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

	As of December 31,		
	2022	2023	2024
	(in RMB thousands)		
With in one year	1,966,261	2,303,441	2,399,631
Over one year	97,490	78,559	66,970
Less: provision for inventory impairment	(206,637)	(143,681)	(151,796)
Total	**1,857,114**	**2,238,319**	**2,314,804**

Subsequent utilization

As of April 30, 2025, 89.0% of our total inventories as of December 31, 2024, or RMB2,195.0 million, were utilized or sold.

Trade, Bills and Other Receivables

Trade receivables mainly arise from sales of our products on credit.

The table below sets forth the breakdown of our trade, bills and other receivables as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	(in RMB thousands)		
Trade receivables	230,737	321,408	448,315
Bills receivables	202,720	145,178	61,825
Other receivables	164,630	465,500	521,903
Subtotal	598,087	932,086	1,032,043
Less: loss allowance for trade receivables	(24,983)	(25,569)	(28,208)
Less: loss allowance for bill receivables	–	–	–
Less: loss allowance for other receivables	(9,393)	(12,537)	(15,610)
Total	**563,711**	**893,980**	**988,225**

Our trade, bills and other receivables increased from RMB563.7 million as of December 31, 2022 to RMB894.0 million as of December 31, 2023, and further increased to RMB988.2 million as of December 31, 2024, which was generally in line with our business growth.

Aging Analysis and Impairment

The table below sets forth an aging analysis of our trade receivables as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	(in RMB thousands)		
Within 1 year	213,432	309,828	440,249
1 to 2 years	2,507	1,192	2,061
2 to 3 years	1,053	613	23
Over 3 years	13,745	9,775	5,982
Subtotal	230,737	321,408	448,315
Less: loss allowance for trade receivables	(24,983)	(25,569)	(28,208)
Total	**205,754**	**295,839**	**420,107**

As of December 31, 2022, 2023 and 2024, our allowance for impairment of trade receivables was RMB25.0 million, RMB25.6 million, and RMB28.2 million, respectively. See Note 26 to "Appendix I — Accountants' Report."

Turnover Days

The table below sets forth the turnover days of our trade receivables for the years indicated.

	Year Ended December 31,		
	2022	2023	2024
Trade receivables turnover days(1)	4	5	6

Note:

(1) Trade receivables turnover days for each year equals the average of the beginning and ending gross trade receivables balance for that year divided by revenue for that year and multiplied by 365 days.

Our trade receivables turnover days remained relatively stable at 4 days, 5 days and 6 days in 2022, 2023 and 2024, respectively. The relatively short trade receivables turnover days during the Track Record Period were primarily due to our stringent credit risk management practices, which limited credit terms to a select group of key account customers.

Subsequent settlement

As of April 30, 2025, 92.5% of our trade receivables as of December 31, 2024, or RMB414,565.5 million, had been subsequently settled.

Property, Plant and Equipment

Our property, plant and equipment consists of (i) property and buildings, (ii) transportation vehicle, (iii) furniture, fixtures and equipment, (iv) leasehold improvement; and (v) construction in progress. The table below sets forth the breakdown of our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	(in RMB thousands)		
Property and buildings	1,500,198	1,671,260	3,039,658
Transportation vehicle	52,691	43,024	28,831
Furniture, fixtures and equipment	277,195	358,540	565,514
Leasehold improvement	20,273	26,561	109,360
Construction in progress	895,122	1,674,224	807,605
Total	**2,745,479**	**3,773,609**	**4,550,428**

Our property, plant and equipment increased from RMB2,745.5 million as of December 31, 2022 to RMB3,773.6 million as of December 31, 2023, and further increased to RMB4,550.4 million as of December 31, 2024. The increases in the carrying amount of our property, plant and equipment during the Track Record Period were primarily driven by construction of our self-owned smart manufacturing facility and purchase of equipment to support business growth.

Trade, bills and other payables

Our trade, bills and other payables primarily represent outstanding amounts payable to third parties, comprising trade payables, bill payables and other payables. Our trade, bills and other payables are non-interest-bearing and are normally settled within 60 days.

The table below sets forth the breakdown of our trade, bills and other payables as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	(in RMB thousands)		
Trade payables	2,608,344	2,966,850	2,909,578
Bills payables	271,962	257,009	137,338
Other payables	1,325,441	1,401,701	1,514,772
Total	**4,205,747**	**4,625,560**	**4,561,688**

Our trade, bills and other payables increased from RMB4,205.7 million as of December 31, 2022 to RMB4,625.6 million as of December 31, 2023, primarily due to an increase in trade payables as a result of our strategic stocking of certain raw materials. Our trade, bills and other payables remained relatively stable at RMB4,625.6 million and RMB4,561.7 million as of December 31, 2023 and December 31, 2024, respectively.

Aging Analysis

The table below sets forth the breakdown of the aging analysis of the trade payables.

	As of December 31,		
	2022	2023	2024
	(in RMB thousands)		
Within 1 year	2,566,629	2,963,369	2,890,399
Over 1 year	41,715	3,481	19,179
Total	**2,608,344**	**2,966,850**	**2,909,578**

Turnover Days

The table below sets forth the turnover days for the trade payables for the years indicated.

	Year Ended December 31,		
	2022	2023	2024
Trade payables turnover days[1]	62	67	61

Note:

(1) Trade payables turnover days for each year equals the average of the beginning and ending balances of trade payables for that year divided by cost of sales for that year and multiplied by 365 days.

Our trade payables turnover days increased from 62 days in 2022 to 67 days in 2023, primarily due to an increased ending balance of trade payable as a result of strategic stocking of certain raw materials in 2023. Our turnover days decreased from 67 days in 2023 to 61 days in 2024, returning to the normal level.

Subsequent Settlement

As of April 30, 2025, RMB2,771.8 million, or 95.2% of our trade payables outstanding as of December 31, 2024 had been subsequently settled.

Contract Liabilities

Our contract liabilities refer to the obligation to transfer goods to customers in consideration of payments received or receivable from customers, primarily representing prepayments from customers. Contract liabilities are incurred when the payment schedule agreed under the contract is ahead of the performance of contract obligations. The table below sets forth the breakdown of the contract liabilities as of the dates indicated.

	As of December 31,		
	2022	**2023**	**2024**
	(in RMB thousands)		
Non-current portion			
Contract liabilities			
– Third parties	44,081	53,358	101,490
Current portions			
Contract liabilities			
– Third parties	981,930	903,487	1,110,454
Total	**1,026,011**	**956,845**	**1,211,944**

Our contract liabilities decreased from RMB1,026.0 million as of December 31, 2022 to RMB956.8 million as of December 31, 2023, primarily due to a decrease of RMB78.4 million in short-term advances received from customers, which was generally in line with the slight decrease in our total revenue from 2022 to 2023. Our contract liabilities increased from RMB956.8 million as of December 31, 2023 to RMB1,211.9 million as of December 31, 2024, in line with our business and revenue growth.

Cash Flows

The table below sets forth our cash flows for the years indicated.

	Year Ended December 31,		
	2022	2023	2024
	(in RMB thousands)		
Net cash generated from operating activities	2,136,691	785,839	1,028,838
Net cash used in investing activities	(4,855,904)	(561,777)	(247,719)
Net cash generated from/(used in) financing activities	2,333,333	(281,495)	(579,996)
Net (decrease)/increase in cash and cash equivalents	**(385,880)**	**(57,433)**	**201,123**
Cash and cash equivalents at the beginning of the year	4,986,270	4,714,752	4,681,386
Effects of exchange rate changes	114,362	24,067	7,182
Cash and cash equivalents at the end of the year	**4,714,752**	**4,681,386**	**4,889,691**

Operating Activities

In 2024, we had net cash generated from operating activities of RMB1,028.8 million, which primarily consists of profit before tax of RMB1,046.7 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) depreciation of property, plant and equipment of RMB271.8 million, (ii) interest income from bank deposits of RMB225.9 million, and (iii) interest income from time deposits and certificates of deposits held of RMB141.0 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in contract liabilities of RMB255.1 million, and (ii) an increase in deferred income of RMB28.9 million, partially offset by (i) an increase in inventories of RMB213.0 million, and (ii) an increase in prepayments and other receivables of RMB141.3 million.

In 2023, we had net cash generated from operating activities of RMB785.8 million, which primarily consists of profit before tax of RMB1,488.6 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) interest income from bank deposits of RMB330.1 million, (ii) depreciation of property, plant and equipment of RMB198.3 million, and (iii) interest income from time deposits and certificates of deposits held of RMB131.9 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in trade, bills and other payables of RMB254.8 million and (ii) an increase in deferred income of RMB11.7 million, partially offset by (i) an increase in inventories of RMB474.5 million, and (ii) an increase in prepayments and other receivables of RMB84.4 million.

In 2022, we had net cash generated from operating activities of RMB2,136.7 million, which primarily consists of profit before tax of RMB2,325.8 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) interest income from bank deposits of RMB229.3 million, (ii) provision for impairment losses on inventories of RMB223.5 million, and (iii) interest income from time deposits and certificates of deposits held of RMB178.5 million. The amount was further adjusted by changes in working capital, primarily including (i) a decrease in inventories of RMB301.9 million, and (ii) an increase in trade, bills and other payables of RMB73.6 million, partially offset by (i) a decrease in contract liabilities of RMB193.3 million, and (ii) an increase in trade and bills receivables of RMB119.6 million.

Investing Activities

In 2024, we had net cash used in investing activities of RMB247.7 million, which primarily consists of (i) investment in time deposits and certificates of deposits held of RMB7,572.4 million, (ii), acquisition of property, plant and equipment and intangible assets of RMB1,010.0 million, and (iii) acquisition of financial assets FVTPL of RMB770.0 million, partially offset by (i) proceeds from time deposits and certificates of deposits held of RMB7,572.4 million, and (ii) proceeds from disposal of investments and financial assets of RMB1,245.0 million.

In 2023, we had net cash used in investing activities of RMB561.8 million, which primarily consists of (i) investment in time deposits and certificates of deposits held of RMB10,100.2 million, (ii) acquisition of property, plant and equipment and intangible assets of RMB1,731.5 million and (iii) acquisition of financial assets FVTPL of RMB808.0 million, partially offset by (i) proceeds from time deposits and certificates of deposits held of RMB11,085.6 million and (ii) proceeds from disposal of investments and financial assets of RMB826.7 million.

In 2022, we had net cash used in investing activities of RMB4,855.9 million, which primarily consists of (i) investment in time deposits and certificates of deposits held of RMB4,117.7 million, (ii) acquisition of property, plant and equipment and intangible assets of RMB966.1 million, and (iii) acquisition of financial assets FVTPL of RMB820.0 million, partially offset by (i) proceeds from time deposits and certificates of deposits held of RMB814.4 million, and (ii) bank interest received of RMB229.3 million.

Financing Activities

In 2024, we had net cash used in financing activities of RMB580.0 million, which primarily consists of (i) repayment of bank borrowings of RMB3,185.8 million, (ii) dividends paid of RMB587.3 million, and (iii) proceeds from repurchase of shares of RMB249.9 million, partially offset by (i) proceeds from bank borrowings of RMB3,610.3 million, and (ii) proceeds from restricted shares under share-award scheme of RMB110.3 million.

In 2023, we had net cash used in financing activities of RMB281.5 million, which primarily consists of (i) repayment of bank borrowings of RMB2,136.7 million, (ii) dividends paid of RMB736.3 million and (iii) proceeds from repurchase of shares of RMB100.0 million, partially offset by (i) proceeds from bank borrowings of RMB2,795.3 million, and (ii) release of restricted bank deposit of RMB39.1 million.

In 2022, we had net cash generated from financing activities of RMB2,333.3 million, which primarily consists of (i) proceeds from bank borrowings of RMB2,376.7 million, and (ii) proceeds from issue of ordinary shares of RMB1,973.8 million, and (iii) proceeds from restricted shares under share-award scheme of RMB165.3 million, partially offset by (i) repayment of bank borrowings of RMB1,485.4 million, and (ii) dividends paid of RMB599.9 million.

INDEBTEDNESS

The table below sets forth the indebtedness as of the dates indicated.

	As of December 31,			As of April 30,
	2022	2023	2024	2025
		(in RMB thousands)		
				(unaudited)
Current				
Borrowings	2,066,793	2,646,600	2,710,171	3,032,946
Lease liabilities	26,062	24,813	21,674	20,158
Subtotal	2,092,855	2,671,413	2,731,845	3,053,104
Non-current				
Borrowings	100,000	203,171	564,033	306,811
Lease liabilities	38,605	39,638	26,365	20,994
Subtotal	138,605	242,809	590,398	327,805
Total	**2,231,460**	**2,914,222**	**3,322,243**	**3,380,909**

Borrowings

During the Track Record Period, our borrowings primarily represented bank borrowings. As of December 31, 2022, 2023 and 2024, our borrowings amounted to RMB2,166.8 million, RMB2,849.8 million, and RMB3,274.2 million, respectively. We further recorded borrowings of RMB3,339.8 million as of April 30, 2025, being the most recent practicable date for determining our indebtedness. A majority of our borrowings were unsecured as of the same date.

During the Track Record Period, our borrowings were obtained from commercial banks and financial institutions, with the effective interest rates ranging from 0.85% to 4.10% per annum. Our bank borrowings agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. For details, see note 31 to "Appendix I — Accountants' Report."

As of April 30, 2025, being the most recent practicable date for determining our indebtedness, we had unutilized bank facilities of RMB8,720.0 million.

Lease Liabilities

Our lease liabilities, including current and non-current portions, were primarily in relation to our lease of land use rights and buildings used in our operations.

As of December 31, 2022, 2023, and 2024, and April 30, 2025, the balance of our lease liabilities, including both current and non-current portions, was RMB64.7 million, RMB64.5 million, RMB48.0 million and RMB41.2 million, respectively. The fluctuation reflects adjustments in our leasing arrangements over time, including termination or renewal of certain leases, addition of new leased spaces, or changes in lease terms.

During the Track Record Period and up to the Latest Practicable Date, save as disclosed above, we did not have any bank and other loans, or any issued and outstanding or agreed to be issued loan capital, bank overdrafts, borrowings or similar indebtedness, liabilities under acceptances (other than ordinary trade bills), acceptance credits, debentures, mortgages, charges, hire purchase commitments or finance lease commitments, guarantees or other material contingent liabilities.

There had not been any material change in our indebtedness since April 30, 2025 and up to the Latest Practicable Date. In addition, during the Track Record Period and up to the Latest Practicable Date, we did not have any material defaults or breaches of covenants in repayment of indebtedness.

CONTINGENT LIABILITIES

As of April 30, 2025, we did not have any material contingent liabilities.

CAPITAL EXPENDITURE AND COMMITMENTS

Capital Expenditure

Our historical capital expenditures have primarily been related to property, plant and equipment and intangible assets. In 2022, 2023 and 2024, our capital expenditures amounted to RMB966.1 million, RMB1,731.5 million and RMB1,010.0 million, respectively.

We plan to continue capital expenditures to support our business growth and expansion strategy. See "Future Plans and Use of **[REDACTED]** — Use of **[REDACTED]**." We intend to fund these expenditures with available financial resources, including cash generated from operations, net **[REDACTED]** from the **[REDACTED]**, and potential future equity or debt financing.

Capital Commitments

The table below sets forth the capital commitments as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	(in RMB thousands)		
Construction in progress	285,267	350,310	435,189
Total	**285,267**	**350,310**	**435,189**

RELATED PARTY TRANSACTIONS

Related party transactions are set out in Note 46 to "Appendix I — Accountants' Report." Our Directors confirm that these transactions were conducted at arm's length basis.

KEY FINANCIAL RATIOS

	Year Ended/As of December 31,		
	2022	2023	2024
Return on assets[1]	10.5%	6.4%	4.6%
Return on equity[2]	17.4%	10.9%	7.9%
Gearing ratio[3]	18.3%	22.6%	25.3%
Current ratio[4]	2.1	1.6	1.1
Quick ratio[5]	1.8	1.3	0.8

Notes:

1. Return on assets is calculated based on the total profit for the relevant year divided by the ending balance of total assets and multiplied by 100%.

2. Return on equity is calculated based on the total profit for the relevant year divided by the ending balance of total equity and multiplied by 100%.

3. Gearing ratio is calculated based on the borrowings and lease liabilities divided by the ending balance of total equity and multiplied by 100%.

4. Current ratio is calculated based on the total current assets divided by the total current liabilities as at the end of the respective year.

5. Quick ratio is calculated as total current assets less inventories divided by the total current liabilities as at the end of the respective year.

DISCLOSURE ABOUT FINANCIAL RISK

The main risks arising from our financial instruments are foreign currency risk, credit risk, liquidity risk and capital management risk.

Foreign Currency Risk

We have transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. In addition, we have currency exposures from our cash and cash equivalent. Fluctuations in exchange rates between RMB and other currencies in which we conduct business may affect our Group's financial condition and results of operations. See Note 42 to "Appendix I — Accountants' Report."

Credit Risk

Credit terms are granted to customers who are in good credit reputation. The Directors review significant trade debts at each reporting period's end to ensure adequate impairment provisions for irrecoverable amounts. We classify financial instruments on the basis of shared credit risk characteristics, such as instrument types and credit risk ratings for the purpose of determining significant increases in credit risk and calculation of impairment. See Note 40 and 42 to "Appendix I — Accountants' Report."

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting financial obligations due to shortage of funds. We monitor and maintain a level of cash and bank balances and unused banking facilities deemed adequate by management to finance our operations and mitigate the effects of fluctuations in cash flows. See Note 42 to "Appendix I — Accountants' Report."

Capital Management Risk

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support our business and maximize shareholders' value.

Our management regularly reviews the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. We will balance out overall capital structure through the payment of dividends, new share issues as well as the issue of new debts. No change was made in our overall strategy of managing capital during the years ended December 31, 2022, 2023 and 2024. See Note 41 to "Appendix I — Accountants' Report."

OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into, nor do we expect to enter into, any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of manufacturing partners. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging or research and development services with us.

DIVIDEND POLICY

Subject to PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號－上市公司現金分紅(2025年修訂)》), and the Articles of Association, we are required to pay cash dividends of no less than 30% of the distributable profits recorded in the fiscal year.

We adopted Shareholder Return Plan for 2024-2026 in 2024. We have strictly implemented this plan, which outlines the decision-making process for setting dividend standards and profit distribution policies, aiming to ensure a stable and consistent approach to profit distribution. Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

During the Track Record Period, we declared cash dividends to our Shareholders as follows:

	For the Year Ended December 31,		
	2022	**2023**	**2024**
	(in RMB thousands)		
Dividends attributable to the year	736,301	587,312	471,548

DISTRIBUTABLE RESERVE

As of December 31, 2024, our consolidated retained earnings amounted to RMB8,014.2 million, which is available for distribution to our Shareholders.

DISCLOSURE REQUIRED UNDER RULES 13.13 to 13.19 OF THE HONG KONG LISTING RULES

Except as otherwise disclosed in this Document, our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Hong Kong Listing Rules.

UNAUDITED [REDACTED] FINANCIAL INFORMATION

For details, see "Appendix II — Unaudited **[REDACTED]** Financial Information."

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, **[REDACTED]** commission and fees incurred in connection with the **[REDACTED]** and the **[REDACTED]**. Our **[REDACTED]** expenses are estimated to be approximately RMB**[REDACTED]** (including **[REDACTED]** commission) accounting for **[REDACTED]**% of the gross **[REDACTED]** of the **[REDACTED]**, assuming that an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the **[REDACTED]** range stated in this Document). Among our **[REDACTED]** expenses, approximately RMB**[REDACTED]** is directly attributable to the issuance of Shares and will be charged to equity upon completion of the **[REDACTED]**, and approximately RMB**[REDACTED]** has been or will be charged to our consolidated statement of comprehensive income. The **[REDACTED]** expenses we incurred in the Track Record Period and expect to incur would consist of approximately RMB**[REDACTED]** related expenses and fees (including **[REDACTED]** commissions, SFC transaction levy, Hong Kong Stock Exchange trading fee and AFRC transaction levy), approximately RMB**[REDACTED]** non-**[REDACTED]**-related expenses and fees including fees for the Joint Sponsors, legal advisors and reporting accountant and approximately RMB**[REDACTED]** for other non-**[REDACTED]**-related fees and expenses. During the Track Record Period, we did not record any **[REDACTED]** expense.

The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

NO MATERIAL ADVERSE CHANGE AND RECENT DEVELOPMENTS

Our Directors confirmed that, as of the date of this Document, there has been no material adverse change in our financial position since December 31, 2024, and there has been no event since December 31, 2024 that would materially affect the information as set out in the Accountants' Report in Appendix I to this Document.

OVERVIEW

As of the Latest Practicable Date, the Company was held as to approximately (i) 11.15% by Mr. Wong Ching Chung, (ii) 10.90% by Mr. Wang Yiran, (iii) 10.82% by Mr. Sun Yonghui, (iv) 5.31% by Ms. Yu Wei, (v) 4.98% by Mr. Zhou Kaiqi, and (vi) 3.92% by Mr. You Tianyuan. For a simplified corporate structure chart of the Group before the [**REDACTED**], see "History, Development and Corporate Structure" in this Document.

In order to improve the efficiency of Shareholders' decision-making process, Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan entered into the Acting-in-Concert Agreement on June 2, 2011, pursuant to which, each of Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan had agreed, among others, to act in concert when voting at general meetings of the Company and meetings of the Board. Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan entered into a supplemental agreement to the Acting-in-Concert Agreement on January 5, 2012 to further confirm the acting-in-concert arrangement under the Acting-in-Concert Agreement and further renewed the Acting-in-Concert Agreement on January 17, 2022 and January 16, 2025, respectively. Pursuant to the renewed Acting-in-Concert Agreement dated January 16, 2025, each of Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan have agreed, among others, to act in concert when voting at general meetings of the Company and meetings of the Board until January 15, 2028. Accordingly, immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan will collectively control in aggregate approximately [**REDACTED**]% of the total issued share capital of the Company and be entitled to exercise more than 30% of the voting power at general meetings of the Company. Therefore, Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan will together constitute a group of the Controlling Shareholders under the Hong Kong Listing Rules upon the [**REDACTED**].

INTEREST IN COMPETING BUSINESS

Each of the Controlling Shareholders confirms that he/she had no interest in any business apart from the business of the Group which competes or is likely to compete, either directly or indirectly, with the business of the Group, which would require disclosure under Rule 8.10 of the Hong Kong Listing Rules as of the Latest Practicable Date.

NON-COMPETITION UNDERTAKING

Each of the Controlling Shareholders has provided a non-competition undertaking to the Company, pursuant to which each of the Controlling Shareholders has undertaken that, among others:

(i) each of the Controlling Shareholders and other enterprises controlled by them will not directly or indirectly actually engage in any business activity in any way that competes with the business of the Group within the same industry; and if there is such business, the revenues generated therefrom shall belong to the Company;

(ii) each of the Controlling Shareholders will not actually engage in any business or activity in any way that may have an adverse impact on the operation and development of the Group;

(iii) if in the future there is a situation where the business actually engaged in by a wholly-owned, controlling or associate enterprise of any of the Controlling Shareholders constitutes competition with the Group, he/she agrees to consolidate such business to the operations of the Company through effective ways to eliminate the situation of competition within the same industry; and the Company shall have the right to require him/her to transfer part or all of the equity interests or shares in such enterprise at any time, and he/she shall grant the Company the preemptive right to purchase such equity interests or shares in such business and shall make best effort to procure that the consideration of the relevant transaction is fair and reasonable;

(iv) if any of the Controlling Shareholders obtains a business opportunity from a third party that falls within the scope of the principal business of the Group, he/she will promptly inform the Group of such opportunity and will, to the extent possible, assist the Group in obtaining such business opportunity; and

(v) if any of the Controlling Shareholders fails to fulfill the above undertakings, he/she would compensate the Company for any economic losses suffered as a result thereof.

INDEPENDENCE FROM THE CONTROLLING SHAREHOLDERS

Having considered the following factors, the Directors are satisfied that the Group is capable of carrying on its business independently from the Controlling Shareholders after the [**REDACTED**].

Management Independence

The Group's business is managed and conducted by the Board and senior management. Upon the [**REDACTED**], the Board will consist of ten Directors comprising four executive Directors, two non-executive Directors and four independent non-executive Directors. For more information, see "Directors, Supervisors and Senior Management." The Directors consider that the Board and senior management of the Company are capable of functioning independently of the Controlling Shareholders for the following reasons:

(i) the Group's daily management and operations are carried out by a senior management team, all of whom have substantial experiences in the industry in which the Company is engaged as detailed in "Directors, Supervisors and Senior Management," and will therefore be able to make business decisions that are in the best interest of the Group;

(ii) each Director is aware of his/her fiduciary duties as a Director which require, among other things, that he/she must act for the benefit and in the interest of the Company and the Shareholders as a whole, and not allow any conflict between his/her duties as a Director and his/her personal interests;

(iii) the Company has four independent non-executive Directors and its independent non-executive Directors individually and collectively possess the requisite knowledge and experience, and all of them will be able to provide professional and experienced advice to the Company. In conclusion, the Directors believe that the independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of the Board and protect the interest of the Company and the Shareholders as a whole;

(iv) as an A-share listed company, the Company has formulated and adopted a comprehensive internal control and management system in compliance with the relevant requirements of the rules of the Shenzhen Stock Exchange. The Directors shall not vote in any resolution in respect of any contract or arrangement or any other proposal in which he/she has a material interest. Hence, none of the Directors will be able to influence the Board in making decisions on matters in which he or she is, or may be interested; and

(v) the Company has adopted a series of corporate governance measures to manage conflicts of interest, if any, between the Group and the Controlling Shareholders which would support the Group's independent management. See " — Corporate Governance Measures" in this section for further information.

Based on the above, the Directors are satisfied that they are able to perform their managerial roles in the Company independently, and the Directors are of the view that the Group is capable of managing its business independently from the Controlling Shareholders after the [**REDACTED**].

Operational Independence

The Group has full rights to make business decisions and to carry out its business independently from the Controlling Shareholders. The Directors consider that the Company will continue to be operationally independent from the Controlling Shareholders after the [**REDACTED**] on the following grounds:

(i) the Group has sufficient capital, facilities, equipment and employees to operate its business independently from the Controlling Shareholders;

(ii) the Group has independent access to its customers and suppliers;

(iii) the Group has its own administrative and corporate governance infrastructure, including its own accounting, legal and human resources departments; and

(iv) none of the Controlling Shareholders had any interests in any business which competes or is likely to compete with the business of the Group which would require disclosure under Rule 8.10 of the Hong Kong Listing Rules as of the Latest Practicable Date.

Based on the above, the Directors believe that the Group is able to operate independently from the Controlling Shareholders.

Financial Independence

The Group has independent internal control and accounting systems. The Group also has an independent finance department responsible for discharging the financial management, accounting, reporting, funding and treasury function of the Group. The Group is capable of obtaining financing from third parties, if necessary, without reliance on the Controlling Shareholders.

As of the Latest Practicable Date, the Group did not have any outstanding loans granted or guaranteed by any of the Controlling Shareholders.

Based on the above, the Directors are of the view that the Group is capable of carrying on its business independently from, and do not place undue reliance on, the Controlling Shareholders after the [**REDACTED**].

CORPORATE GOVERNANCE MEASURES

The Company and the Directors recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of the minority Shareholders.

The Company has adopted, among others, the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between the Group and the Controlling Shareholders:

(i) where a Board meeting is to be held for considering matters in which any Director or his/her associates have a material interest, the relevant Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(ii) where a Shareholders' meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their respective close associates have a material interest, the relevant Controlling Shareholder(s) or close associate(s) will not vote on the relevant resolutions;

(iii) the Company has established internal control mechanisms to identify connected transactions and related party transactions. Upon the [**REDACTED**], if the Company enters into connected transactions or related party transactions with the Controlling Shareholders or any of their close associates, the Company will comply with the applicable laws and regulations, including the Hong Kong Listing Rules;

(iv) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between the Group and the Controlling Shareholders and provide impartial and professional advice to protect the interests of the minority Shareholders;

(v) the Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by applicable laws and regulations, including the Hong Kong Listing Rules;

(vi) where the Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at the Company's expense;

(vii) the Company has appointed Somerley Capital Limited as the Compliance Advisor to provide advice and guidance to the Company in respect of compliance with the applicable laws and regulations, as well as the Hong Kong Listing Rules, including various requirements relating to corporate governance; and

(viii) the Company has established the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Strategy and ESG Committee with written terms of reference in compliance with the Hong Kong Listing Rules and the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules (where applicable).

Based on the above, the Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between the Group and the Controlling Shareholders, and to protect the minority Shareholders' interests after the [**REDACTED**].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the total issued share capital of the Company was RMB696,016,545, comprising 696,016,545 A Shares of nominal value RMB1.00 each, all of which are listed on the Shenzhen Stock Exchange.

UPON COMPLETION OF THE [REDACTED]

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the issued share capital of the Company will be as follows:

	Number of Shares	Approximately % of issued share capital
A Shares in issue	696,016,545	**[REDACTED]**%
H Shares to be issued pursuant to the **[REDACTED]**	[REDACTED]	[REDACTED]%
Total	[REDACTED]	**100.00%**

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is exercised in full), the issued share capital of the Company will be as follows:

	Number of Shares	Approximately % of issued share capital
A Shares in issue	696,016,545	**[REDACTED]**%
H Shares to be issued pursuant to the **[REDACTED]**	[REDACTED]	[REDACTED]%
Total	[REDACTED]	**100.00%**

THE SHARES

Upon the completion of the **[REDACTED]**, the Shares of the Company will consist of A Shares and H Shares. The A Shares and H Shares are all ordinary Shares in the share capital of the Company. Apart from certain qualified domestic institutional investors in mainland China, the qualified investors in mainland China under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (if the H Shares are eligible securities for that purpose) and other persons who are entitled to hold the H

Shares pursuant to relevant PRC law or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons in mainland China.

Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between mainland China and Hong Kong. The A Shares can be traded by investors in mainland China, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As the A Shares are eligible securities under the Northbound Trading Link, they can also be traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. If the H Shares are eligible securities under the Southbound Trading Link, they can also be traded by investors in mainland China in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

The A Shares and H Shares are generally neither interchangeable nor fungible, and the market prices of the A Shares and H Shares may be different after the **[REDACTED]**. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (H股公司境內未上市股份申請「全流通」業務指引) announced by the CSRC are not applicable to companies dual listed in mainland China and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for **[REDACTED]** and **[REDACTED]** on the Hong Kong Stock Exchange.

RANKING

The A Shares and H Shares are regarded as one class of Shares under the Articles of Association and shall rank *pari passu* with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be paid by the Company in Hong Kong dollars whereas all dividends in respect of the A Shares are to be paid by the Company in Renminbi. In addition to cash, dividends could also be distributed in the form of Shares. Holders of the H Shares will receive scrip dividends in the form of H Shares, and holders of the A Shares will receive scrip dividends in the form of A Shares.

APPROVAL FROM SHAREHOLDERS REGARDING THE [REDACTED]

The Company obtained its Shareholders' approval to issue H Shares and seek the **[REDACTED]** of H Shares on the Hong Kong Stock Exchange at the general meeting of the Company held on May 30, 2025. Pursuant to such approval, among other things, (i) the proposed number of H Shares to be **[REDACTED]** shall not exceed **[REDACTED]**% of the total issued share capital enlarged by the H Shares to be issued pursuant to the **[REDACTED]** (before the exercise of the **[REDACTED]**); and (ii) the number of H Shares to be issued pursuant to the full exercise of the **[REDACTED]** shall not exceed **[REDACTED]**% of the total number of H Shares to be offered initially under the **[REDACTED]**.

The issue of H Shares and **[REDACTED]** of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date when the Shareholders' meeting was held on May 30, 2025.

There is no other approved [**REDACTED**] plan for the Shares except for the [**REDACTED**].

GENERAL MEETINGS

For details of circumstance under which general meetings of the Company are required, see "Summary of the Articles of Association — Shareholders and Shareholders' General Meetings" in Appendix III to this Document.

SHARE SCHEME

As of the Latest Practicable Date, the Company had one share scheme, i.e., the Stock Ownership Plan. For details of the Stock Ownership Plan, see "Statutory and General Information — Stock Ownership Plan" in Appendix IV to this Document.

So far as the Directors are aware, immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the following persons will have an interest or short position in the Shares and/or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued Shares of the Company.

Name of Shareholder	Nature of interest	Number and description of Shares or underlying Shares held	Shareholding as of the Latest Practicable Date		Shareholding upon completion of the [REDACTED][(1)]	
			in A Shares	in total issued share capital	in A Shares	in total issued share capital
Mr. Wong Ching Chung[(2)]	Beneficial owner	77,616,000 A Shares	11.15%	11.15%	11.15%	[REDACTED]%
	Interest held jointly with other persons	250,008,000 A Shares	35.92%	35.92%	35.92%	[REDACTED]%
	Interest in controlled corporation[(4)]	2,563,644 A Shares	0.37%	0.37%	0.37%	[REDACTED]%
Mr. Wang Yiran[(2)(3)]	Beneficial owner	75,856,000 A Shares	10.90%	10.90%	10.90%	[REDACTED]%
	Interest held jointly with other persons	251,768,000 A Shares	36.17%	36.17%	36.17%	[REDACTED]%
	Interest of spouse	7,920,000 A Shares	1.14%	1.14%	1.14%	[REDACTED]%
	Interest in controlled corporation[(4)]	2,563,644 A Shares	0.37%	0.37%	0.37%	[REDACTED]%
Mr. Sun Yonghui[(2)]	Beneficial owner	75,275,200 A Shares	10.82%	10.82%	10.82%	[REDACTED]%
	Interest held jointly with other persons	252,348,800 A Shares	36.26%	36.26%	36.26%	[REDACTED]%
	Interest in controlled corporation[(4)]	2,563,644 A Shares	0.37%	0.37%	0.37%	[REDACTED]%
Ms. Yu Wei[(2)]	Beneficial owner	36,960,000 A Shares	5.31%	5.31%	5.31%	[REDACTED]%
	Interest held jointly with other persons	290,664,000 A Shares	41.76%	41.76%	41.76%	[REDACTED]%
	Interest in controlled corporation[(4)]	2,563,644 A Shares	0.37%	0.37%	0.37%	[REDACTED]%

Name of Shareholder	Nature of interest	Number and description of Shares or underlying Shares held	Shareholding as of the Latest Practicable Date		Shareholding upon completion of the [REDACTED][1]	
			in A Shares	in total issued share capital	in A Shares	in total issued share capital
Mr. Zhou Kaiqi[2].............	Beneficial owner	34,636,800 A Shares	4.98%	4.98%	4.98%	[REDACTED]%
	Interest held jointly with other persons	292,987,200 A Shares	42.09%	42.09%	42.09%	[REDACTED]%
	Interest in controlled corporation[4]	2,563,644 A Shares	0.37%	0.37%	0.37%	[REDACTED]%
Mr. You Tianyuan[2]..........	Beneficial owner	27,280,000 A Shares	3.92%	3.92%	3.92%	[REDACTED]%
	Interest held jointly with other persons	300,344,000 A Shares	43.15%	43.15%	43.15%	[REDACTED]%
	Interest in controlled corporation[4]	2,563,644 A Shares	0.37%	0.37%	0.37%	[REDACTED]%

Notes:

(1) The calculation is based on the total number of **[REDACTED]** Shares in issue immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

(2) Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan have entered into the Acting-in-Concert Agreement. For details, see "Relationship with the Controlling Shareholders — Overview." By virtue of the SFO, they are deemed to be interested in the Shares held by each other.

(3) As of the Latest Practicable Date, the spouse of Mr. Wang Yiran held 7,920,000 A Shares. By virtue of the SFO, Mr. Wang Yiran is deemed to be interested in the Shares held by his spouse.

(4) As of the Latest Practicable Date, there were 2,563,644 repurchased A Shares held by the Company as treasury shares. The Controlling Shareholders who control more than one-third of the voting power at the general meetings of the Company would be taken to have an interest in such treasury shares held by the Company.

Save as disclosed above and in "Statutory and General Information" in Appendix IV to this Document, the Directors are not aware of any person who will, immediately following the **[REDACTED]** (and the **[REDACTED]** of any additional H Shares pursuant to the **[REDACTED]**), have an interest or short position in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will, directly or indirectly, be interested in 10% or more of the issued voting shares of any other members of the Group.

OVERVIEW

Upon the **[REDACTED]**, the Board will consist of ten Directors, comprising four executive Directors, two non-executive Directors and four independent non-executive Directors. The Directors serve a term of three years and are eligible for re-election upon expiry of their term of office.

The Supervisory Committee is primarily responsible for supervising the performance of duties of the Board and senior management, as well as overseeing financial operations, internal controls, and risk management. The Supervisory Committee consists of three Supervisors, including one employee representative Supervisor. The Supervisors serve a term of three years and are eligible for re-election upon expiry of their term of office.

DIRECTORS

The following table sets out information about the Directors:

Name	Age	Position	Responsibilities	Date of Appointment as Director	Time of Joining the Group
Mr. Wang Yang (王洋)	42	Executive Director and chairman of the Board	Responsible for the strategic planning and decision making of the Group	November 12, 2019	August 2007
Mr. Zhou Kaiqi (周開琪)	44	Executive Director, vice chairman of the Board and general manager	Responsible for the daily management and operations of the Group	October 26, 2022	December 2005
Ms. Yu Wei (于偉) ...	47	Executive Director	Responsible for the supply chain management of the Group	December 24, 2011	December 2005
Dr. Yang Ming (楊銘)	39	Executive Director and chief technology officer	Responsible for the technological research and development and innovation of the Group	January 22, 2021	March 2015

Name	Age	Position	Responsibilities	Date of Appointment as Director	Time of Joining the Group
Mr. Wong Ching Chung (黃正聰) …	57	Non-executive Director	Responsible for providing advice on the operations and management of the Group	December 24, 2011	December 2010
Mr. Wang Yiran (王毅然) …………	45	Non-executive Director	Responsible for providing advice on the operations and management of the Group	December 24, 2011	December 2005
Dr. Huang Jiwu (黃繼武) …………	62	Independent non-executive Director	Responsible for supervising and providing independent judgment to the Board	January 22, 2021	January 2021
Dr. Liu Yunguo (劉運國) …………	59	Independent non-executive Director	Responsible for supervising and providing independent judgment to the Board	January 19, 2024	January 2024
Dr. Zhu Yikun (朱義坤) …………	57	Independent non-executive Director	Responsible for supervising and providing independent judgment to the Board	January 19, 2024	January 2024
Mr. Liu Da (劉逵) ….	49	Independent non-executive Director	Responsible for supervising and providing independent judgment to the Board	[REDACTED]	[REDACTED]

Executive Directors

Mr. Wang Yang (王洋), aged 42, is an executive Director and chairman of the Board. He is responsible for the strategic planning and decision making of the Group.

Mr. Wang joined the Group in August 2007. From August 2007 to October 2017, he served successively as a software engineer, product manager, deputy general manager and the general manager of the TV mainboard business of the Group. From November 2017 to March 2019, he served as the president of the device design and supply chain service business unit of the Group. From April 2019 to November 2019, he was the chief overseas marketing officer of the Company. Mr. Wang has been serving as a Director since November 2019. He served as the general manager of the Company from March 2020 to April 2023, the vice chairman of the Board from January 2021 to April 2023 and has been serving as the chairman of the Board since April 2023. He was re-designated as an executive Director on May 30, 2025 with effect from the [**REDACTED**].

Mr. Wang obtained a bachelor's degree in computer science from the University of Electronic Science and Technology of China (電子科技大學) in the PRC in July 2005, and an EMBA degree from China Europe International Business School (中歐國際工商學院) in the PRC in October 2019.

Mr. Zhou Kaiqi (周開琪), aged 44, is an executive Director, the vice chairman of the Board, and the general manager of the Company. He is responsible for the daily management and overall business operations of the Group.

Mr. Zhou joined the Group in December 2005 as a software engineer until April 2011. He then served as the deputy general manager of the Company from December 2011 to April 2023, and has been serving as a Director since October 2022, and the vice chairman of the Board and general manager of the Company since April 2023. He was re-designated as an executive Director on May 30, 2025 with effect from the [**REDACTED**].

Mr. Zhou obtained a bachelor's degree in detection, guidance and control technology from Northwestern Polytechnical University (西北工業大學) in the PRC in July 2002, and an EMBA degree from Tsinghua University (清華大學) in the PRC in June 2021.

Ms. Yu Wei (于偉), aged 47, is an executive Director. She is responsible for the supply chain management of the Group.

Ms. Yu joined the Group in December 2005, and successively served as an engineer, technical manager, and the general manager of research and development from December 2005 to December 2011. She has been serving as a Director since December 2011 and was re-designated as an executive Director on May 30, 2025 with effect from the [**REDACTED**].

Ms. Yu obtained a bachelor's degree in electronic instruments and testing technology from Shandong University of Science and Technology (山東科技大學) in the PRC in July 1999, and an EMBA degree from Xiamen University (廈門大學) in the PRC in June 2022.

Dr. Yang Ming (楊銘), aged 39, is an executive Director and the chief technology officer of the Company. He is responsible for the technological research and development and innovation of the Group.

Dr. Yang joined the Group in March 2015 and successively served as a senior researcher, executive researcher, and deputy director and director of central research institute from March 2015 to November 2023. He then served as a deputy general manager of the Company from December 2017 to January 2021, and has been serving as the chief technology officer of the Company since December 2017, and a Director since January 2021. He was re-designated as an executive Director on May 30, 2025 with effect from the [**REDACTED**].

Dr. Yang obtained a bachelor's degree and a doctoral degree in computer science from Sun Yat-sen University (中山大學) in the PRC in June 2009 and December 2014, respectively. He was qualified as a professor-level senior engineer (正高級工程師) by the Guangdong Provincial Senior Professional Titles Evaluation Committee for Artificial Intelligence Engineering Technology Talent (廣東省人工智能工程技術人才高級職稱評審委員會) in June 2024.

Non-Executive Directors

Mr. Wong Ching Chung (黃正聰), aged 57, is a non-executive Director. He is responsible for providing advice on the operations and management of the Group.

Mr. Wong joined the Group in December 2010. He served as the chairman of the Board from December 2011 to December 2017, and has been serving as a Director since December 2011. He was re-designated as a non-executive Director on May 30, 2025 with effect from the [**REDACTED**].

Mr. Wong is currently pursuing doctoral degrees in business administration at Cheung Kong Graduate School of Business (長江商學院) in the PRC and Singapore Management University in Singapore.

Mr. Wang Yiran (王毅然), aged 45, is a non-executive Director. He is responsible for providing advice on the operations and management of the Group.

Mr. Wang joined the Group in December 2005, and successively served as an engineer, technical manager, sales manager, and sales director from December 2005 to December 2011. He served as the general manager of the Company from December 2011 to March 2017, and has been serving as a Director since December 2011. He served as the vice chairman of the Board from November 2018 to April 2019 and the chairman of the Board from April 2019 to April 2023. He was re-designated as a non-executive Director on May 30, 2025 with effect from the [**REDACTED**].

Mr. Wang obtained a bachelor's degree in electronic information from Northwestern Polytechnical University (西北工業大學) in the PRC in July 2001, and an EMBA degree from China Europe International Business School (中歐國際工商學院) in Shanghai, the PRC in June 2014.

Independent Non-Executive Directors

Dr. Huang Jiwu (黃繼武), aged 62, is an independent non-executive Director. He is responsible for supervising and providing independent judgment to the Board. Dr. Huang has been serving as an independent Director since January 2021, and was re-designated as an independent non-executive Director on May 30, 2025 with effect from the [**REDACTED**].

Dr. Huang has been a professor at Shenzhen MSU-BIT University (深圳北理莫斯科大學) since June 2024. He served as a distinguished professor at the College of Electronics and Information Engineering, Shenzhen University (深圳大學電子與信息工程學院) from December 2013 to June 2024, and a professor of the School of Information Technology, Sun Yat-sen University (中山大學信息科技學院) from December 1999 to November 2013.

Dr. Huang obtained a bachelor's degree in electronic countermeasures from Xidian University (西安電子科技大學) (formerly known as Northwestern Telecommunication Engineering Institute (西北電訊工程學院)) in the PRC in January 1982, a master's degree in communication and electronic systems from Tsinghua University (清華大學) in the PRC in December 1987, and a doctoral degree in pattern recognition and intelligent systems from the Institute of Automation, Chinese Academy of Sciences (中國科學院自動化研究所) in the PRC in December 1998.

Dr. Liu Yunguo (劉運國), aged 59, is an independent non-executive Director. He is responsible for supervising and providing independent judgment to the Board. Dr. Liu has been serving as an independent Director since January 2024, and was re-designated as an independent non-executive Director on May 30, 2025 with effect from the [**REDACTED**]. Based on his experiences listed below, Dr. Liu possesses appropriate professional accounting or related financial management expertise under Rule 3.10(2) of the Hong Kong Listing Rules.

Dr. Liu has been teaching accounting at the School of Management, Sun Yat-sen University (中山大學管理學院) since December 1999. He has been a professor of accounting since December 2007 and a doctoral advisor since 2008. Prior to that, he served as an assistant lecturer and lecturer at Guangdong Business College (廣東商學院) (currently known as Guangdong University of Finance and Economics (廣東財經大學)) from July 1995 to December 1999.

Dr. Liu holds or held independent directorship in several listed companies, including:

- an independent director of Guangzhou Haige Communications Group Incorporated Company (廣州海格通信集團股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002465.SZ) since December 2022;

- an independent director of Guangdong HAID Group Co., Limited (廣東海大集團股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002311.SZ) from July 2019 to June 2025;

- an independent director of Guangdong Daya Smart Kitchen Appliances Co., Ltd. (廣東大雅智能廚電股份有限公司) (a company listed on the National Equities Exchange and Quotations, stock code: 837009.NEEQ) from June 2017 to November 2022; and

- an independent director of Shenzhen Heungkong Holding Co., Ltd. (深圳香江控股股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600162.SH) from May 2016 to May 2022.

Dr. Liu's achievements in the field of accounting have also been recognized by government agencies and academic institutions. For example, he was selected for the Accounting Masters Training Program (會計名家培養工程) organized by the Ministry of Finance of the People's Republic of China (中華人民共和國財政部, the "**MOF**"), the "Special Support Program (特支計劃)" by the MOF, and was awarded the Leading Accounting Talent by the MOF. In addition, Dr. Liu has been a committee member of the Management Accounting Professional Committee of the Accounting Society of China (中國會計學會管理會計專業委員會) since 2017, vice president of the Guangdong Association of Management Accountants (廣東省管理會計師協會) since 2022 and vice president of the Advisory Branch of the China Association of Chief Financial Officers (中國總會計師協會諮詢分會) since 2022.

Dr. Liu obtained a master's degree in economics (accounting) from Changchun Taxation College (長春稅務學院, currently known as Jilin University of Finance and Economics (吉林財經大學)) in the PRC in June 1995, and a doctoral degree in management (accounting) from Xiamen University (廈門大學) in the PRC in September 2001.

As a professor and doctoral advisor of accounting and/or director of listed companies, Dr. Liu has been and continues to be responsible for the following works, through which he has gained the financial management expertise under Rule 3.10(2) of the Hong Kong Listing Rules:

- a professor and doctoral advisor at the School of Management, Sun Yat-sen University, responsible for teaching accounting, auditing, and financial management-related courses; and

- chairman or member of the audit committee of listed companies, participating in their financial management, including annual budget meetings, regular financial reviews, annual financial auditing and reporting.

Dr. Zhu Yikun (朱義坤), aged 57, is an independent non-executive Director. He is responsible for supervising and providing independent judgment to the Board. Dr. Zhu has been serving as an independent Director since January 2024, and was re-designated as an independent non-executive Director on May 30, 2025 with effect from the **[REDACTED]**.

Dr. Zhu has been teaching at Jinan University (暨南大學) since January 1992 and currently serves as a professor and doctoral advisor at the Law School/Intellectual Property School, Jinan University (暨南大學法學院/知識產權學院) and is also the associate dean of the One Country, Two Systems and the Basic Law Institute, Jinan University (暨南大學一國兩制與基本法研究院). Dr. Zhu has been serving as an independent director of Guangdong Construction Engineering Group Co., Ltd. (廣東省建築工程集團股份有限公司) (002060.SZ) since September 2020, and served as an independent director of Guangdong Hongtu Technology (Holdings) Co., Ltd. (廣東鴻圖科技股份有限公司) (002101.SZ) from August 2018 to June 2022.

Dr. Zhu obtained a bachelor's degree in English from Sichuan International Studies Institute (四川外語學院) in the PRC in July 1988, a master's degree in civil and commercial laws from Southwest Institute of Political Science and Law (西南政法學院, currently known as Southwest University of Political Science and Law (西南政法大學)) in the PRC in March 1991, and a doctoral degree in industrial economics from Jinan University (暨南大學) in the PRC in June 1999. He was granted a lawyer qualification certificate by the Department of Justice, Guangdong (廣東省司法廳) in June 1995.

Mr. Liu Da (劉達), aged 49, was appointed as an independent non-executive Director on May 30, 2025 with effect from the [**REDACTED**]. He is responsible for supervising and providing independent judgment to the Board.

Mr. Liu has been the managing partner of Key Wealth Capital Company Limited (愷華資本有限公司) and its associated companies since December 2010. He served as an independent non-executive director of Long Ji Tai He Holding Limited (隆基泰和控股有限公司, currently known as Xinda Investment Holdings Limited (鑫達投資控股有限公司), a company listed on the Hong Kong Stock Exchange, stock code 1281.HK) from February 2015 to October 2015, and served as an executive director and chief financial officer of Landsea Green Properties Co., Ltd. (朗詩綠色地產有限公司, currently known as Landsea Green Management Limited (朗詩綠色管理有限公司), a company listed on the Hong Kong Stock Exchange, stock code 0106.HK) from July 2013 to January 2015. Mr. Liu worked as an audit manager and senior audit manager of the Guangzhou Branch of PricewaterhouseCoopers from July 1998 to March 2009.

Mr. Liu holds or held independent directorship in several listed companies, including:

- an independent non-executive director of Kimou Environmental Holding Limited (金茂源環保控股有限公司) (a company listed on the Hong Kong Stock Exchange, stock code 6805.HK) since March 2023;

- an independent director of Guangdong Dongfang Precision Science & Technology Co., Ltd. (廣東東方精工科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code 002611.SZ) from August 2022 to September 2024; and

- an independent non-executive director of Zensun Enterprises Limited (正商實業有限公司) (formerly known as Heng Fai Enterprises Limited (恆輝企業控股有限公司) and ZH International Holdings Limited (正恆國際控股有限公司), a company listed on the Hong Kong Stock Exchange, stock code 0185.HK) since July 2015.

Mr. Liu obtained a bachelor's degree in international enterprise administration from the University of International Business and Economics (對外經濟貿易大學) in the PRC in July 1998. He has been a member of the Chinese Institute of Certified Public Accountants since January 2000.

Mr. Liu possesses appropriate professional accounting or related financial management expertise as required under Rule 3.10(2) of the Hong Kong Listing Rules.

SUPERVISORS

The following table sets out information about the Supervisors:

Name	Age	Position	Responsibilities	Date of first appointment	Time of Joining the Group
Ms. Zhang Lixiang (張麗香)	42	Chairperson of the Supervisory Committee and employee representative Supervisor	Responsible for supervising the Group's financial affairs and overseeing the Board and senior management	November 30, 2018	December 2005
Mr. Lin Weichou (林偉疇)	50	Supervisor	Responsible for supervising the Group's financial affairs and overseeing the Board and senior management	January 22, 2021	December 2005
Mr. Chen Hui (陳輝)	40	Supervisor	Responsible for supervising the Group's financial affairs and overseeing the Board and senior management	May 12, 2022	March 2006

Ms. Zhang Lixiang (張麗香), aged 42, is the chairperson of the Supervisory Committee and employee representative Supervisor.

Ms. Zhang joined the Group in December 2005 as a procurement officer until November 2018. She has been serving as the manager of the procurement department and an employee representative Supervisor since November 2018, and the chairperson of the Supervisory Committee since May 2022.

Ms. Zhang graduated from China Central Radio and TV University (中央廣播電視大學, currently known as The Open University of China (國家開放大學)) in the PRC in July 2011 majoring in finance (money and banking).

Ms. Zhang received a letter from Guangdong Regulatory Bureau of the CSRC in August 2024 and a letter from the Shenzhen Stock Exchange in September 2024 (collectively, the "**Letters**"), respectively, regarding her spouse's failure to comply with relevant PRC securities regulations when selling the A Shares. The spouse of Ms. Zhang sold the A Shares within six months from the date of purchasing such A Shares (the "**Transactions**") and earned a profit of RMB19,281 from the Transactions, which violated, among others, the PRC Securities Law, the Shenzhen Stock Exchange Listing Rules and other applicable PRC securities laws, regulations and regulatory provisions. All such profit of RMB19,281 from the Transactions have been remitted to the Company. As of the Latest Practicable Date, apart from the Letters, Ms. Zhang was not subject to any further penalties or involved in any other investigations, hearings or proceedings brought or initiated by any securities regulatory authorities or stock exchanges. As advised by the PRC Legal Advisor to the Company, pursuant to applicable PRC laws and regulations, the Letters do not constitute an administrative penalty, and do not affect Ms. Zhang's eligibility to serve as a Supervisor. The Company has implemented internal control measures, including, among others, written internal policies governing securities transactions by Directors, Supervisors, and senior management to prevent the reoccurrence of similar incidents, and the Company will issue notifications to all Directors, Supervisors, and relevant employees to remind them of the lock-up period and transaction restrictions under the Hong Kong Listing Rules.

Mr. Lin Weichou (林偉疇), aged 50, is a Supervisor.

Mr. Lin joined the Group in December 2005 and served as a research and development manager until January 2018. From January 2018 to April 2018, he served as a director of the information center. He has been serving as the deputy chief engineer of the Company since April 2018 and a Supervisor since January 2021.

Mr. Lin obtained a bachelor's degree in telecommunications engineering from South China University of Technology (華南理工大學) in the PRC in July 1998.

Mr. Chen Hui (陳輝), aged 40, is a Supervisor.

Mr. Chen joined the Group in March 2006 as a research and development engineer until July 2018. He has been serving as the chief software engineer of the Company since July 2018 and a Supervisor since May 2022.

Mr. Chen graduated from Huaruan Software College of Guangzhou University (廣州大學華軟軟件學院) (currently known as the Software Engineering Institute of Guangzhou (廣州軟件學院)) in the PRC majoring in network security in June 2006.

SENIOR MANAGEMENT

The following table sets out information about the senior management of the Company:

Name	Age	Position	Responsibilities	Date of first appointment	Time of joining the Group
Mr. Zhou Kaiqi (周開琪) …………	44	Executive Director, vice chairman of the Board and general manager	Responsible for the daily management and operations of the Group	December 25, 2011	December 2005
Mr. Hu Lihua (胡利華) …………	52	Person-in-charge of finance (finance director)	Responsible for the financial management of the Group	January 21, 2022	December 2021
Mr. Fei Wei (費威) …………..	41	Board secretary and joint company secretary	Responsible for the listed company information disclosure, regulatory compliance and investor relations affairs of the Group	May 27, 2022	September 2021

For biographical details of Mr. Zhou Kaiqi, please refer to "— Directors — Executive Directors" above.

Mr. Hu Lihua (胡利華), aged 52, is the person-in-charge of finance (finance director) of the Company. He is responsible for the Group's financial management of the Group.

Mr. Hu provided financial advisory services to the Group from September 2021 to November 2021. He joined the Group in December 2021 and has been serving as the person-in-charge of finance (finance director) of the Company since January 2022.

Prior to joining the Group, Mr. Hu was the person-in-charge of finance of TCL Industries Holdings Co., Ltd. (TCL實業控股股份有限公司) from February 2019 to December 2020, and served as an executive director and the chief financial officer of TCL Electronics Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code 1070.HK). Prior to that, he was a director and the chief financial officer of TCL China Star Optoelectronics Technology Co., Ltd. (TCL華星光電技術有限公司).

Mr. Hu obtained a bachelor's degree in business administration from China Central Radio and TV University (中央廣播電視大學, currently known as The Open University of China (國家開放大學)) in the PRC in January 2007 and an EMBA degree from China Europe International Business School (中歐國際工商學院) in the PRC in October 2011. He obtained the Certified Public Accountant qualification from the Chinese Institute of Certified Public Accountants in July 2000.

Mr. Fei Wei (費威), aged 41, is the Board secretary and joint company secretary of the Company. He is responsible for the listed company information disclosure, regulatory compliance and investor relations affairs of the Group.

Mr. Fei joined the Group in September 2021 as a business vice president until May 2022, and has been serving as the Board secretary since May 2022.

Mr. Fei worked at the investment banking department of CITIC Securities Company Limited (中信證券股份有限公司) from July 2015 to August 2021 and also worked at Essence Securities Co., Ltd. (安信證券股份有限公司) from August 2008 to July 2015.

Mr. Fei obtained a bachelor's degree in accounting from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2006, and a master's degree in accounting from Sun Yat-sen University (中山大學) in the PRC in June 2008.

As at the Latest Practicable Date: (i) none of the Directors (excluding the independent non-executive Directors) is interested in any business that competes or is likely to compete, either directly or indirectly, with the business of the Company under Rule 8.10(2) of the Hong Kong Listing Rules; (ii) none of the Directors, Supervisors and members of the senior management of the Company has any relationship with other Directors, Supervisors, or members of the senior management; (iii) save as disclosed in the section headed "Statutory and General Information," none of the Directors, Supervisors, or members of the senior management holds any interest in Shares that must be disclosed under Part XV of the Securities and Futures Ordinance; and (iv) save as disclosed above, there are no other matters related to the appointment of Directors or Supervisors that need to be brought to the attention of the Shareholders, and there is no other information related to the Directors or Supervisors that needs to be disclosed under Rule 13.51(2) of the Hong Kong Listing Rules.

Joint Company Secretaries

Mr. Fei Wei (費威) has been appointed as a joint company secretary of the Company. For details of his biography, please refer to "— Senior Management" above.

Ms. Yu Wing Sze (余詠詩) has been appointed as a joint company secretary of the Company. Ms. Yu is a manager at TMF Hong Kong Limited. She has over 15 years of experience in the company secretarial industry. She obtained a bachelor's degree in business administration from the Chinese University of Hong Kong. She is also a member of the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom.

CONFIRMATION FROM DIRECTORS

Rule 3.09D of the Hong Kong Listing Rules

Each Director confirms that he or she (i) has obtained the legal advice in May 2025 under Rule 3.09D of the Hong Kong Listing Rules; and (ii) understands all the requirements applicable to him or her as a director of a listed issuer under the Hong Kong Listing Rules, as well as the possible consequences of making false statement or providing false information to the Hong Kong Stock Exchange.

Rule 3.13 of the Hong Kong Listing Rules

Each independent non-executive Director has confirmed that (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Hong Kong Listing Rules; (ii) he had no past or present financial or other interest in the business of the Company or its subsidiaries, nor any connection with any core connected person of the Company as defined under the Hong Kong Listing Rules as of the Latest Practicable Date; and (iii) there are no other factors that may affect his independence at the time of his appointment.

BOARD COMMITTEES

The Company has established four Board committees, namely the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Strategy and ESG Committee in accordance with relevant laws and regulations of the PRC, the Article of Association and the Hong Kong Listing Rules.

Audit Committee

The Company has established the Audit Committee with written terms of reference in accordance with Rule 3.21 of the Hong Kong Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure and internal control system of the Group, reviewing and approving connected transactions and providing advice and recommendation to the Board. The Audit Committee consists of three members, namely Dr. Liu Yunguo, Dr. Zhu Yikun and Mr. Liu Da, with Dr. Liu Yunguo as the chairman of the Audit Committee. Each of Dr. Liu Yunguo and Mr. Liu Da is a Director with the appropriate qualifications under Rules 3.10(2) and 3.21 of the Hong Kong Listing Rules.

Nomination Committee

The Company has established the Nomination Committee with written terms of reference in accordance with Rule 3.27A of the Hong Kong Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules. The Nomination Committee is mainly responsible for making recommendations to the Board on the appointment of Directors and management of the Board succession. The Nomination Committee consists of three members, namely Dr. Zhu Yikun, Dr. Liu Yunguo and Ms. Yu Wei, with Dr. Zhu Yikun as the chairman of the Nomination Committee.

Remuneration and Appraisal Committee

The Company has established the Remuneration and Appraisal Committee with written terms of reference in accordance with Rule 3.25 of the Hong Kong Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules. The Remuneration and Appraisal Committee is mainly responsible for reviewing the remuneration packages, bonus and other compensation payable to the Directors and senior management and making recommendations to the Board. The Remuneration and Appraisal Committee consists of three members, namely Dr. Huang Jiwu, Dr. Zhu Yikun and Mr. Zhou Kaiqi, with Dr. Huang Jiwu as the chairman of the Remuneration and Appraisal Committee.

Strategy and ESG Committee

The Company has established the Strategy and ESG Committee with written terms of reference. The Strategy and ESG Committee is mainly responsible for researching on the Company's long-term development strategic planning, major investment and financing plans, significant capital operations and asset management projects, and making recommendations to the Board. The Strategy and ESG Committee consists of three members, namely Mr. Wang Yang, Mr. Wang Yiran and Dr. Huang Jiwu, with Mr. Wang Yang as the chairman of the Strategy and ESG Committee.

CORPORATE GOVERNANCE CODE

The Company aims to implement high standards of corporate governance, which the Company considers essential for protecting Shareholders' interests. To achieve this, the Company expects to comply with the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules after the [**REDACTED**].

BOARD DIVERSITY

In order to enhance the effectiveness of the Board and to maintain the high standard of corporate governance, the Company considers various factors when selecting Board candidates, including but not limited to gender, skills, age, professional experience, cultural and educational background and length of service, with an aim to achieve board diversity. The final decision of the appointment will be based on the candidate's merits and contributions to the Board.

The Board currently consists of one female Director and nine male Directors. The Directors have a balanced mix of knowledge and skills, as well as industry experience relevant to the Group's operations and business. They have obtained degrees in various professions, including computer science, electronic information, business administration, accounting and laws. Such diverse academic background enables the Board to address challenges and opportunities from multiple perspectives, foster innovative solutions and develop comprehensive strategies. The Company has four independent non-executive Directors with different industry backgrounds, accounting for more than one-third of the Board members. Furthermore, the Board has diverse age and gender representation. Taking into account the Group's existing business model, specific needs, and the different backgrounds of the Directors, the Board composition aligns with the Company's board diversity policy.

The Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. The Nomination Committee will monitor and evaluate the implementation of the board diversity policy from time to time to ensure its continued effectiveness, and when necessary, make any revisions that may be required and recommend any such revisions to the Board for consideration and approval. The Nomination Committee will also include a summary of the board diversity policy in the annual report.

REMUNERATION

The Company offers remuneration to the Directors, Supervisors and senior management in the form of salaries, allowances and benefits in kind, as well as performance bonuses and pension scheme contributions. The independent non-executive Directors of the Company receive remuneration based on their respective positions and responsibilities.

For the years ended December 31, 2022, 2023 and 2024, the total remuneration paid to the Directors and Supervisors amounted to RMB7.1 million, RMB7.3 million and RMB8.7 million, respectively.

For the years ended December 31, 2022, 2023 and 2024, the five highest paid individuals of the Group included three, three and three directors, respectively. During the same years, the total remuneration paid to the five highest paid individuals (including the Directors and Supervisors) amounted to RMB8.1 million, RMB8.6 million and RMB8.5 million, respectively.

The remuneration of the Directors, Supervisors and senior management is determined based on industry salary standards, position responsibilities and performance, together with the Company's annual operating conditions. Under the arrangement currently in force, the Company estimates the total compensation before taxation payable to the Directors and Supervisors for the year ending December 31, 2025 will be approximately RMB8.9 million.

During the Track Record Period, no remuneration was paid to any of the Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining the Group. During the Track Record Period, no compensation was paid to or receivable by any Directors, Supervisors, former Directors, former Supervisors, or five highest paid individuals for loss of office as director of any member of the Group or any other office in connection with the management of the affairs of any member of the Group. None of the Directors or Supervisors waived any remuneration during the Track Record Period. Save as disclosed above, no other payments have been paid, or are payable, by the Group to the Directors, Supervisors or the five highest paid individuals during the Track Record Period.

COMPLIANCE ADVISOR

The Company has appointed Somerley Capital Limited as Compliance Advisor pursuant to Rules 3A.19 of the Hong Kong Listing Rules. The Compliance Advisor will provide the Company with guidance and advice regarding compliance with the Hong Kong Listing Rules and applicable laws and regulations of Hong Kong. Pursuant to Rule 3A.23 of the Hong Kong Listing Rules, the Compliance Advisor will provide advice to the Company in the following circumstances, among others:

(a) before the publication of any regulatory announcement, circular, or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;

(c) where the Company proposes to use the **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this Document or where the business activities, developments or results of the Group deviate from any forecast, estimate, or other information in this Document; and

(d) where the Hong Kong Stock Exchange makes an inquiry to the Company concerning unusual movements in the price or trading volume of its **[REDACTED]** securities or any other matters under Rule 13.10 of the Hong Kong Listing Rules.

The term of appointment of the Compliance Advisor shall commence on the **[REDACTED]** and is expected to end on the date on which the Company complies with Rule 13.46 of the Hong Kong Listing Rules in respect of its financial results for the first full financial year commencing after the **[REDACTED]**, and the appointment may be extended upon mutual agreement.

FUTURE PLANS

For a detailed description of our future plans, see "Business — Strategies."

USE OF [REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the midpoint of the range of the **[REDACTED]** stated in this Document), we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** from the **[REDACTED]** after deducting the **[REDACTED]** commissions and other estimated expenses paid and payable by us in connection with the **[REDACTED]** and assuming that the **[REDACTED]** are not exercised. In line with our strategies, we intend to use our **[REDACTED]** for the purposes and in the amounts set forth below.

- approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, is expected to be used to further strengthen our R&D capabilities:

  - o approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]**, is expected to be used to support our product development to expand our product portfolio and accelerate commercialization across key application scenarios:

    - ■ approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]**, is expected to be used to optimize and expand our portfolio of intelligent devices and solutions: we plan to further extend our offerings in commercial display products and systems, AV equipment and systems, computing devices, related hardware and domain-specific AI-powered software solutions in order to address the diverse needs of global customers across education and enterprise collaboration scenarios. We also plan to deepen the integration of AI technologies across our intelligent devices and solutions to enhance user experience and operational efficiency. In addition, we intend to broaden our application scenarios to cover a wider range of use cases by expanding our education solutions from in-school teaching environments to at-home learning scenarios and by extending enterprise collaboration applications from meeting scenarios to broader enterprise environments such as office spaces, exhibitions, and outdoor displays, and to strengthen our presence across various industries to capture new growth opportunities; and

    - ■ approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]**, is expected to be used to support the intelligent control components and solutions: we plan to further advance innovation in control components and solutions across key high-growth sectors such as household appliances, automotives, energy storage, and robotics components while strengthening our market position in LCD controller boards. This would include continuing developing a comprehensive suite of intelligent control components for automotive applications and expanding our offerings in the energy storage sector. These initiatives will help us respond to growing demand for smart technologies and strengthen our competitiveness in high-growth sectors.

- o approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used to support our mid- to long-term innovation pipeline and foundational research. We plan to invest in fundamental research to advance our core technologies in interactive display and AI. These efforts will strengthen our technological reserves in areas such as multimodal interaction, lightweight large model and on-device deployment, intelligent AI agents, next-generation interactive display and audio and video technologies for AI technology, as well as algorithm optimization and frequency drive technologies for electromechanical control systems. The continued development of these capabilities will provide a strong foundation for future innovation and support the broader application of our solutions across high-potential industries and sectors.

- approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used to accelerate our international expansion and strengthen our competitiveness in overseas markets:

  - o approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used to optimize our international operations and sales network. This would include upgrading our overseas sales infrastructure, expanding global distribution channels, and enhancing our after-sales and customer service capabilities. We plan to build and scale regional sales teams and operational hubs, recruit experienced local professionals in sales, marketing, and technical support, and equip them with the necessary training and tools to improve service quality and operational efficiency. These initiatives are designed to reinforce our global presence, increase sales conversion and customer satisfaction, and build a solid foundation for the long-term development of our international business.

  - o approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used to enhance our brand presence, expand our product offerings. We plan to increase marketing and promotional campaigns overseas to strengthen brand awareness and positioning in both established and emerging markets, including the United States, Europe, the Middle East, Southeast Asia, and India. At the same time, we intend to localise and customize products based on regional customer needs and usage scenarios, thereby improving customer stickiness and engagement.

- approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used to advance our digitalization capabilities:

  - o approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used for the digital upgrade of our supply chain and to enhance our global supply capabilities. We plan to invest in advanced industrial technologies to upgrade automation and intelligent production capabilities at our manufacturing facilities and to digitalize core production processes to enable real-time monitoring and optimization across product development, manufacturing, and quality control. These upgrades are expected to improve production efficiency and strengthen the resilience of our supply chain. At the same time, we intend to enhance our supply chain management systems by integrating digital procurement platforms, logistics planning tools, inventory control systems, and supplier collaboration solutions to improve demand forecasting accuracy, optimize material flow, reduce supply chain latency, and lower our operating costs. We also aim to further develop our local supply chains overseas to enhance global delivery capabilities and respond to the diverse needs of our global customers more precisely and efficiently.

  - o approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used to support the digital transformation of our core operational functions. This would include the optimization of sales processes and workflows, integration of information systems, and strengthening of quality control. By further centralizing the management of customer data and sales processes, we aim to gain deeper insights into demand trends and implement more efficient, data-driven, and market-specific sales strategies across both domestic and international markets. These initiatives are expected to enhance overall operational efficiency, optimize resource allocation, and increase our responsiveness to market changes.

- approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used for strategic investments and acquisitions in domestic and international markets to support our long-term growth and competitiveness:

  - o we plan to pursue investments and acquisitions opportunities that align with our horizontal integration strategy. These would include investments in or acquisitions of businesses with complementary product offerings or technical capabilities or peer companies that can diversify our core product portfolio. These initiatives are intended to broaden our offerings, support our global expansion, and drive sustained business growth.

We will evaluate potential opportunities based on factors such as product synergies, scalability, market presence, and technological strengths. No specific targets have been identified as of the Latest Practicable Date.

- approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used for working capital and general corporate purposes.

In the event that the [**REDACTED**] is set at the maximum [**REDACTED**] or the minimum [**REDACTED**] of the indicative [**REDACTED**] range, the net [**REDACTED**] of the [**REDACTED**] will increase or decrease by approximately HK$[**REDACTED**], respectively. We intend to apply the additional or reduced net [**REDACTED**] to the above uses on a pro rata basis.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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The following is the text of a report, prepared for the sole purpose of inclusion in this document received from the independent reporting accountants of the Company, BDO Limited, Certified Public Accountants, Hong Kong.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GUANGZHOU SHIYUAN ELECTRONIC TECHNOLOGY COMPANY LIMITED

INTRODUCTION

We report on the historical financial information of Guangzhou Shiyuan Electronic Technology Company Limited (the "Company") and its subsidiaries (together the "Group") set out on pages I-[●] to I-[●], which comprises the consolidated statements of financial position as at December 31, 2022, 2023 and 2024 and the statements of financial position of the Company as at December 31, 2022, 2023 and 2024, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the year ended December 31, 2022, 2023 and 2024 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on page I-[●] to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "Document") in connection with the initial [**REDACTED**] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's and the Company's financial position as at December 31, 2022, 2023 and 2024, the Company's financial position as at December 31, 2022, 2023 and 2024, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[●] have been made.

Dividends

We refer to Note 17 to the Historical Financial Information which contains information about dividends declared and paid by Company in respect of the Track Record Period.

BDO Limited
Certified Public Accountants

Chau Ka Kin
Practising Certificate no. P07445

Hong Kong
[[●] 2025]

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with International Financial Reporting Standards ("**IFRSs**") issued by International Accounting Standards Board (the "**IASB**") and were audited by BDO Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended December 31, 2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*6*	20,990,265	20,172,637	22,401,182
Cost of sales		(15,491,636)	(15,220,640)	(17,713,185)
Gross profit		5,498,629	4,951,997	4,687,997
Other income	*8*	511,502	678,436	521,646
Other gains and losses, net	*9*	26,271	36,311	(3,870)
Provision for impairment losses	*10*	(239,356)	(165,117)	(142,351)
Selling expenses		(1,187,767)	(1,343,131)	(1,205,971)
Administrative expenses		(964,393)	(1,177,632)	(1,177,362)
Research and development expenses		(1,280,863)	(1,422,498)	(1,540,155)
Finance costs	*11*	(71,276)	(76,224)	(99,336)
Share of results of associates	*19*	33,012	6,483	6,118
Profit before tax	*12*	2,325,759	1,488,625	1,046,716
Income tax expenses	*13*	(204,957)	(88,892)	(10,568)
Profit for the year		2,120,802	1,399,733	1,036,148
Other comprehensive income for the year				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising from translation of foreign operations		15,558	4,355	8,092
Change in fair value of cash flow hedge		–	(1,406)	1,406
Items that will not be reclassified subsequently to profit or loss:				
Change in fair value of financial assets at fair value through other comprehensive income		53,418	2,438	(1,719)
Other comprehensive income for the year, net of tax		68,976	5,387	7,779
Total comprehensive income for the year		2,189,778	1,405,120	1,043,927

	Notes	Year ended December 31, 2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
Profit for the year attributable to:				
Owners of the parent		2,072,419	1,370,001	970,956
Non-controlling interests		48,383	29,732	65,192
		2,120,802	1,399,733	1,036,148
Total comprehensive income attributable to:				
Owners of the parent		2,141,395	1,375,388	978,988
Non-controlling interests		48,383	29,732	64,939
		2,189,778	1,405,120	1,043,927
Earnings per share attributable to ordinary equity holders of the parent				
Basic (RMB)	*16*	3.05	1.97	1.41
Diluted (RMB)	*16*	3.05	1.97	1.40

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31,		
	Notes	**2022**	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	20	2,745,479	3,773,609	4,550,428
Intangible assets	21	114,071	164,455	172,286
Right-of-use assets	22	345,953	380,704	560,119
Goodwill	23	89,949	231,803	262,381
Investments in associates	19	165,581	196,427	319,496
Financial assets at fair value through other comprehensive income ("**FVTOCI**")	25	72,852	72,490	71,908
Financial assets at fair value through profit or loss ("**FVTPL**")	25	181,102	228,696	236,488
Deferred tax assets	24	384,129	425,324	456,087
Prepayments	26	76,652	524,741	330,715
Time deposits	27	–	504,748	3,301,379
Certificates of deposits held	27	536,411	2,012,314	3,121,499
Total non-current assets		4,712,179	8,515,311	13,382,786
Current assets				
Inventories	28	1,857,114	2,238,319	2,314,804
Trade, bills and other receivables	26	563,711	893,980	988,225
Prepayments	26	50,409	72,890	58,908
Financial assets at FVTPL	25	818,317	794,280	333,064
Tax recoverable		35,592	60,822	95,091
Time deposits	27	3,092,478	4,206,407	5,035
Certificates of deposits held	27	4,276,974	305,915	588,292
Restricted bank deposits	27	26,968	36,291	14,385
Cash and bank balances	27	4,714,752	4,681,386	4,889,691
Total current assets		15,436,315	13,290,290	9,287,495
Total assets		20,148,494	21,805,601	22,670,281

	Notes	As at December 31, 2022	2023	2024
		RMB'000	RMB'000	RMB'000
Current liabilities				
Trade, bills and other payables	29	4,205,664	4,625,303	4,561,688
Contract liabilities	30	981,930	903,487	1,110,454
Borrowings	31	2,066,793	2,646,600	2,710,171
Tax payables		60,301	28,698	34,048
Derivative financial instruments	25	–	3,324	17,062
Provisions	34	139,466	144,995	129,113
Lease liabilities	32	26,062	24,813	21,674
Total current liabilities		7,480,216	8,377,220	8,584,210
Net current assets		7,956,099	4,913,070	703,285
Total assets less current liabilities		12,668,278	13,428,381	14,086,071
Non-current liabilities				
Other payables	29	83	257	–
Contract liabilities	30	44,081	53,358	101,490
Borrowings	31	100,000	203,171	564,033
Deferred income	33	86,460	98,146	127,093
Provisions	34	170,734	124,787	117,556
Lease liabilities	32	38,605	39,638	26,365
Deferred tax liabilities	24	57,571	42,281	24,497
Total non-current liabilities		497,534	561,638	961,034
NET ASSETS		12,170,744	12,866,743	13,125,037
Capital and reserves				
Equity attributable to owners of the Company				
Share capital	35	701,239	701,239	696,017
Reserves		11,240,214	11,772,150	11,999,694
		11,941,453	12,473,389	12,695,711
Non-controlling interests	38	229,291	393,354	429,326
TOTAL EQUITY		12,170,744	12,866,743	13,125,037

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company										
	Share capital	**Share premium**	**Treasury shares reserves**	**Statutory reserves**	**Share option/ share award reserves**	**Investment revaluation reserves**	**Exchange and other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total**
	(Note 35)	*(Note 37(i))*	*(Note 37(ii))*	*(Note 37(iii))*	*(Note 37 (iv))*	*(Note 37(v))*	*(Note 37(vi))*	*(Note 37(vii))*			
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2022	666,550	1,734,837	–	333,275	100,117	(4,779)	(3,892)	5,529,484	8,355,592	174,488	8,530,080
Profit for the year	–	–	–	–	–	–	–	2,072,419	2,072,419	48,383	2,120,802
Change in fair value of financial assets at FVTOCI	–	–	–	–	–	53,418	–	–	53,418	–	53,418
Exchange differences arising from translation of foreign operations	–	–	–	–	–	–	15,558	–	15,558	–	15,558
Total comprehensive income for the year	–	–	–	–	–	53,418	15,558	2,072,419	2,141,395	48,383	2,189,778
Issuance of new ordinary shares *(Note 35)*	29,467	1,944,323	–	–	–	–	–	–	1,973,790	–	1,973,790
Issue of restricted shares *(Note 35 & 36)*	5,222	160,070	(165,292)	–	–	–	–	–	–	–	–
Recognition of equity-settled share-based payment expenses *(Note 12)*	–	–	–	–	60,238	–	–	–	60,238	2,389	62,627
2021 final dividend paid	–	–	–	–	–	–	–	(599,895)	(599,895)	–	(599,895)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(9,292)	(9,292)
Transfer from retained earnings to statutory reserves	–	–	–	17,345	–	–	–	(17,345)	–	–	–
Others	–	–	–	–	–	–	10,333	–	10,333	13,323	23,656
Balance at December 31, 2022	701,239	3,839,230	(165,292)	350,620	160,355	48,639	21,999	6,984,663	11,941,453	229,291	12,170,744

	Attributable to owners of the Company										
	Share capital	Share premium	Treasury shares reserves	Statutory reserves	Share option/ share award reserves	Investment revaluation reserves	Exchange and other reserves	Retained earnings	Total	Non-controlling interests	Total
	(Note 35)	*(Note 37(i))*	*(Note 37(ii))*	*(Note 37(iii))*	*(Note 37 (iv))*	*(Note 37(v))*	*(Note 37(vi))*	*(Note 37(vii))*			
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2023	701,239	3,839,230	(165,292)	350,620	160,355	48,639	21,999	6,984,663	11,941,453	229,291	12,170,744
Profit for the year	–	–	–	–	–	–	–	1,370,001	1,370,001	29,732	1,399,733
Change in fair value of cash flow hedge	–	–	–	–	–	–	(1,406)	–	(1,406)	–	(1,406)
Change in fair value of financial assets at FVTOCI	–	–	–	–	–	2,438	–	–	2,438	–	2,438
Exchange differences arising from translation of foreign operations	–	–	–	–	–	–	4,355	–	4,355	–	4,355
Total comprehensive income for the year	–	–	–	–	–	2,438	2,949	1,370,001	1,375,388	29,732	1,405,120
Share repurchase *(Note 36)*	–	–	(100,003)	–	(26)	–	–	–	(100,029)	–	(100,029)
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	105,954	105,954
Recognition of equity-settled share-based payment (credit)/expenses *(Note 12)*	–	–	–	–	(19,372)	–	–	–	(19,372)	889	(18,483)
2022 final dividend paid	–	–	–	–	–	–	–	(730,817)	(730,817)	–	(730,817)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(7,363)	(7,363)
Transfer of investment revaluation reserves to retained earnings upon disposal	–	–	–	–	–	(6,667)	–	6,667	–	–	–
Others	–	–	–	–	–	–	6,766	–	6,766	34,851	41,617
Balance at December 31, 2023	701,239	3,839,230	(265,295)	350,620	140,957	44,410	31,714	7,630,514	12,473,389	393,354	12,866,743

	Attributable to owners of the Company										
	Share capital	Share premium	Treasury shares reserves	Statutory reserves	Share option/ share award reserves	Investment revaluation reserves	Exchange and other reserves	Retained earnings	Total	Non-controlling interests	Total
	(Note 35)	*(Note 37(i))*	*(Note 37(ii))*	*(Note 37(iii))*	*(Note 37 (iv))*	*(Note 37(v))*	*(Note 37(vi))*	*(Note 37(vii))*			
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2024	701,239	3,839,230	(265,295)	350,620	140,957	44,410	31,714	7,630,514	12,473,389	393,354	12,866,743
Profit for the year	–	–	–	–	–	–	–	970,956	970,956	65,192	1,036,148
Change in fair value of financial assets at FVTOCI	–	–	–	–	–	(1,466)	–	–	(1,466)	(253)	(1,719)
Change in fair value of cash flow hedge	–	–	–	–	–	–	1,406	–	1,406	–	1,406
Exchange differences arising from translation of foreign operations	–	–	–	–	–	–	8,092	–	8,092	–	8,092
Total comprehensive income for the year	–	–	–	–	–	(1,466)	9,498	970,956	978,988	64,939	1,043,927
Share repurchase *(Note 36)*	–	–	(249,624)	–	(229)	–	–	–	(249,853)	–	(249,853)
Cancellation of restricted shares *(Note 35 & 36)*	(5,222)	(160,070)	165,292	–	–	–	–	–	–	–	–
Issue of restricted shares	–	(162,895)	162,895	–	–	–	–	–	–	–	–
Recognition of equity-settled share-based payment expenses *(Note 12)*	–	–	–	–	89,742	–	–	–	89,742	4,095	93,837
2023 final dividend paid	–	–	–	–	–	–	–	(587,312)	(587,312)	–	(587,312)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(16,331)	(16,331)
Others	–	–	–	–	–	–	(9,243)	–	(9,243)	(16,731)	(25,974)
Balance at December 31, 2024	696,017	3,516,265	(186,732)	350,620	230,470	42,944	31,969	8,014,158	12,695,711	429,326	13,125,037

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
Operating activities				
Profit before tax		2,325,759	1,488,625	1,046,716
Adjustments for:				
Depreciation of property, plant and equipment	20	163,693	198,327	271,845
Amortisation of intangible assets	21	16,393	25,007	29,389
Depreciation of right-of-use assets	12	25,995	33,758	30,793
Amortisation of leasehold land held for own use	12	7,542	8,108	10,890
Finance costs	11	71,276	76,224	99,336
(Gain)/loss on disposal of property, plant and equipment, net	9	(4,146)	2,886	3,054
Gain on disposal of intangible assets, net	9	(11,277)	(306)	(9)
Interest income from bank deposits	8	(229,319)	(330,062)	(225,892)
Interest income from time deposits and certificates of deposits held	8	(178,473)	(131,940)	(140,978)
Others		59,441	(9,075)	(58,106)
Gain on lease modification	9	(829)	(762)	(137)
Gain on disposal of partial equity interests of associates	9	(1,669)	(11,852)	–
Provision for/(reversal of) impairment losses under expected credit losses ("**ECL**") model on trade and bills receivables	10	9,175	(5,197)	2,828
Provision for impairment losses under ECL model on other receivables	10	1,891	3,011	3,004
Provision for impairment losses on goodwill	10	4,763	–	–
Provision for impairment losses on inventories	10	223,527	167,303	136,519
Share of results of associates	19	(33,012)	(6,483)	(6,118)
Change in fair value of structured deposits	9	(5,165)	(33,268)	(27,568)
Change in fair value of unlisted equity interests	9	(41,102)	(31,883)	(3,542)
Change in fair value of derivative financial instruments	9	–	(42)	(5,824)
Share-based payment expenses/(credit)	12	62,627	(18,483)	93,837

	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Operating cash flows before movements in working capital	2,467,090	1,423,896	1,260,037
Decrease/(increase) in inventories	301,885	(474,485)	(213,004)
Increase in trade and bills receivables	(119,600)	(40,621)	(43,743)
Increase in prepayments and other receivables	(72,666)	(84,414)	(141,274)
Increase/(decrease) in trade, bills and other payables	73,641	254,841	(34,166)
(Decrease)/increase in contract liabilities	(193,335)	(69,166)	255,099
Increase in deferred income	8,337	11,686	28,947
Cash generated from operations	2,465,352	1,021,737	1,111,896
Income taxes paid	(328,661)	(235,898)	(83,058)
Net cash generated from operating activities	2,136,691	785,839	1,028,838

	Note	2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
Investing activities				
Proceeds from disposal of investments and financial assets		–	826,745	1,245,000
Proceeds from time deposits and certificates of deposits held		814,445	11,085,599	7,572,431
Proceeds from disposal of property, plant and equipment, intangible assets and long-term investments		19,977	3,555	2,234
Proceeds from disposals of associates, net of cash and cash equivalents disposed		1,740	13,797	–
Acquisition of financial assets at FVTOCI		(6,992)	(3,000)	–
Acquisition of financial assets at FVTPL		(820,000)	(808,000)	(770,000)
Investment in time deposits and certificates of deposits held		(4,117,713)	(10,100,193)	(7,382,640)
Acquisition of property, plant and equipment and intangible assets		(966,079)	(1,731,501)	(1,009,990)
Acquisition of subsidiaries, net of cash and cash equivalent received		–	(135,695)	(37,730)
Acquisition of equity interests of associates	*19*	(14,000)	(52,136)	(120,000)
Dividend received from associates		3,301	2,865	26,975
Dividend received from financial assets at FVTPL		98	2,937	–
Bank interest received		229,319	330,062	225,892
Others		–	3,188	109
Net cash used in investing activities		(4,855,904)	(561,777)	(247,719)

	Notes	2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
Financing activities				
Proceeds from bank borrowings	*44*	2,376,651	2,795,253	3,610,253
Repayment of bank borrowings	*44*	(1,485,400)	(2,136,733)	(3,185,820)
Proceeds from issue of ordinary shares	*37*	1,973,790	–	–
Proceeds from issue of restricted shares under share-award scheme	*37*	165,292	–	110,298
Repayment of principal of lease liabilities	*44*	(22,140)	(33,252)	(29,946)
Payment of interest element of lease rentals paid	*44*	(2,540)	(3,917)	(2,161)
Interest paid	*44*	(68,736)	(72,307)	(97,175)
Release of restricted bank deposits		–	39,077	74,770
Dividends paid		(599,895)	(736,301)	(587,312)
Dividend paid to non-controlling interests		(9,292)	(7,363)	(16,331)
Proceeds from repurchase of restricted shares		–	–	(159,809)
Proceeds from repurchase of shares		–	(100,029)	(249,890)
Addition of restricted bank deposits		(7,737)	(57,097)	(55,244)
Capital injection from non-controlling interests		13,340	31,174	8,371
Net cash generated from/(used in) financing activities		2,333,333	(281,495)	(579,996)
Net (decrease)/increase in cash and cash equivalents		(385,880)	(57,433)	201,123
Cash and cash equivalents at the beginning of the year		4,986,270	4,714,752	4,681,386
Effect of exchange rate changes		114,362	24,067	7,182
Cash and cash equivalents at the end of the year, represented by bank balance and cash		4,714,752	4,681,386	4,889,691

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at December 31,		
	Notes	**2022**	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*20*	275,731	327,522	469,277
Intangible assets	*21*	52,896	46,830	41,231
Right-of-use assets	*22*	55,086	96,534	93,842
Investments in subsidiaries	*18*	4,893,960	5,515,087	6,616,451
Investments in associates	*19*	152,500	147,955	271,892
Financial assets at FVTOCI	*25*	2,459	2,504	2,631
Financial assets at FVTPL	*25*	115,878	120,016	116,967
Deferred tax assets	*24*	74,156	71,099	7,596
Prepayments	*26*	12,460	288,454	300,226
Time deposits	*27*	–	–	454,777
Certificates of deposits held	*27*	150,000	150,000	401,791
Total non-current assets		5,785,126	6,766,001	8,776,681
Current assets				
Inventories	*28*	19	–	124,456
Trade, bills and other receivables	*26*	28,980	36,090	34,407
Prepayments	*26*	58	58	–
Amounts due from subsidiaries	*18*	245,099	635,835	1,119,265
Financial assets at FVTPL	*25*	9,331	–	–
Tax recoverable		1,156	–	–
Time deposits	*27*	6,512	407,513	20
Certificates of deposits held	*27*	2,130,639	–	176,817
Restricted bank deposits	*27*	2,714	2,940	2,940
Cash and bank balances	*27*	440,316	501,802	2,385,506
Total current assets		2,864,824	1,584,238	3,843,411
Total assets		8,649,950	8,350,239	12,620,092

		As at December 31,		
	Notes	**2022**	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
Current liabilities				
Trade, bills and other payables	*29*	759,971	594,880	1,516,196
Contract liabilities	*30*	59,018	22,274	44,164
Borrowings	*31*	100,000	100,000	–
Amounts due to subsidiaries	*18*	1,131,374	978,160	4,845,954
Provisions	*34*	1,541	311	929
Total current liabilities		2,051,904	1,695,625	6,407,243
Net current assets/(liabilities)		812,920	(111,387)	(2,563,832)
Total assets less current liabilities		6,598,046	6,654,614	6,212,849
Non-current liabilities				
Other payables	*29*	83	–	–
Contract liabilities	*30*	13,750	7,252	6,606
Borrowings	*31*	100,000	–	63,263
Deferred income	*33*	27,645	24,884	25,467
Provisions	*34*	308	3,044	185
Total non-current liabilities		141,786	35,180	95,521
NET ASSETS		6,456,260	6,619,434	6,117,328
Equity attributable to owners of the Company				
Share capital	*35*	701,239	701,239	696,017
Reserves		5,755,021	5,918,195	5,421,311
TOTAL EQUITY		6,456,260	6,619,434	6,117,328

II NOTES TO HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was established in the People's Republic of China (the "**PRC**") on December 28, 2005. From January 2017, the Company's shares were listed on the Shenzhen Stock Exchange with stock code 002841. Its registered office and the principal place of business activities is located at No. 6, 4th Yunpu Road, Huangpu District, Guangzhou, the PRC.

The Group and the Company are principally engaged in design, development and sales of two main categories of products and solutions: (i) intelligent devices and solutions, primarily including commercial display products and systems, office and industrial computing solutions, and AV equipment and systems; and (ii) intelligent control components, which primarily include LCD controller boards and household appliance (white goods) control components.

Mr. Wong Ching Chung is the largest shareholder of the Company.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by International Accounting Standards Board ("**IASB**"). Further details of the material accounting policy information adopted are set out in Note 4.

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing this Historical Financial Information, the Group has consistently adopted all applicable new and revised IFRSs that are effective during the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 3.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The accounting policies set out in Note 4 have been applied consistently to all periods presented in the Historical Financial Information.

3. APPLICATION OF NEW AND REVISED IFRSs

The Group plans to adopt these new standards, amendments to standards and annual improvements when they become effective:

New and amendments to IFRS Accounting Standards issued but not yet effective

Amendment to IAS 21	Lack of Exchangeability[1]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Venture[4]

[1] Effective for annual periods beginning on or after January 1, 2025

[2] Effective for annual periods beginning on or after January 1, 2026

[3] Effective for annual periods beginning on or after January 1, 2027

[4] The amendments shall be applied prospectively to sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

The Group is in the process of making an assessment of the impact of these new and amended standards upon initial application, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals, It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. The new requirements are expected to impact the Group's presentation of the statement of profit or loss and disclosures of the Group's financial performance. So far, the Group considers that the new and amended standards are unlikely to have a significant impact on the Group's results of operations and financial position.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability. The principal accounting policies are set out below.

(a) Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee:
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

(b) Business combinations

Acquisitions of businesses, other than business combination under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits", respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 "Share-based Payment" at the acquisition date (see the accounting policy below); and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net of the acquisition date amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised, in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised, in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting year in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement year (see above), and additional assets or liabilities are recognised to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

(c) Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

(d) Investments in subsidiaries

Investments in subsidiaries are stated at cost less any identified impairment loss on the statements of financial position of the Company.

(e) Impairment of non-financial assets (excluding inventories, investment properties and deferred tax assets)

Impairment tests on goodwill are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("**CGUs**"). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

(f) Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not to control or to have joint control over those policies.

The results and assets and liabilities of associates are incorporated in the Historical Financial Information using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an interest in an associate is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associates other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

When there is objective evidence that the investment in an associate is impaired, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognized in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognized in the Group's Historical Financial Information only to the extent of interests in the associate that are not related to the Group.

The Company's investments in associates are accounted for in the financial statements using the equity method.

(g) Foreign currency translation

(a) Functional and presentation currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the Historical Financial Information of each entity are measured using that functional currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in profit or loss

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary asses such as equities classified as fair value through other comprehensive income are recognized in OCI.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

(h) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all costs necessary to make the sale.

Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale. Costs of inventories are determined on a weighted average method.

(i) **Revenue recognition**

Revenue is recognised to depict the transfer of goods to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised when, or as, obligations under the terms of a contract are satisfied, which occurs when control of the promised products or services is transferred to customers. Revenue is measured as the amount of consideration the Group expects to receive in exchange for transferring products or services to a customer ("**transaction price**").

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

When volume rebates are provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract, rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used.

Revenue is recognised either at a point in time or over time, when the Group satisfies performance obligations by transferring the promised goods or services to its customers.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which Group has received consideration (or an amount of consideration is due) from the customer.

Further details of the Group's revenue and other income recognition policies are as follows:

Revenue from sale of goods

Revenue from contracts with customers is recognised at the point in time when control of goods is transferred to the customers, generally when the Group has delivered goods to the location specified in the sales contract and the buyer has confirmed the acceptance of the goods.

The credit period granted to customers by the Group is determined based on their credit risk characteristics. In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

Warranty service income

Revenue is recognised over the warranty period.

Rental income

Rental income is recognised on a time proportion basis over the lease terms.

Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(j) Leasing

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statements of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for leases for which at the commencement date have a lease term less than 12 months and leases of low-value assets. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

The Group presents right-of-use assets and lease liabilities separately in the consolidated statements of financial position.

Right-of-use asset

The right-of-use asset is recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use asset at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

The right-of-use asset is subsequently depreciated using the straight-line method from the date of initial application over the shorter of the remaining lease term or the useful life of the underlying asset. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(k) Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(l) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expense the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire property, plant and equipment are recognised as deferred revenue in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(m) Retirement benefit costs

Payments to defined contribution retirement plans are charged as an expense when employees have rendered service.

(n) Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

(o) Share-based payment

The Company operates share option scheme and restricted share scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) and consultants of the Group receive remuneration in the form of share-based payments, whereby employees and consultants render services as consideration for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees and others providing similar services is measured by reference to the fair value of the equity instruments at the date at which they are granted. The cost of equity-settled transactions with parties other than employees is measured directly at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value is measured indirectly by reference to the fair value of the equity instruments granted.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

(p) Taxation

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries or associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(q) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

	Useful life	Residual value rate	Annual depreciation rate
Property and buildings	20-70 years	5%	1.357%-4.75%
Transportation vehicles	4-5 years	5%	23.75%-19.00%
Furniture, fixtures and equipment	3-10 years	5%	31.67%-9.50%
Leasehold improvement	The remaining terms of the relevant leases	N/A	N/A

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

(r) Intangible assets (other than goodwill)

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a straight-line basis over their useful lives as follows. Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. The amortisation expense is recognised in profit or loss.

Patent	5-10 years
Software	5-10 years
Royalties	10 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(s) Research and development costs

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product; and
- sale of the product will generate future economic benefits; and expenditure on the project can be measured reliably.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in profit or loss as incurred.

(t) Impairment losses on tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets other than goodwill which with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of value in use and fair value less costs of disposal. In assessing value in use, the estimated future cash flows of the asset (or the cash-generating unit) are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or the cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or the cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

(u) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("**FVTPL**"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the Track Record Period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

FVTPL: Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model, whereby changes in fair value, interest income calculated using the effective interest rate method and foreign exchange gains and losses are recognised in profit or loss. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income ("**FVTOCI**"), as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

Impairment loss on financial assets

The Group recognises a loss allowance for expected credit loss ("**ECL**") on financial assets which are subject to impairment under IFRS 9 "Financial Instruments". The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group has elected to measure loss allowances for trade receivables using IFRS 9 simplified approach and always recognises lifetime ECL for trade receivables. The ECL on these financial assets are assessed collectively using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in the credit risk since initial recognition or evidence that a financial asset is credit-impaired, then the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate obtained from economic expert reports, financial analysts and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, or the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default to have occurred when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the relevant weighting.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis to cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade receivables, other receivables are each assessed as a separate group.);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss. Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(v) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(w) Related parties

(i) A person or a close member of that person's family is related to the Group if that person:

(a) has control or joint control over the Group;

(b) has significant influence over the Group; or

(c) is a member of key management personnel of the Group or the Company's parent.

(ii) An entity is related to the Group if any of the following conditions apply:

(a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(c) Both entities are joint ventures of the same third party.

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

(f) The entity is controlled or jointly controlled by a person identified in (i).

(g) A person identified in (i)(a) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

(ii) Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependents of that person or that person's spouse or domestic partner.

(x) Treasury shares

Own equity instruments which held by the Company or the Group (treasury shares) are recognized directly in equity at cost. No gain or loss is recognized in the consolidated statements of profit or loss and other comprehensive income on the purchase, sale, issue or cancelation of the Group's own equity instruments.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates, judgements and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Historical Financial Information.

Significant influence over investees

The Group has investments in two entities, namely Guangzhou Liuhuan (as defined in Note 19) and Angbao (as defined in Note 19), in which the Group holds 17.91% and 15.00% (25% during the year ended December 31, 2022 and 15% since the year ended December 31, 2023) of their equity interests, respectively. The directors consider that the Group has significant influence over Guangzhou Liuhuan based on the following factor: (1) the Group has rights to appoint 1 director to the boards of directors which consisting of 3 directors. Besides, the directors consider that the Group has significant influence over Angbao based on the following factor: (1) the Group has rights to appoint 1 director to the boards of directors which consisting of 3 directors.

No control over 50% equity interest in an investee

The Group holds equity interest of 64.52% in Suzhou Qingsong (as defined in Note 19). The directors of the Company considered that the Group has significant influence over this entity based on the following factors: (1) Suzhou Qingsong has established the investment committee for decision making of relevant activities and policy-making, of which the Group has appointed 1 committee member to the investment committee (total 3 members); (2) the Group cooperates with Suzhou Qingsong as a limited partner; and (3) the appointed committee member actively participates in the policy-making process of the entity and the decision making of relevant activities are based on simple majority voting. The directors of the Company concluded that the Company only had significant influence and no control over Suzhou Qingsong.

Key sources of estimation uncertainty

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated, which is the higher of value in use or fair value less costs of disposal. The value-in-use calculation requires the directors of the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amounts of goodwill as at December 31, 2022, 2023 and 2024 were approximately RMB89,949,000, RMB231,803,000 and RMB262,381,000, respectively; and impairment losses of approximately RMB4,763,000 was recognised for the year ended December 31, 2022. Details of the impairment loss calculation are set out in Note 23.

Useful lives and estimated impairment on property, plant and equipment

The Group determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will increase the depreciation charges where useful lives are less than previously estimated lives, or will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

The Group regularly reviews whether there are any indications of impairment and recognises an impairment loss if the carrying amount of an asset is lower than its recoverable amount. The Group tests for impairment for property, plant and equipment whenever there is an indication that the asset may be impaired. The recoverable amounts have been determined based on the higher of value in use and fair value less costs of disposal. These calculations require the use of estimates, such as discount rates, future profitability and growth rates.

Useful lives and estimated impairment on intangible assets

The Group's management determines the useful lives and related amortisation charges for its intangible assets. This estimate is based on the historical experience of the actual useful lives of intangible assets of similar nature and functions and may vary significantly as a result of technical innovations and keen competitions from competitors, resulting in higher amortisation charge and/or write-off or write-down of technically obsolete assets when useful lives are less than previously estimated. The Group will increase the amortisation charges where useful lives are less than previously estimated lives, or will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

The Group regularly reviews whether there are any indications of impairment and recognises an impairment loss if the carrying amount of an asset is lower than its recoverable amount. The Group tests for impairment for intangible assets whenever there is an indication that the asset may be impaired. The recoverable amounts have been determined based on the higher of value in use and fair value less costs of disposal. These calculations require the use of estimates, such as discount rates, future profitability and growth rates.

Provision of ECL for financial assets at amortised cost

The Group calculates ECL for trade and other receivables and cash and cash equivalent under IFRS 9. The provision rates are based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. Details of the key assumptions and inputs used are set out in Note 40. Changes in these assumptions and estimation could materially affect the assessment and it may be necessary to make additional loss allowance in future periods.

Fair value measurements for financial assets at FVTPL and financial assets at FVTOCI

The Group has made various investments during the Track Record Period as set out in Note 25. The Group accounts for these financial instruments as financial assets at FVTPL and financial assets at FVTOCI. For those investments with no quoted market prices in an active market, their fair values are estimated by using valuation techniques. These techniques include those further described in Note 42 under the heading "Fair value measurement". Valuation techniques are certified by independent and recognised business valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Valuation models established by the valuer make the maximum use of market inputs and rely as little as possible on the Group's specific data. However, some inputs, such as probability of redemption of preference shares, require management estimates and assumptions, which are reviewed periodically and adjusted if necessary. Should any of the estimates and assumptions be changed, it may lead to a change in the fair value of the financial assets.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. In addition, these estimates could change significantly as a result of change in customer preference, environmental goals and competitor actions in response to industry cycles. Management measures these estimates at the end of each reporting period.

6. REVENUE

The Group's revenue streams are categorised as follows:

– Intelligent devices and solutions;

– Intelligent control components; and

– Software and other services

An analysis of the Group's revenue is as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Intelligent devices and solutions	11,844,744	11,154,586	11,626,885
Intelligent control components	8,802,234	8,535,040	10,273,624
Software and other services *(Note)*	343,287	483,011	500,673
Contracts with customers	20,990,265	20,172,637	22,401,182

Note: Software and other services primarily include revenue generated from software services, testing and after-sales services.

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers by timing of recognition within IFRS 15			
Point in time	20,975,885	20,151,881	22,364,984
Over time	14,380	20,756	36,198
Contract with customers	20,990,265	20,172,637	22,401,182

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) were approximately RMB10,484,000, RMB69,827,000 and RMB100,742,000 as at December 31, 2022, 2023 and 2024, respectively. Management of the Group expects the majority of the transaction price allocated to the unsatisfied contracts as of the end of each reporting period during the Track Record Period will be recognised within 1 to 8 years from the end of each reporting period.

The following table provides information about trade and bills receivables and contract liabilities from contracts with customers.

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables *(Note 26)*	205,754	295,839	420,107
Bills receivables *(Note 26)*	202,720	145,178	61,825
Contract liabilities *(Note 30)*	1,026,011	956,845	1,211,944

The contract liabilities mainly relate to the advance consideration received from customers.

7. SEGMENT INFORMATION

Operating segments are determined based on the Group's internal reports which are submitted to Chief Executive Officer, being the chief operating decision maker ("**CODM**") of the Group, for the purpose of performance assessment and resources allocation. This is also the basis upon which the Group is organised and managed.

No segment assets and liabilities are presented as they were not regularly provided to the CODM for the purpose of resource allocation and performance assessment.

The following are the Group's reportable segments under IFRS 8 "Operating Segments":

– Intelligent devices and solutions;

– Intelligent control components; and

– Software and other services

The following is an analysis of the Group's revenue by reportable segments.

For the year ended December 31, 2022

	Intelligent devices and solutions	Intelligent control components	Software and other services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	11,844,744	8,802,234	343,287	20,990,265
Gross profit	4,211,503	1,090,173	196,953	5,498,629
Unallocated amounts:				
Other income				511,502
Other gains and losses, net				26,271
Provision for impairment losses				(239,356)
Selling expenses				(1,187,767)
Administrative expenses				(964,393)
Research and development expenses				(1,280,863)
Finance costs				(71,276)
Share of results of associates				33,012
Profit before tax				2,325,759

For the year ended December 31, 2023

	Intelligent devices and solutions	Intelligent control components	Software and other services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	11,154,586	8,535,040	483,011	20,172,637
Gross profit	3,364,755	1,315,654	271,588	4,951,997
Unallocated amounts:				
Other income				678,436
Other gains and losses, net				36,311
Provision for impairment losses				(165,117)
Selling expenses				(1,343,131)
Administrative expenses				(1,177,632)
Research and development expenses				(1,422,498)
Finance costs				(76,224)
Share of results of associates				6,483
Profit before tax				1,488,625

For the year ended December 31, 2024

	Intelligent devices and solutions	Intelligent control components	Software and other services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	11,626,885	10,273,624	500,673	22,401,182
Gross profit	2,936,628	1,472,751	278,618	4,687,997
Unallocated amounts:				
Other income				521,646
Other gains and losses, net				(3,870)
Provision for impairment losses				(142,351)
Selling expenses				(1,205,971)
Administrative expenses				(1,177,362)
Research and development expenses				(1,540,155)
Finance costs				(99,336)
Share of results of associates				6,118
Profit before tax				1,046,716

The accounting policies of reportable segments are the same as the Group's accounting policies described in Note 4.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. No analysis of segment assets and liabilities is presented as management does not regularly review such information for the purposes of resource allocation and performance assessment. Therefore, only segment revenue and gross profit are presented.

Geographical information

An analysis of the Group's revenue from external customers, based on location of customers and analysed by regions, is presented below:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Revenue from external customers			
– Mainland China	16,076,252	15,509,842	16,701,908
– Overseas	4,914,013	4,662,795	5,699,274
	20,990,265	20,172,637	22,401,182

Information about the Group's non-current assets excluding financial assets, prepayments and deferred tax assets by geographical location of the assets are presented below:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets excluding financial assets, prepayments and deferred tax assets			
– Mainland China	3,454,748	4,740,294	5,856,839
– Overseas	6,285	6,704	7,871
	3,461,033	4,746,998	5,864,710

Information about major customer

Revenue from a customer which contributing over 10% of the total revenue of the Group are as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Customer A	2,875,946	2,772,184	3,346,859

8. OTHER INCOME

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Interest income from bank deposits	229,319	330,062	225,892
Interest income from time deposits and certificates of deposits held	178,473	131,940	140,978
Government grants *(Note)*	94,174	207,203	146,347
Others	9,536	9,231	8,429
	511,502	678,436	521,646

Note: Asset-related deferred income systematically released to profit or loss over the estimated useful lives of the related assets or the designated period. During the years ended December 31, 2022, 2023 and 2024, the amount of government grants recognised from asset-related deferred income (Note 33) was approximately RMB19,539,000, RMB11,187,000 and RMB7,082,000, respectively.

9. OTHER GAINS AND LOSSES, NET

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Net foreign exchange loss	(37,917)	(38,916)	(37,896)
Gain/(loss) on disposal of property, plant and equipment, net	4,146	(2,886)	(3,054)
Gain on disposal of intangible assets, net	11,277	306	9
Gain on lease modification	829	762	137
Change in fair value of structured deposits	5,165	33,268	27,568
Change in fair value of unlisted equity interests	41,102	31,883	3,542
Change in fair value of derivative financial instruments	–	42	5,824
Gain on disposal of partial equity interests of associates	1,669	11,852	–
	26,271	36,311	(3,870)

10. PROVISION FOR IMPAIRMENT LOSSES

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Impairment losses/(reversal of impairment losses) under ECL model, net of reversal			
Trade and bills receivables	9,175	(5,197)	2,828
Other receivables	1,891	3,011	3,004
	11,066	(2,186)	5,832
Other impairment losses			
Goodwill *(Note 23)*	4,763	–	–
Inventories	223,527	167,303	136,519
	228,290	167,303	136,519
Total	239,356	165,117	142,351

11. FINANCE COSTS

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Interest expenses on borrowings	68,736	72,307	97,175
Interest expenses on lease liabilities	2,540	3,917	2,161
	71,276	76,224	99,336

12. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging/(crediting):

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Cost of inventories	15,102,221	14,925,493	17,379,677
Write-down on inventories *(Note (i))*	223,527	167,303	136,519
Depreciation for property, plant and equipment *(Note 20)*	163,693	198,327	271,845
Amortisation of intangible assets *(Note 21)*	16,393	25,007	29,389
Amortisation of leasehold land held for own use *(Note 22)*	7,542	8,108	10,890
Depreciation of right-of-use assets *(Note 22)*	25,995	33,758	30,793
Staff costs (including directors' emoluments):			
– Salaries and other benefits	2,204,290	2,573,886	2,718,332
– Retirement benefits scheme contributions	148,959	184,314	202,295
– Share-based payment expenses/(credit)	62,627	(18,483)	93,837
Auditors' remuneration	1,810	2,160	3,390
Short-term leases with application of recognition exemption	6,080	7,797	8,756

Notes:

(i) This represents write down for inventories with carrying amounts exceeding their estimated selling prices due to market conditions.

13. INCOME TAX EXPENSES

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Current tax			
– PRC Enterprise Income Tax ("**EIT**")	274,693	123,321	63,501
– EIT from jurisdictions other than PRC	3,988	20,539	9,471
– Under/(over) provision in respect of prior year	–	1,000	(13,738)
	278,681	144,860	59,234
Deferred tax *(Note 24)*	(73,724)	(55,968)	(48,666)
Total income tax expenses	204,957	88,892	10,568

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the standard EIT rate of the PRC subsidiaries is 25%. For the PRC subsidiaries approved as "High and New Technology Enterprise" by the relevant government authorities, they are subject to a preferential rate of 15%. For the PRC subsidiaries approved as "Micro and Small Enterprise" by the relevant government authorities, which the annual taxable income that is not more than RMB1,000,000 and more than RMB1,000,000 but not more than RMB3,000,000 shall be included in its taxable income at the reduced rate of 12.5% and 25%, respectively, for the year ended December 31, 2022 and at the reduced rate of 25% for the years ended December 31, 2023 and 2024, with the applicable enterprise income tax rate of 20%.

The Group entities incorporated in Hong Kong is subject to Hong Kong Profits Tax under the two-tiered profits tax rates regime. During the Track Record Period, the first HK$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Group entities incorporated in the United State of America ("**USA**") is subject to Federal Corporate Tax and State Income Tax. The tax rate for Federal Income Tax at 21% during the Track Record Period. State Income Tax is assessed based on the taxable income of each subsidiary in their respective states and states where sales occur, with tax rates ranging from 8.7% to 8.84% depending on the state.

The Group entities incorporated in India, Singapore and Thailand are subject to the tax rates at 25.17%, 17% and 20%, respectively, during the Track Record Period.

The Group entities incorporated in the Netherlands are subject to 19% of taxable income up to European Dollar ("**EUR**") 200,000 and 25.8% of taxable income exceeding EUR200,000.

The Group entities incorporated in Dubai are subject to 0% of taxable income up to Dirham ("**AED**") 375,000 and 9% of taxable income exceeding AED375,000.

The Group entities incorporated in Indonesia are subject to the following taxes:

(i) 0.5% on annual turnover not exceeding Indonesian Rupiah (Rp) 4,800,000,000;

(ii) 11% on taxable income not exceeding Rp4,800,000,000 for annual turnover exceeding Rp4,800,000,000 but not exceeding Rp50,000,000,000;

(iii) Any remaining taxable income is taxed at a rate of 21%.

Taxation arising from other jurisdictions is calculated at the rate prevailing in the relevant jurisdictions.

The income tax expenses for the Track Record Period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	2,325,759	1,488,625	1,046,716
Tax at the applicable tax rate of 25%	581,439	372,156	261,679
Different tax rate enacted by local authorities in Mainland China	(229,302)	(150,577)	(119,322)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(3,862)	(11,025)	(5,786)
Under/(over) provision of current tax in prior years	–	1,000	(13,738)
Tax effect of expenses not deductible for tax purpose	15,505	41,871	71,219
Tax effect of share of results of associates	(7,800)	(1,621)	(1,529)
Utilisation of tax losses previously not recognised	(1,828)	–	(1,798)
Effect of deductible temporary differences and tax losses not recognised as deferred tax assets	14,803	25,014	12,679
Effect of super-deduction	(163,880)	(195,884)	(196,407)
Effect of change on tax rate on deferred tax assets and deferred tax liabilities	(118)	7,958	3,571
Income tax expenses	204,957	88,892	10,568

14. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Details of the emoluments paid or payable to the directors and supervisors of the Company for the services provided to the Group during the Track Record Period are as follows:

Year ended December 31, 2022

	Directors' fee	Salaries and other benefits	Performance-based bonus	Retirement benefit scheme contributions	Share-based compensation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman:						
Wang Yiran (vi)	300	511	–	74	–	885
Executive directors:						
Wang Yang (v)	200	595	–	88	–	883
Wong Ching Chung	–	156	–	10	–	166
Yu Wei	200	78	–	59	–	337
Zhou Kaiqi (i)	200	339	–	88	–	627
Yang Ming	200	816	–	88	589	1,693
You Tianyuan (ii)	200	86	–	60	–	346
Independent non-executive directors:						
Lin Bin (vii)	120	–	–	–	–	120
Huang Jiwu	120	–	–	–	–	120
Liu Heng (viii)	120	–	–	–	–	120
Supervisors:						
Zhang Lixiang	100	219	–	66	–	385
Lin Weichou	80	177	–	55	–	312
Chen Hui (iii)	80	490	–	89	–	659
Ren Rui (iv)	100	305	–	80	–	485
	2,020	3,772	–	757	589	7,138

Year ended December 31, 2023

	Directors' fee	Salaries and other benefits	Performance-based bonus	Retirement benefit scheme contributions	Share-based compensation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman:						
Wang Yang (v)	300	755	–	93	–	1,148
Executive directors:						
Wang Yiran (vi)	200	624	–	78	–	902
Wong Ching Chung	–	154	–	8	–	162
Yu Wei	200	79	–	61	–	340
Zhou Kaiqi (i)	200	466	–	93	–	759
Yang Ming	200	1,344	–	93	556	2,193
Independent non-executive directors:						
Lin Bin (vii)	120	–	–	–	–	120
Huang Jiwu	120	–	–	–	–	120
Liu Heng (viii)	120	–	–	–	–	120
Supervisors:						
Zhang Lixiang	100	211	–	69	–	380
Lin Weichou	80	186	–	57	–	323
Chen Hui (iii)	80	517	–	93	–	690
	1,720	4,336	–	645	556	7,257

Year ended December 31, 2024

	Directors' fee	Salaries and other benefits	Performance-based bonus	Retirement benefit scheme contributions	Share-based compensation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman:						
Wang Yang (v)	300	756	–	96	607	1,759
Executive directors:						
Wang Yiran (vi)	200	148	–	77	–	425
Wong Ching Chung	–	148	–	8	–	156
Yu Wei	200	80	–	60	–	340
Zhou Kaiqi (i)	200	467	–	96	–	763
Yang Ming	200	1,494	–	96	1,578	3,368
Independent non-executive directors:						
Lin Bin (vii)	–	–	–	–	–	–
Huang Jiwu	120	–	–	–	–	120
Liu Heng (viii)	–	–	–	–	–	–
Liu Yunguo (ix)	120	–	–	–	–	120
Zhu Yikun (x)	120	–	–	–	–	120
Supervisors:						
Zhang Lixiang	100	302	–	74	–	476
Lin Weichou	80	239	–	–	–	319
Chen Hui (iii)	80	542	–	95	–	717
	1,720	4,176	–	602	2,185	8,683

Notes:

(i) Zhou Kaiqi was appointed as an executive director of the Company on September 29, 2022.

(ii) You Tianyuan resigned as an executive director of the Company on September 29, 2022.

(iii) Chen Hui was appointed as a supervisor of the Company on May 12, 2022.

(iv) Ren Rui resigned as a supervisor of the Company on May 12, 2022.

(v) Wang Yang was re-designed as the chairman on April 25, 2023.

(vi) Wang Yiran was re-designed as an executive director of the Company on April 25, 2023.

(vii) Lin Bin resigned as an independent non-executive director of the Company on January 19, 2024.

(viii) Liu Heng resigned as an independent non-executive director of the Company on January 19, 2024.

(ix) Liu Yunguo was appointed as an independent non-executive director of the Company on January 19, 2024.

(x) Zhu Yikun was appointed as an independent non-executive director of the Company on January 19, 2024.

15. FIVE HIGHEST PAID INDIVIDUALS

During the years ended December 31, 2022, 2023 and 2024, the five individuals with the highest emoluments in the Group include three, three and three directors of the Company, details of whose remuneration are set out in Note 14 above. The emoluments of the five highest paid individuals during the Track Record Period were as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other benefits	7,702	8,154	7,966
Retirement benefits scheme contributions	435	458	489
Share-based compensation	915	1,223	4,213
	9,052	9,835	12,668

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended December 31,		
	2022	2023	2024
HKD1,000,000 to HKD1,500,000	1	–	–
HKD1,500,001 to HKD2,000,000	–	1	–
HKD2,000,001 to HKD2,500,000	–	–	1
HKD4,000,001 to HKD4,500,000	1	1	–
HKD4,500,001 to HKD5,000,000	–	–	1
	2	2	2

During the Track Record Period, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company have waived any emoluments during the Track Record Period.

16. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share attribute to owners of the Company is based on the following data:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Earnings for the purpose of calculating basic earnings per share	2,072,419	1,370,001	970,956

Number of shares:

	Year ended December 31,		
	2022	**2023**	**2024**
Weighted average number of ordinary shares in issue, excluding treasury shares held for restricted share scheme as these shares are not considered outstanding for the purpose of calculating basic earnings per share	678,827,556	696,016,545	690,982,548

(b) Diluted earnings per share

The calculation of the diluted earnings per share attribute to owners of the Company is based on the following data:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Earnings for the year attributable to owners of the Company and the purpose of calculating diluted earnings per share	2,072,419	1,370,001	970,956

The calculation of the diluted earnings per share attribute to owners of the Company is based on the following data:

Number of shares:

	Year ended December 31,		
	2022	**2023**	**2024**
Weighted average number of ordinary shares for the purpose of calculating basic earnings per shares	678,827,556	696,016,545	690,982,548
Effect of share options on diluted earnings per share	70,766	–	1,158,806
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	678,898,322	696,016,545	692,141,354

17. DIVIDENDS

During the Track Record Period, the board of directors declared the final dividend as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000 *(Note)*	*RMB'000*	*RMB'000*
Final dividend proposed after the end of the reporting period	736,301	587,312	471,548
Dividend per share in RMB	1.04	0.84	0.68

The final dividend proposed after the end of each of the Track Record Period has not been recognised as a liability at the end of each of the Track Record Period.

During the year ended 31 December 2023, the management expected that the certain of restricted shares would not be released at the end of vesting period, the cash dividend paid, which related to the 2022 final dividend proposed, with approximately RMB5,484,000 was offset with the share repurchase obligations recognised in other payables.

18. INVESTMENTS IN SUBSIDIARIES

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Company			
Investments in subsidiaries			
– Unlisted shares, at cost	4,893,960	5,515,087	6,616,451

The amounts due from/(to) subsidiaries were unsecured, repayable on demand and interest-free.

The Company had direct and indirect equity interests in the following principal subsidiaries during the Track Record Period:

Name of subsidiaries	Date and place of incorporation establishment	Authorised shares capital/ registered capital	Equity interests attributable to the Company as at December 31, 2022		December 31, 2023		December 31, 2024		Principal business activities
			Direct %	Indirect %	Direct %	Indirect %	Direct %	Indirect %	
廣州視琨電子科技有限公司 Guangzhou Shikun Electronic Technology Co., Ltd.* (vi)	August 28, 2015 PRC	RMB152,000,000	100	–	100	–	100	–	R&D design & sales of intelligent control components
廣州視睿電子科技有限公司 Guangzhou Shirui Electronic Technology Co., Ltd.* (vi)	July 11, 2008 PRC	RMB274,501,950	100	–	100	–	100	–	R&D design & sales of intelligent devices
廣州視承電子科技有限公司 Guangzhou Shicheng Electronic Technology Co., Ltd.* ("**Guangzhou Shicheng**") (i) (ii) (vi) (vii)	February 3, 2023 PRC	RMB100,000,000	–	–	100	–	100	–	Procurement of materials for devices
廣州視源創新科技有限公司 Guangzhou Shiyuan Innovation Technology Co., Ltd.* (vi)	March 9, 2021 PRC	RMB1,433,789,800	100	–	100	–	100	–	Intelligent manufacturing
視源(香港)有限公司 Shiyuan (HK) Limited	September 7, 2011 Hong Kong	HKD1,169,100	100	–	100	–	100	–	Trading
廣州視臻信息科技有限公司 Guangzhou Shizhen Information Technology Co., Ltd.* (vi)	August 22, 2011 PRC	RMB435,010,000	100	–	100	–	100	–	R&D design & sales of intelligent devices
西安青松光電技術有限公司 Xi'an Qingsong Optoelectronics Technology Co., Ltd. ("**Xi'an Qingsong**")* (iii) (vi)	March 22, 2010 PRC	RMB20,453,695	72	–	68.85	–	68.85	–	LED and its application
上海仙視電子科技有限公司 Shanghai Xianshi Electronic Technology Co., Ltd. ("**Xianshi Electronic**")* (iv) (vi)	August 3, 2005 PRC	RMB30,000,000	67	–	67	–	95.08	–	Intelligent hardware manufacturing
廣州開得聯智能科技有限公司 Guangzhou Kindlink Intelligent Technology Co., Ltd. ("**Kindlink Intelligent**")* (v) (vi)	December 17, 2021 PRC	RMB10,526,315	54	–	–	51.3	–	51.3	Manufacturing of AV products
廣州視源睿創電子科技有限公司 Guangzhou Shiyuan Ruichuang Electronic Technology Co., Ltd.* (i) (vi)	August 28, 2014 PRC	RMB754,888,900	100	–	100	–	100	–	Intelligent manufacturing
南京欣威視通信息科技股份有限公司 Nanjing Signway Technology Co., Ltd.* (vi)	June 21, 2010 PRC	RMB27,000,000	–	51	–	51	–	51	Software development

Name of subsidiaries	Date and place of incorporation establishment	Authorised shares capital/ registered capital	Equity interests attributable to the Company as at						Principal business activities
			December 31, 2022		December 31, 2023		December 31, 2024		
			Direct %	Indirect %	Direct %	Indirect %	Direct %	Indirect %	
廣州視睿軟件技術有限公司 Guangzhou Shirui Software Technology Co., Ltd.* (i) (vi) . . .	June 23, 2022 PRC	RMB10,000,000	–	100	–	100	–	100	Software development
廣州睿耳科技有限公司（前稱為「廣州視臻軟件有限公司」） Guangzhou Rui Er Technology Co., Ltd. (formerly known as "Guangzhou Shizhen Software Co., Ltd.*") (i) (vi)	May 24, 2022 PRC	RMB5,000,000	–	100	–	100	–	100	Software development
廣州開得聯軟件技術有限公司 Guangzhou Kaidelian Software Technology Co., Ltd.* (i) (vi) . . .	March 7, 2022 PRC	RMB5,000,000	–	100	–	100	–	100	Software development
廣州視盈投資有限公司 Guangzhou Shiying Investment Co., Ltd.* ("**Shiying Investment**") (i) (vi) (viii)	August 15, 2017 PRC	RMB445,000,000	100	–	100	–	100	–	Investment consultation

Notes:

i. The English names of the subsidiaries registered in the Mainland China of the PRC represent the best efforts made by management of the Company to translate their Chinese names as they do not have official English names.

ii. On February 3, 2023, the Group had incorporated this subsidiary in PRC with the registered capital of RMB100,000,000.

iii. Xi'an Qingsong increased its registered capital by RMB890,000 on May 19, 2023. As of that date, the registered capital increased from RMB19.60 million to RMB20.45 million. And the Company's shareholding of this subsidiary decreased from 72.00% to 68.85%.

iv. The Company increased its subscribed capital of Xianshi Electronic by RMB28.50 million on January 2, 2024. As of that date, the registered capital remained the same. And the Company's shareholding of this subsidiary increased from 67.00% to 95.08%.

v. A new shareholder injected capital into Kindlink Intelligent on February 7, 2023, which increased its registered capital by RMB526,000. As of that date, the registered capital of GKIT increased from RMB10.00 million to RMB10.53 million. And the holding Company's shareholding decreased from 54.00% to 51.30%. On June 5, 2023, the holding Company transferred all shares of GKIT to its subsidiary — Guangzhou Shiyuan Incubator Co., Ltd..

vi. A limited liability company operating in the PRC.

vii. The registered share capital of Guangzhou Shicheng amounted to RMB100,000,000, among which RMB94,000,000 was unpaid as at December 31, 2024.

viii. The registered share capital of Shiying Investment amounted to RMB445,000,000, among which RMB320,000,000 was unpaid as at December 31, 2024.

All of the subsidiaries adopted December 31, as their financial year end date.

* The statutory financial statements of certain subsidiaries in the Mainland China of the PRC for the years ended December 31, 2022, 2023 and 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable in the PRC and were audited by BDO China Shu Lun Pan Certified Public Accountants LLP.

19. INVESTMENTS IN ASSOCIATES

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Group			
At the beginning of the year	113,347	165,581	196,427
Additions	14,000	52,136	120,000
Disposals	(1,811)	(1,944)	–
Share of post-acquisition results	33,012	6,483	6,118
Dividends	(3,301)	(27,070)	(2,770)
Others	10,334	1,241	(279)
	165,581	196,427	319,496

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Company			
At the beginning of the year	105,313	152,500	147,955
Additions	6,000	5,000	120,000
Share of post-acquisition results	34,153	16,284	6,357
Dividends	(3,301)	(27,070)	(2,420)
Others	10,335	1,241	–
	152,500	147,955	271,892

The Group had interests in the following principal associates during the Track Record Period:

Name of associates	Place of incorporation/ establishment and operation	Percentage of ownership interests held by the Group and Company as at December 31,			Principal business activities
		2022	2023	2024	
廣州微乾信息科技有限公司 Guangzhou Weiqian Information Technology Co., Ltd. *(Note (i))*	PRC	39.00%	39.00%	39.00%	Research and development of network technology
國體智慧體育技術創新中心(北京)有限公司 Guoti Smart Sports Technology Innovation Center (Beijing) Co., Ltd. *(Note (i))*	PRC	30.00%	30.00%	30.00%	Scientific research on smart sports and related product development
廣州黃埔視盈科創股權投資合夥企業(有限合夥) Guangzhou Huangpu Shiying Sci Tech Innovation Equity Investment Partnership (Limited Partnership) *(Note (i) & (v))*	PRC	30.00%	30.00%	30.00%	Equity investment
廣州六環信息科技有限公司 Guangzhou Liuhuan Information Technology Co., Ltd. ("**Guangzhou Liuhuan**") *(Note (i) & (ii))*	PRC	17.91%	17.91%	17.91%	Sales of automotive electronic display assemblies, control assemblies, and switch controllers
廣州鐳晨智能裝備科技有限公司 Guangzhou Leichen Intelligent Equipment Co., Ltd. *(Note (i))*	PRC	20.00%	20.00%	20.00%	Scientific research and technical services industry
廣州源動智慧體育科技有限公司 Guangzhou Yuandong Smart Sports Technology Co., Ltd. *(Note (i))*	PRC	20.00%	20.00%	20.00%	Trade of sport equipment
蘇州青松共盈新興產業創業投資基金合夥企業(有限合夥) Suzhou Qingsong Gongying Emerging Industry Venture Capital Fund Partnership (Limited Partnership) ("**Suzhou Qingsong**") *(Note (i) & (iii))*	PRC	N/A	64.52%	64.52%	Investment business
廣州艾格因科技有限公司 Guangzhou Aigein Technology Co., Ltd. *(Note (i))*	PRC	20.00%	20.00%	20.00%	Research, development, production, and sales of wearable smart products
廣州視創顯示科技有限公司 Guangzhou Shichuang Display Technology Co., Ltd. *(Note (i))*	PRC	20.00%	20.00%	20.00%	Scientific research and technical services industry
昂寶集成電路(西安)有限公司 Angbao Integrated Circuit (Xi'an) Co., Ltd. ("**Angbao**") *(Note (i) & (iv))*	PRC	25.00%	15.00%	15.00%	Electrical machinery and equipment manufacturing industry
廣州視捷新能源有限公司 Guangzhou Shijie New Energy Co., Ltd. *(Note (i))*	PRC	34.00%	34.00%	34.00%	Scientific research and technical services industry

Name of associates	Place of incorporation/ establishment and operation	Percentage of ownership interests held by the Group and Company as at December 31,			Principal business activities
		2022	2023	2024	
廣州視珩電子科技有限公司 Guangzhou Shiheng Electronics Technology Co., Ltd. *(Note (i))*	PRC	N/A	30.00%	30.00%	Manufacturing industry
廣州視享科技有限公司 Guangzhou Shixiang Technology Co., Ltd. *(Note (i))*	PRC	N/A	N/A	40.00%	Scientific research and technical services industry

Notes:

i. The English names of the associate registered in the Mainland China of the PRC represent the best efforts made by the management of the Company to translate their Chinese names as they do not have official English names.

ii. The Group have rights to appoint 1 of the 3 board members in the board of directors of Guangzhou Liuhuan, that enables the Group to influence the relevant activities of Guangzhou Liuhuan.

iii. A limited partnership operating in the PRC. The Group owned 64.52% equity interests in Suzhou Qingsong during the years ended December 31, 2023 and 2024. The directors of the Company considered that the Group has significant influence over this entity based on the following factors: (1) Suzhou Qingsong has established the Investment Committee for decision making of relevant activities and policy-making, of which the Group has appointed 1 committee members to the Investment Committee (total 3 members); (2) the Group cooperates with Suzhou Qingsong as a limited partner; and (3) the appointed committee members actively participate in the policy-making process of the entity and the decision making of relevant activities are based on simple majority voting. The directors of the Company concluded that the Company only had significant influence and no control over Suzhou Qingsong.

iv. During the years ended December 31, 2023 and 2024, the Group have rights to appoint 1 of the 3 board members in the board of directors of Angbao, that enables the Group to influence the relevant activities of Angbao.

v. During the Track Record Period, the amount due from this associate was unsecured, interest-free and repayable on demand.

Aggregate information of associates that are not individually material:

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amount of the Group's associates in the Historical Financial Information	165,581	196,427	319,496

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Share of results of associates	33,012	6,483	6,118

20. PROPERTY, PLANT AND EQUIPMENT

	Property and buildings	Transportation vehicle	Furniture, fixtures and equipment	Leasehold improvement	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Group						
Cost						
As at January 1, 2022	1,376,357	100,336	548,832	15,303	352,386	2,393,214
Additions	1,805	24,601	125,509	15,904	789,917	957,736
Transferred from construction in progress	247,181	–	–	–	(247,181)	–
Disposals and written off	–	(5,242)	(33,098)	–	–	(38,340)
As at December 31, 2022 and January 1, 2023	1,625,343	119,695	641,243	31,207	895,122	3,312,610
Additions	1,715	10,353	213,210	20,590	999,870	1,245,738
Acquired through business combinations	–	–	1,790	390	–	2,180
Transferred from construction in progress	211,306	–	9,462	–	(220,768)	–
Disposals and written off	(78)	(3,862)	(55,990)	–	–	(59,930)
As at December 31, 2023 and January 1, 2024	1,838,286	126,186	809,715	52,187	1,674,224	4,500,598
Additions	19,660	4,335	317,762	101,395	672,345	1,115,497
Acquired through business combinations	–	–	1,069	37	–	1,106
Transferred from construction in progress	1,408,651	–	130,339	–	(1,538,990)	–
Disposals and written off	(2,831)	(10,960)	(134,681)	–	(514)	(148,986)
As at December 31, 2024	3,263,766	119,561	1,124,204	153,619	807,065	5,468,215
Accumulated Depreciation						
As at January 1, 2022	91,848	51,457	291,329	–	–	434,634
Provided for the year	33,297	19,741	99,721	10,934	–	163,693
Disposals and written off	–	(4,194)	(27,002)	–	–	(31,196)
As at December 31, 2022 and January 1, 2023	125,145	67,004	364,048	10,934	–	567,131
Provided for the year	41,881	19,457	122,297	14,692	–	198,327
Disposals and written off	–	(3,299)	(35,170)	–	–	(38,469)
As at December 31, 2023 and January 1, 2024	167,026	83,162	451,175	25,626	–	726,989
Provided for the year	57,584	16,719	178,909	18,633	–	271,845
Disposals and written off	(502)	(9,151)	(71,394)	–	–	(81,047)
As at December 31, 2024	224,108	90,730	558,690	44,259	–	917,787
Net book value						
As at December 31, 2022	1,500,198	52,691	277,195	20,273	895,122	2,745,479
As at December 31, 2023	1,671,260	43,024	358,540	26,561	1,674,224	3,773,609
As at December 31, 2024	3,039,658	28,831	565,514	109,360	807,065	4,550,428

	Property and buildings	Transportation vehicle	Furniture, fixtures and equipment	Leasehold improvement	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Company						
Cost						
As at January 1, 2022	272,182	53,090	95,720	2,958	–	423,950
Additions	–	18,291	4,111	1,422	–	23,824
Disposals and written off	–	(284)	(11,539)	–	–	(11,823)
As at December 31, 2022 and January 1, 2023	272,182	71,097	88,292	4,380	–	435,951
Additions	–	7,672	6,469	1,975	61,789	77,905
Disposals and written off	–	(265)	(7,057)	–	–	(7,322)
As at December 31, 2023 and January 1, 2024	272,182	78,504	87,704	6,355	61,789	506,534
Additions	–	312	4,409	2,330	162,542	169,593
Disposals and written off	(2,414)	(5,063)	(5,198)	–	(736)	(13,411)
As at December 31, 2024	269,768	73,753	86,915	8,685	223,595	662,716
Accumulated Depreciation						
As at January 1, 2022	37,759	28,871	80,942	–	–	147,572
Provided for the year	6,464	9,222	6,094	1,924	–	23,704
Disposals and written off	–	(235)	(10,821)	–	–	(11,056)
As at December 31, 2022 and January 1, 2023	44,223	37,858	76,215	1,924	–	160,220
Provided for the year	6,464	12,413	5,093	1,689	–	25,659
Disposals and written off	–	(252)	(6,615)	–	–	(6,867)
As at December 31, 2023 and January 1, 2024	50,687	50,019	74,693	3,613	–	179,012
Provided for the year	6,450	10,619	3,997	2,369	–	23,435
Disposals and written off	(502)	(4,185)	(4,321)	–	–	(9,008)
As at December 31, 2024	56,635	56,453	74,369	5,982	–	193,439
Net book value						
As at December 31, 2022	227,959	33,239	12,077	2,456	–	275,731
As at December 31, 2023	221,495	28,485	13,011	2,742	61,789	327,522
As at December 31, 2024	213,133	17,300	12,546	2,703	223,595	469,277

21. INTANGIBLE ASSETS

	Patent	Software	Royalties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Group				
Cost				
As at January 1, 2022	60,904	87,755	–	148,659
Additions	1,610	16,534	–	18,144
Additions — Transfer from research and development ("**R&D**")	14,310	–	–	14,310
Disposals	(1,508)	(215)	–	(1,723)
As at December 31, 2022 and January 1, 2023	75,316	104,074	–	179,390
Additions	6,441	9,906	–	16,347
Additions — Transfer from R&D	12,570	14,272	–	26,842
Acquisition through business combinations *(Note 39)*	21,759	–	12,606	34,365
Disposals	(4,239)	(647)	–	(4,886)
As at December 31, 2023 and January 1, 2024	111,847	127,605	12,606	252,058
Additions	8,155	19,686	–	27,841
Additions — Transfer from R&D	4,669	–	–	4,669
Acquisition through business combination *(Note 39)*	15,200	–	–	15,200
Disposals	(4,280)	(1,254)	(7,127)	(12,661)
As at December 31, 2024	135,591	146,037	5,479	287,107
Amortisation				
As at January 1, 2022	17,277	32,156	–	49,433
Provided for the year	7,750	8,643	–	16,393
Disposals — written back	(384)	(123)	–	(507)
As at December 31, 2022 and January 1, 2023	24,643	40,676	–	65,319
Provided for the year	14,024	10,242	741	25,007
Disposals — written back	(2,076)	(647)	–	(2,723)
As at December 31, 2023 and January 1, 2024	36,591	50,271	741	87,603
Provided for the year	16,573	11,808	1,008	29,389
Disposals — written back	(2,171)	–	–	(2,171)
As at December 31, 2024	50,993	62,079	1,749	114,821
Net book value				
As at December 31, 2022	50,673	63,398	–	114,071
As at December 31, 2023	75,256	77,334	11,865	164,455
As at December 31, 2024	84,598	83,958	3,730	172,286

	Patent	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
Company			
Cost			
As at January 1, 2022	44,394	44,156	88,550
Additions	51	6,966	7,017
Additions — Transfer from R&D	3,228	–	3,228
Disposals	(1,395)	(215)	(1,610)
As at December 31, 2022 and January 1, 2023	46,278	50,907	97,185
Additions	–	1,138	1,138
Additions — Transfer from R&D	2,418	–	2,418
Disposals	(108)	–	(108)
As at December 31, 2023 and January 1, 2024	48,588	52,045	100,633
Additions	1,109	3,798	4,907
Disposals	(3,859)	–	(3,859)
As at December 31, 2024	45,838	55,843	101,681
Amortisation			
As at January 1, 2022	12,499	23,415	35,914
Provided for the year	4,890	3,973	8,863
Disposals	(364)	(124)	(488)
As at December 31, 2022 and January 1, 2023	17,025	27,264	44,289
Provided for the year	5,068	4,495	9,563
Disposals	(49)	–	(49)
As at December 31, 2023 and January 1, 2024	22,044	31,759	53,803
Provided for the year	5,141	3,637	8,778
Disposals	(2,131)	–	(2,131)
As at December 31, 2024	25,054	35,396	60,450
Net book value			
As at December 31, 2022	29,253	23,643	52,896
As at December 31, 2023	26,544	20,286	46,830
As at December 31, 2024	20,784	20,447	41,231

22. RIGHT-OF-USE ASSETS

Details of the right-of-use assets recognised and movements during the years:

Group

	Land use rights	Property and buildings	Transportation vehicle	Machinery	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Costs					
As at January 1, 2022	312,152	58,442	76	–	370,670
Additions	7,746	55,230	–	2,415	65,391
Disposals	–	(25,587)	–	–	(25,587)
As at December 31, 2022 and January 1, 2023	319,898	88,085	76	2,415	410,474
Additions	43,775	34,112	504	5,352	83,743
Acquisition through business combination *(Note 39)*	–	3,527	–	–	3,527
Disposals	–	(24,830)	(76)	–	(24,906)
As at December 31, 2023 and January 1, 2024	363,673	100,894	504	7,767	472,838
Additions	207,190	15,156	1,325	–	223,671
Acquisition through business combination *(Note 39)*	–	357	–	–	357
Disposals	–	(25,782)	–	–	(25,782)
As at December 31, 2024	570,863	90,625	1,829	7,767	671,084
Depreciation					
As at January 1, 2022	30,631	16,090	43	–	46,764
Provided for the year	7,542	25,753	32	210	33,537
Eliminated on disposals	–	(15,780)	–	–	(15,780)
As at December 31, 2022 and January 1, 2023	38,173	26,063	75	210	64,521
Provided for the year	8,108	32,926	86	746	41,866
Eliminated on disposals	–	(14,178)	(75)	–	(14,253)
As at December 31, 2023 and January 1, 2024	46,281	44,811	86	956	92,134
Provided for the year	10,890	28,740	459	1,594	41,683
Eliminated on disposals	–	(22,852)	–	–	(22,852)
As at December 31, 2024	57,171	50,699	545	2,550	110,965
Carrying amounts					
As at December 31, 2022	281,725	62,022	1	2,205	345,953
As at December 31, 2023	317,392	56,083	418	6,811	380,704
As at December 31, 2024	513,692	39,926	1,284	5,217	560,119

Company

	Land use rights
	RMB'000
Costs	
As at January 1, 2022, December 31, 2022 and January 1, 2023	72,518
Additions	43,775
As at December 31, 2023, January 1, 2024 and December 31, 2024	116,293
Depreciation	
As at January 1, 2022	15,617
Provided for the year	1,815
As at December 31, 2022 and January 1, 2023	17,432
Provided for the year	2,327
As at December 31, 2023 and January 1, 2024	19,759
Provided for the year	2,692
As at December 31, 2024	22,451
Carrying amounts	
As at December 31, 2022	55,086
As at December 31, 2023	96,534
As at December 31, 2024	93,842

For the years ended December 31, 2022, 2023 and 2024, the Group leases various office premises, machinery and transportation vehicle for its operations. Lease contracts are entered into for fixed term of ranging from 1 year to 6 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable year, the Group applies the definition of a contract and determines the year for which the contract is enforceable. The land use rights of the Group and the Company are located in the Mainland China of the PRC on the lease of 50 years.

Restrictions or covenants on lease

Lease liabilities of approximately RMB64,667,000, RMB64,451,000 and RMB48,039,000 are recognised with related right-of-use assets of approximately RMB64,228,000, RMB63,312,000 and RMB46,427,000 as at December 31, 2022, 2023 and 2024, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases committed

The Group was committed at December 31, 2022, 2023 and 2024 to enter into new leases that were not yet commenced, the total lease payments under which amounted to approximately RMB62,981,000, RMB110,091,000 and RMB49,010,000, respectively.

23. GOODWILL

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Group			
Cost			
At the beginning of the year	125,647	125,647	267,501
Acquisition of subsidiaries	–	141,854	30,578
At the end of the year	125,647	267,501	298,079
Impairment			
At the beginning of the year	30,935	35,698	35,698
Impairment loss recognised	4,763	–	–
At the end of the year	35,698	35,698	35,698
Carrying value			
At the end of the year	89,949	231,803	262,381

Goodwill acquired through business combinations is allocated to the following CGUs for impairment testing:

- 上海仙視電子科技有限公司 Shanghai Xianshi Electronic Technology Co., Ltd. ("**Shanghai Xianshi**") CGU
- 西安青松光電技術有限公司 Xi'an Qingsong Optoelectronics Technology Co., Ltd. ("**Xian Qingsong**") CGU
- 蘇州源控電子科技有限公司 Suzhou Yuankong Electronic Technology Co., Ltd. ("**Suzhou Yuankong**") CGU
- 深圳市掌鋭電子有限公司 Shenzhen Zhangrui Electronics Co., Ltd. ("**Shenzhen Zhangrui**") CGU
- 廣州市智遠物業管理有限公司 Guangzhou Zhiyuan Property Management Co., Ltd. ("**Guangzhou Zhiyuan**") CGU
- 上海綺音科技有限公司 Shanghai Qiyin Technology Co., Ltd. ("**Shanghai Qiyin**") CGU
- Conference line business CGU

In addition to goodwill, property, plant and equipment, right-of-use assets and intangible assets that generate cash flows together with the related goodwill are included in the respective CGUs for the purpose of impairment assessment.

The carrying amount of goodwill allocated to each of the CGUs is as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Shanghai Xianshi CGU	–	–	–
Xian Qingsong CGU	89,613	89,613	89,613
Suzhou Yuankong CGU	336	336	336
Shenzhen Zhangrui CGU *(Note 39)*	–	141,590	141,590
Guangzhou Zhiyuan CGU *(Note 39)*	–	264	264
Shanghai Qiyin CGU *(Note 39)*	–	–	9,529
Conference line business CGU *(Note 39)*	–	–	21,049
	89,949	231,803	262,381

The recoverable amount of the above CGUs have been determined based on value-in-use calculations using cash flow projections.

Assumptions were used in the value-in-use calculations of the above CGUs as at December 31, 2022, 2023 and 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

The cash flow projections were based on financial budgets covering a period approved by management as follows:

Shanghai Xianshi CGU	5 years
Xian Qingsong CGU	5 years
Suzhou Yuankong CGU	5 years
Shenzhen Zhangrui CGU	5 years
Guangzhou Zhiyuan CGU	5 years
Shanghai Qiyin CGU	5 years
Conference line business CGU	5 years

The cash flow projections beyond the 5-year period are extrapolated using growth rates as follows:

	Year ended December 31,		
	2022	2023	2024
	%	%	%
Shanghai Xianshi CGU	0	N/A	N/A
Xian Qingsong CGU	0	0	0
Suzhou Yuankong CGU	0	0	0
Shenzhen Zhangrui CGU	N/A	0	0
Guangzhou Zhiyuan CGU	N/A	0	0
Shanghai Qiyin CGU	N/A	N/A	0
Conference line business CGU	N/A	N/A	0

The discount rates applied to the cash flow projections are as follows:

	Year ended December 31,		
	2022	2023	2024
	%	%	%
Shanghai Xianshi CGU	15.59	N/A	N/A
Xian Qingsong CGU	15.59	11.24	13.39
Suzhou Yuankong CGU	15.59	15.59	15.59
Shenzhen Zhangrui CGU	N/A	11.07	12.08
Guangzhou Zhiyuan CGU	N/A	10.00	10.00
Shanghai Qiyin CGU	N/A	N/A	13.80
Conference line business CGU	N/A	N/A	12.45

The discount rates used are pre-tax and reflect specific risk relating to the relevant units.

The revenue growth rates applied to the cash flow projections are as follows:

	Year ended December 31,		
	2022	2023	2024
	%	%	%
Shanghai Xianshi CGU	2.00~40.80	N/A	N/A
Xian Qingsong CGU	3.00~7.01	0.94~13.96	3.74~5.16
Suzhou Yuankong CGU	1.12~4.65	1.12~5.08	1.12~1.77
Shenzhen Zhangrui CGU	N/A	4.91~35.72	3.31~28.02
Guangzhou Zhiyuan CGU	N/A	1.50~70.00	1.50~3.00
Shanghai Qiyin CGU	N/A	N/A	6.07~617.31
Conference line business CGU	N/A	N/A	5.00~44.39

Based on the above, during the year ended December 31, 2022, the management has determined that impairment losses of approximately RMB4,763,000 in relation to goodwill allocated to Shanghai Xianshi CGU as the recoverable amount of the CGU is less than its carrying amount. The estimated recoverable amount of the CGU is determined based on cash flow projections by reference to the valuation carried out by external independent valuer. The valuer measured that the recoverable amount of Shanghai Xianshi CGU's were approximately RMB10,799,000 which are approximately RMB4,763,000 less than its carrying amounts before impairment as at December 31, 2022.

The Group assesses the uncertainty of these estimates by performing sensitivity analyses. Management believes that no reasonably possible change in any of the above key assumptions would cause the CGU's recoverable amount to fall below its carrying amount.

24. DEFERRED TAXATION

Group

The following is a summary of the deferred tax balances of the Group for financial reporting purposes:

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	384,129	425,324	456,087
Deferred tax liabilities	(57,571)	(42,281)	(24,497)
	326,558	383,043	431,590

The followings are the major deferred tax assets and liabilities recognised and movements during the Track Record Period:

	Unused tax losses	Provisions	Impairment allowance	Share based payment	Fair value adjustments of financial assets at FVTPL	Change in fair value through other comprehensive income	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2022	127,829	37,409	35,142	24,192	(3,378)	926	40,480	262,600
Credited /(charged) to profit or loss	49,186	11,793	172	8,255	(8,078)	–	12,396	73,724
Charged to other comprehensive income	–	–	–	–	–	(9,688)	–	(9,688)
Exchange difference	–	–	–	–	–	134	(212)	(78)
As at December 31, 2022 and January 1, 2023	177,015	49,202	35,314	32,447	(11,456)	(8,628)	52,664	326,558
Credited /(charged) to profit or loss	71,062	(966)	(7,802)	(13,880)	(7,035)	–	14,589	55,968
Charged to other comprehensive income	–	–	–	–	–	(253)	–	(253)
Exchange difference	–	–	–	–	–	158	612	770
As at December 31, 2023 and January 1, 2024	248,077	48,236	27,512	18,567	(18,491)	(8,723)	67,865	383,043
Credited /(charged) to profit or loss	40,629	(11,142)	2,247	(836)	(5,162)	–	22,930	48,666
Credited to other comprehensive income	–	–	–	–	–	318	–	318
Exchange difference	–	–	–	–	–	(469)	32	(437)
As at December 31, 2024	288,706	37,094	29,759	17,731	(23,653)	(8,874)	90,827	431,590

Note:

As at December 31, 2022, 2023 and 2024, the Group had unused tax losses of approximately RMB113,545,000, RMB215,015,000 and RMB271,463,000, respectively, available to offset against future profits, and had not been recognised as at December 31, 2022, 2023 and 2024, respectively, due to the unpredictability of future profit streams.

Company

The following is a summary of the deferred tax balances of the Group for financial reporting purposes:

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	74,156	71,099	7,596

The followings are the major deferred tax assets and liabilities recognised and movements during the Track Record Period:

	Unused tax losses	Provisions	Impairment allowance	Share based payment	Fair value adjustments of financial assets at FVTPL	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2022	68,839	561	5,052	857	(3,378)	6,395	78,326
(Charged)/credited to profit or loss	(6,490)	(99)	177	782	(424)	1,884	(4,170)
As at December 31, 2022 and January 1, 2023	62,349	462	5,229	1,639	(3,802)	8,279	74,156
(Charged)/credited to profit or loss	(7,885)	376	(4,861)	318	(1,202)	10,197	(3,057)
As at December 31, 2023 and January 1, 2024	54,464	838	368	1,957	(5,004)	18,476	71,099
(Charged)/credited to profit or loss	(47,143)	(559)	528	(414)	(3,066)	(12,849)	(63,503)
As at December 31, 2024	7.321	279	896	1,543	(8,070)	5,627	7,596

25. FINANCIAL ASSETS AT FVTOCI, FINANCIAL ASSETS AT FVTPL AND DERIVATIVE FINANCIAL INSTRUMENTS

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Group			
Financial assets			
Non-current assets			
Financial assets at FVTOCI			
– Unlisted equity investments	72,852	72,490	71,908
Financial assets at FVTPL			
– Unlisted equity investments	181,102	228,696	236,488
	253,954	301,186	308,396
Current assets			
Financial assets at FVTPL			
– Structured deposits *(Note (i))*	818,317	794,114	310,073
– Derivatives financial instruments *(Note (ii))*	–	166	22,991
	818,317	794,280	333,064
	1,072,271	1,095,466	641,460

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities			
Current liabilities			
Derivatives financial instruments *(Note (ii))*	–	3,324	17,062

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Company			
Financial assets			
Non-current assets			
Financial assets at FVTOCI			
– Unlisted equity investments	2,459	2,504	2,631
Financial assets at FVTPL			
– Unlisted equity investments	115,878	120,016	116,967
	118,337	122,520	119,598
Current assets			
Financial assets at FVTPL			
– Structured deposits *(Note (i))*	9,331	–	–
	9,331	–	–
	127,668	122,520	119,598

Notes:

(i) Structured deposits

The Group entered into series of structured contracts with banks and other financial institutions in the PRC. The investments are yield enhancement deposits with expected but not guaranteed rates of return. The expected rates of return ranged from 1.5% to 3.7%, 1.5% to 3.7% and 0.5% to 3.35%, per annum for the years ended December 31, 2022, 2023 and 2024, respectively, which were determined by reference to the returns of the underlying investments. The directors of the Company considered the structured deposits shall be classified as financial assets at FVTPL and the amount paid for the structured deposits approximates its fair value at the end of each reporting period.

(ii) Derivative financial instruments

The nominal amounts and the fair values of the derivative financial instruments are set out below:

		December 31, 2023	
		Fair value	
	Notional amount	**Assets**	**Liabilities**
	RMB'000	*RMB'000*	*RMB'000*
Derivatives under hedge accounting:			
Cash flow hedge — foreign currency forwards	67,063	–	(3,324)
Derivatives not under hedge accounting:			
Foreign currency forwards	5,550	5	–
Foreign currency swap	205,870	161	–
	278,483	166	(3,324)

		December 31, 2024	
		Fair value	
	Notional amount	**Assets**	**Liabilities**
	RMB'000	*RMB'000*	*RMB'000*
Derivatives not under hedge accounting:			
Foreign currency forwards	805,077	10,574	(15,182)
Foreign currency swap	394,867	12,417	(1,880)
	1,199,944	22,991	(17,062)

The fair values of foreign currency forwards and foreign currency swap as shown above are determined with reference to market-to-market values.

Hedge accounting has been applied for foreign currency forwards that are assessed by the Group to be highly effective hedges.

The Group determines the economic relationship between the hedging instruments and the hedged items by matching the critical terms of foreign currency forwards contracts with the terms of time deposit contract (i.e., notional amount, expected payment date and interest rate). The hedge ratio (the ratio between the notional amount of the derivatives to the par value of the time deposit) is determined to be 1:1. To measure the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the intra-group balances, borrowings and the hedging instruments;
- Different interest rate curves applied to discount the hedged items and hedging instruments; and
- Changes to the forecasted amounts of cash flows of hedged items and hedging instruments.

Group

	Outstanding foreign currency forwards contracts and foreign currency swap contracts	Average strike rate	Foreign currency	Foreign currency	Notional value	Assets/ (liabilities) at fair value
			US$'000	*HKD'000*	*RMB'000*	*RMB'000*
As at December 31, 2023	**Buy HKD**					
	Less than 12 months	0.9095	–	232,457	211,420	166
	Sell US$					
	Less than 12 months	6.7063	10,000	–	67,063	(3,324)
As at December 31, 2024	**Buy US$**					
	Less than 12 months	6.9461	78,700	–	546,662	22,572
	Over 12 months	7.0297	6,000	–	42,178	419
	Sell US$					
	Less than 12 months	7.0485	86,700	–	611,104	(17,062)

Note: For the years ended December 31, 2023 and 2024, the gains under derivative financial instruments of approximately RMB42,000 and RMB5,824,000, respectively, was recognised in other gains and losses, net.

26. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Group			
Trade receivables			
– Third parties	228,613	311,601	435,767
– Related parties *(Note (i))*	2,124	9,807	12,548
	230,737	321,408	448,315
Less: loss allowance for trade receivables	(24,983)	(25,569)	(28,208)
Sub-total	205,754	295,839	420,107
Bills receivables			
– Bank	202,720	145,178	61,825
	202,720	145,178	61,825
Less: loss allowance for bill receivables	–	–	–
Sub-total	202,720	145,178	61,825
Other receivables			
– Third parties *(Note (ii))*	161,799	442,295	521,903
– Related parties *(Note (i))*	2,831	24,205	–
	164,630	465,500	521,903
Less: loss allowance for other receivables	(9,393)	(12,537)	(15,610)
Sub-total	155,237	452,963	506,293
Total trade, bills and other receivables	563,711	893,980	988,225
Prepayments *(Note (iii))*			
– Current portion	50,409	72,890	58,908
– Non-current portion	76,652	524,741	330,715
Sub-total	127,061	597,631	389,623

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Company			
Trade receivables			
– Third parties	54	–	83
– Related parties	42	–	242
	96	–	325
Less: loss allowance for trade receivables	(4)	–	(16)
Sub-total	92	–	309
Bills receivables			
– Bank	23,056	–	21,335
	23,056	–	21,335
Less: loss allowance for bill receivables	–	–	–
Sub-total	23,056	–	21,335
Other receivables			
– Third parties	6,131	13,356	14,070
– Related parties	1,073	24,205	–
	7,204	37,561	14,070
Less: loss allowance for other receivables	(1,372)	(1,471)	(1,307)
Sub-total	5,832	36,090	12,763
Total trade, bills and other receivables	28,980	36,090	34,407
Prepayments *(Note (iii))*			
– Current portion	58	58	–
– Non-current portion	12,460	288,454	300,226
Sub-total	12,518	288,512	300,226

Notes:

(i) Details of the trade and other receivables due from related parties are set out in Note 46.

(ii) Other receivables from third parties mainly consist of value-added input tax credit.

(iii) Prepayments mainly represent the amounts paid for acquisition of property, plant and equipment and construction in progress.

The Group generally allows a credit period of generally 90 days to its customers. The following is aging analysis of trade receivables (net of allowance for impairment losses), presented based on the invoice dates, at the end of each financial period during the Track Record Period:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Group			
Within 1 year	213,432	309,828	440,249
1 to 2 years	2,507	1,192	2,061
2 to 3 years	1,053	613	23
Over 3 years	13,745	9,775	5,982
	230,737	321,408	448,315
Less: loss allowance for trade receivables	(24,983)	(25,569)	(28,208)
	205,754	295,839	420,107

Movements in lifetime ECL that have been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9 for the years ended December 31, 2022, 2023 and 2024:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of year	20,429	24,983	25,569
Provided	9,175	(3,815)	2,828
Acquired through business combination	–	4,509	–
Written-off of recognised impairment loss	(4,621)	(108)	(189)
At the end of year	24,983	25,569	28,208

The Company generally allows a credit period of generally 90 days to its customers. The following is aging analysis of trade receivables (net of allowance for impairment losses), presented based on the invoice dates, at the end of each financial period during the Track Record Period:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Company			
Within 1 year	96	–	325
	96	–	325
Less: loss allowance for trade receivables	(4)	–	(16)
	92	–	309

Movement in lifetime ECL that has been recognised for trade receivables of the Company in accordance with the simplified approach set out in IFRS 9 for the years ended December 31, 2022, 2023 and 2024:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of year	–	4	–
Provided/(reversed)	5	(4)	16
Written-off of recognised impairment loss	(1)	–	–
At the end of year	4	–	16

27. CASH AND BANK BALANCES, RESTRICTED BANK DEPOSITS, CERTIFICATES OF DEPOSITS HELD AND TIME DEPOSITS

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Group			
Non-current asset			
Time deposit with original maturity over one year *(Note (i))*	–	504,748	3,301,379
Certificates of deposits held *(Note (ii))*	536,411	2,012,314	3,121,499
	536,411	2,517,062	6,422,878
Current assets			
Time deposit with original maturity within one year *(Note (i))*	3,092,478	4,206,407	5,035
Cash and bank balances *(Note (iii))*	4,714,752	4,681,386	4,889,691
Restricted bank deposits *(Note (iv))*	26,968	36,291	14,385
Certificates of deposits held *(Note (ii))*	4,276,974	305,915	588,292
	12,111,172	9,229,999	5,497,403
	12,647,583	11,747,061	11,920,281

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Company			
Non-current asset			
Time deposits with original maturity over one year *(Note (i))*	–	–	454,777
Certificates of deposits held *(Note (ii))*	150,000	150,000	401,791
	150,000	150,000	856,568

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Current assets			
Time deposits with original maturity within one year *(Note (i))*	6,512	407,513	20
Cash and bank balances *(Note (iii))*	440,316	501,802	2,385,506
Restricted bank deposits *(Note (iv))*	2,714	2,940	2,940
Certificates of deposits held *(Note (ii))*	2,130,639	–	176,817
	2,580,181	912,255	2,565,283
	2,730,181	1,062,255	3,421,851

Notes:

(i) As at December 31, 2022, 2023 and 2024, time deposits represent fixed deposits from the date of acquisition which carried interest at prevailing market rates ranging from 1.70% to 5.75%, 1.45% to 6.02% and 1.30% to 6.02% as at December 31, 2022, 2023 and 2024, respectively.

(ii) As at December 31, 2022, 2023 and 2024, the certificates of deposits are issued by the banks (or financial institutions) in the PRC with maturity from 13 to 35 months, 1 to 35 months and 2 to 36 months, respectively, which carried interest at prevailing market rates ranging from 3.15% to 3.45%, 2.65% to 3.50% and 2.35% to 3.75%, respectively. The Company recognised the certificates of deposits held as financial assets at amortised cost during the Track Record Period. The directors of the Company considered the credit risk of these certificates of deposits held are very low and the impairment allowance is minimal.

(iii) At the end of each reporting period, cash and bank balances of the Group comprised of bank balances and cash held. Bank balances carried interest at prevailing market rates ranging from 1.49% to 4.10%, 1.49% to 3.61% and 0.60% to 3.61% per annum as at December 31, 2022, 2023 and 2024, respectively.

(iv) During the Track Record Period, the restricted bank deposits mainly consist of bank acceptance bill deposits, letter of credit deposits and guarantee deposits.

28. INVENTORIES

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Group			
Raw materials	926,958	1,264,595	1,192,395
Work in progress	114,462	129,686	180,955
Finished goods	1,022,331	987,719	1,093,250
Less: provision for inventory impairment	(206,637)	(143,681)	(151,796)
Total	1,857,114	2,238,319	2,314,804

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Company			
Raw materials	10	–	3,092
Work in progress	9	–	73,321
Finished goods	–	–	50,302
Less: write-downs of inventories	–	–	(2,259)
Total	19	–	124,456

29. TRADE, BILLS AND OTHER PAYABLES

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Group			
Trade payables			
– Third parties	2,596,311	2,955,688	2,893,321
– Related parties *(Note (i))*	12,033	11,162	16,257
	2,608,344	2,966,850	2,909,578
Bills payable			
– Third parties	271,962	257,009	137,338
Other payables			
– Salary and bonus payables	492,971	500,133	477,358
– Interest payables	735	1,348	914
– Other taxes payable	104,497	84,700	165,792
– Deposits received	50,976	55,106	81,394
– Accrual for property, plant and equipment	305,354	402,825	492,042
– Accrued expense *(Note (ii))*	205,616	197,780	186,974
– Accrual for repurchase of restricted shares	165,292	159,809	110,298
	1,325,441	1,401,701	1,514,772
Total trade and other payables	4,205,747	4,625,560	4,561,688
Analysis into:			
Current portion	4,205,664	4,625,303	4,561,688
Non-current portion	83	257	–
	4,205,747	4,625,560	4,561,688

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Company			
Trade payables			
– Third parties	43,360	43,360	50,903
	43,360	43,360	50,903
Bills payable			
– Third parties	508,898	320,299	1,230,000
Other payables			
– Salary and bonus payables	21,820	26,410	24,906
– Interest payables	166	83	46
– Other taxes payable	8,296	4,452	16,454
– Accrued expense *(Note (ii))*	12,222	40,467	83,589
– Repurchase of restricted shares accrual	165,292	159,809	110,298
	207,796	231,221	235,293
Total trade and other payables	760,054	594,880	1,516,196
Analysis into:			
Current portion	759,971	594,880	1,516,196
Non-current portion	83	–	–
	760,054	594,880	1,516,196

Notes:

(i) Details of the trade payables due to related parties are set out in Note 46.

(ii) Details of the accrued expenses due to related parties are set out in Note 46.

Payment terms with suppliers are mainly on credit ranging from 30 to 60 days from invoice date. The following is an aging analysis of trade payables presented based on transaction date at the end of each of the reporting year:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Group			
Within 1 year	2,566,629	2,963,369	2,890,399
Over 1 year	41,715	3,481	19,179
Total	2,608,344	2,966,850	2,909,578

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Company			
Within 1 year	43,360	–	50,903
Over 1 year	–	43,360	–
Total	43,360	43,360	50,903

30. CONTRACT LIABILITIES

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Group			
Non-current portion			
Contract liabilities			
– Third parties	44,081	53,358	101,490
Current portion			
Contract liabilities			
– Third parties	981,930	903,487	1,110,454
Total	1,026,011	956,845	1,211,944

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Company			
Non-current portion			
Contract liabilities			
– Third parties	13,750	7,252	6,606
Current portion			
Contract liabilities			
– Third parties	59,018	22,274	44,164
Total	72,768	29,526	50,770

Changes in contract liabilities primarily relate to the Group's and the Company's performance of services under the contracts. Revenue of approximately RMB1,219,346,000, RMB981,930,000 and RMB903,487,000 of the Group were recognised for the years ended December 31, 2022, 2023 and 2024 that were included in the contract liabilities at the beginning of the relevant years, respectively. Revenue of approximately RMB172,097,000, RMB59,018,000 and RMB22,274,000 of the Company were recognised for the years ended December 31, 2022, 2023 and 2024 that were included in the contract liabilities at the beginning of the relevant years, respectively.

31. BORROWINGS

Group

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Current portion			
Bank borrowings, secured *(Note (i))*	1,222,805	–	–
Bank borrowings, unsecured *(Note (ii))*	843,988	2,646,600	2,710,171
	2,066,793	2,646,600	2,710,171
Non-current portion			
Bank borrowings, unsecured *(Note (ii))*	100,000	203,171	564,033
Total borrowings	2,166,793	2,849,771	3,274,204

Total current and non-current borrowings were scheduled to repay as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
On demand or within one year	2,066,793	2,646,600	2,710,171
More than one year, but not exceeding two years	100,000	203,171	500,770
More than two years, but not exceeding five years	–	–	51,763
Over five years	–	–	11,500
	2,166,793	2,849,771	3,274,204

All of the Group's banking facilities are subject to the fulfilment of covenants. Some of those relating to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the related loans would become payable on demand. The Group did not identify any difficulties complying with the covenants in bank loans. Information about the covenant related to financial metrics for bank loans which classified as non-current liabilities at the end of the Reporting Period are set out below:

	Carrying amount				
Loans	**2022**	**2023**	**2024**	**Covenants**	**Timing to comply with the covenant(s)**
	RMB'000	*RMB'000*	*RMB'000*		
Bank borrowings, unsecured	–	–	223,230	(i) The Group's Debt-to-Asset ratio shall not exceed 50%; (ii) The borrower's Debt-to-Asset ratio shall not exceed 70%; and (iii) Net profit for the year and net operating cash inflow for the year for both of the Group and the borrower	Annually

Company

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Current portion			
Bank borrowings, unsecured	100,000	100,000	–
Non-current portion			
Bank borrowings, unsecured	100,000	–	63,263
Total borrowings	200,000	100,000	63,263

Total current and non-current borrowings were scheduled to repay as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
On demand or within one year	100,000	100,000	–
More than one year, but not exceeding two years	100,000	–	–
More than two years, but not exceeding five years	–	–	51,763
Over five years	–	–	11,500
	200,000	100,000	63,263

The carrying amounts of the Group's and the Company's current interest-bearing bank borrowing approximate to their fair values.

Notes:

(i) The bank borrowing amounting to RMB1,222,895,000 as at 31 December 2022 were secured by Group's certificates of deposits held of approximately RMB1,050,000,000.

(ii) As at December 31, 2022, 2023 and 2024, the Group had banking facilities to the extent of approximately RMB7,760,000,000, RMB9,540,000,000 and RMB11,463,000,000, respectively. The aforesaid bank loans outstanding as at December 31, 2022, 2023 and 2024 were approximately RMB943,988,000, RMB2,849,771,000 and RMB3,274,204,000, respectively.

32. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's and the Company's lease liabilities at the end of each reporting period:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Group			
Within one year	28,158	28,315	22,610
Within a period of more than one year but within five years	40,906	41,553	27,879
Total lease payments	69,064	69,868	50,489
Interest	(4,397)	(5,417)	(2,450)
	64,667	64,451	48,039
Less: Amounts due for settlement within 12 months shown under current liabilities	26,062	24,813	21,674
Amount due for settlement after 12 months shown under non-current liabilities	38,605	39,638	26,365

33. DEFERRED INCOME

Group

	Assets related	Income related	Total
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
As at January 1, 2022	78,123	–	78,123
Additions	27,876	–	27,876
Release to profit or loss *(Note 8)*	(19,539)	–	(19,539)
As at December 31, 2022	86,460	–	86,460
Additions	13,824	9,049	22,873
Release to profit or loss *(Note 8)*	(11,187)	–	(11,187)
As at December 31, 2023	89,097	9,049	98,146
Additions	20,783	18,166	38,949
Release to profit or loss *(Note 8)*	(7,082)	(2,920)	(10,002)
As at December 31, 2024	102,798	24,295	127,093

Company

	Assets related	Income related	Total
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
As at January 1, 2022	11,400	26,202	37,602
Additions	5,450	298	5,748
Release to profit or loss	(4,421)	(11,284)	(15,705)
As at December 31, 2022	12,429	15,216	27,645
Additions	4,170	85	4,255
Release to profit or loss	(4,610)	(2,406)	(7,016)
As at December 31, 2023	11,989	12,895	24,884
Additions	1,330	4,513	5,843
Release to profit or loss	(2,612)	(2,648)	(5,260)
As at December 31, 2024	10,707	14,760	25,467

Note: The amounts primarily consist of incentives provided by local authorities. These funds are recognized as deferred income and systematically released to profit or loss over the estimated useful lives of the related property, plant and equipment or the designated period. For grants related to expense, the amounts received are recognized in profit or loss over the periods necessary to match them with the related costs they are intended to compensate.

34. PROVISIONS

Group

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000* *(Note (ii))*	*RMB'000*
At the beginning of the years	247,665	310,200	269,782
Add: Provision	201,475	130,627	149,464
Less: Written back	(138,940)	(171,045)	(172,577)
At the end of the years	310,200	269,782	246,669
Less: Non-current portion	(170,734)	(124,787)	(117,556)
Current potion	139,466	144,995	129,113

Company

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000* *(Note (ii))*	*RMB'000*
At the beginning of the years	2,245	1,849	3,355
Add: Provision	–	3,044	958
Less: Written back	(396)	(1,538)	(3,199)
At the end of the years	1,849	3,355	1,114
Less: Non-current portion	(308)	(3,044)	(185)
Current potion	1,541	311	929

Notes:

(i) It represents provision for warranty which the Group provides an assurance that a product complies with agreed upon specifications mentioned in the sales contracts.

(ii) As at December 31, 2023, the carrying amount included a provision for a legal case with the amount of approximately RMB3,044,000.

The amount was fully settled during the year ended December 31, 2024.

35. SHARE CAPITAL

	Number of ordinary shares	Authorised shares	Issued and paid shares
		RMB'000	*RMB'000*
Group and Company			
Ordinary shares of RMB1.00 each			
As at January 1, 2022	666,549,706	666,550	666,550
Issue of new shares *(Note (i))*	29,466,839	29,467	29,467
Restricted Share Incentive Scheme *(Note (ii))*	5,222,500	5,222	5,222
As at December 31, 2022, January 1, 2023, December 31, 2023 and January 1, 2024	701,239,045	701,239	701,239
Share repurchase and deregistration *(Note (ii))*	(5,222,500)	(5,222)	(5,222)
As at December 31, 2024	696,016,545	696,017	696,017

Notes:

(i) During the year ended December 31, 2022, the Company issued 29,466,839 new shares of A-shares.

(ii) During the year ended December 31, 2022, 5,222,500 ordinary shares in the Company were issued under Restricted Share Scheme at a consideration of approximately RMB165,292,000, approximately RMB5,222,000 and RMB160,070,000 were credited to share capital and share premium, respectively.

During the year ended December 31, 2024, the Company repurchased and cancelled its own ordinary shares. The total amount of approximately RMB165,292,000 treasury shares were derecognized with a corresponding debit of approximately RMB5,222,000 and RMB160,070,000 of share capital and share premium, respectively.

36. TREASURY SHARES

Group and Company

	As at December 31,					
	2022		2023		2024	
	Number of shares	*RMB'000*	*Number of shares*	*RMB'000*	*Number of shares*	*RMB'000*
Balance brought forward	–	–	5,222,500	165,292	7,514,400	265,295
Grant of restricted shares to participants under Restricted Share Incentive Scheme *(Note (i))*	5,222,500	165,292	–	–	7,565,000	110,298
Repurchase of shares *(Note (ii))*	–	–	2,291,900	100,003	7,836,700	249,624
Issue of restricted shares to participants under Restricted Share Incentive Scheme *(Note (iii))*	–	–	–	–	(7,565,000)	(273,193)
Cancellation of restricted share *(Note (i))*	–	–	–	–	(5,222,500)	(165,292)
Balance carried forward	5,222,500	165,292	7,514,400	265,295	10,128,600	186,732

Notes:

(i) During the year ended December 31, 2022, the Company granted 5,222,500 new shares of A-shares to participants under Restricted Share Scheme, accounting for 0.75% of the Company's total shares. The repayment obligation for the related restricted shares is RMB165,292,000.

During the year ended December 31, 2024, the aforesaid share granted above were repurchased and deregistered. The implementation of the repurchase of the shares meets the requirements of the Company's share repurchase plan and relevant laws and regulations.

During the year ended December 31, 2024, the Company granted 7,565,000 shares of A-shares to participants under Restricted Share Scheme, accounting for 1.09% of the Company's total shares. The repayment obligation for the related restricted shares is RMB110,298,000.

(ii) During the year ended December 31, 2023, the Company has repurchased 2,291,900 shares of A-shares, accounting for 0.33% of the Company's total shares. The implementation of the repurchase meets the requirements of the Company's share repurchase plan and relevant laws and regulations.

During the year ended December 31, 2024, the Company has repurchased 7,836,700 shares of A-shares, accounting for 1.13% of the Company's total shares. The implementation of the repurchase meets the requirements of the Company's share repurchase plan and relevant laws and regulations.

(iii) During the year ended December 31, 2024, the Company provided participants under Restricted Share Scheme of 7,565,000 shares of A-shares, which were repurchased from the stock market as treasury shares, and accounting for 1.09% of the Company's total shares. The implementation of the provision of shares meets the requirements of the Company's share repurchase plan and relevant laws and regulations.

37. RESERVES

Reserve movement of the Company:

	Share capital	Share premium	Treasury shares reserves	Statutory reserves	Share option/ share award reserves	Investment revaluation reserves	Other reserves	Retained earnings	Total
	(Note 35)	*Note (i)*	*Note (ii)*	*Note (iii)*	*Note (iv)*	*Note (v)*		*Note (vii)*	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2022	666,550	1,816,752	–	333,275	100,168	(529)	12	847,093	3,763,321
Profit for the year	–	–	–	–	–	–	–	1,247,258	1,247,258
Change in fair value of financial assets at FVTOCI	–	–	–	–	–	502	–	–	502
Total comprehensive income for the year	–	–	–	–	–	502	–	1,247,258	1,247,760
Issuance of new ordinary shares *(Note 35)*	29,467	1,944,323	–	–	–	–	–	–	1,973,790
Issue of restricted shares *(Note 35 & 36)*	5,222	160,070	(165,292)	–	–	–	–	–	–
Recognition of equity-settled share-based payment expenses	–	–	–	–	60,952	–	–	–	60,952
Others	–	–	–	–	–	–	10,332	–	10,332
2021 final dividend paid	–	–	–	–	–	–	–	(599,895)	(599,895)
Transfer from retained earnings to statutory reserves	–	–	–	17,345	–	–	–	(17,345)	–
Balance at December 31, 2022 and January 1, 2023	701,239	3,921,145	(165,292)	350,620	161,120	(27)	10,344	1,477,111	6,456,260
Profit for the year	–	–	–	–	–	–	–	1,013,228	1,013,228
Change in fair value of financial assets at FVTOCI	–	–	–	–	–	33	–	–	33
Total comprehensive income for the year	–	–	–	–	–	33	–	1,013,228	1,013,261
Lapse of share options	–	–	–	–	(20,482)	–	–	–	(20,482)
Share repurchase *(Note 36)*	–	–	(100,003)	–	–	–	–	–	(100,003)
Others	–	–	–	–	–	–	1,215		1,215
2022 final dividend paid	–	–	–	–	–	–	–	(730,817)	(730,817)
Balance at December 31, 2023	701,239	3,921,145	(265,295)	350,620	140,638	6	11,559	1,759,522	6,619,434

	Share capital	Share premium	Treasury shares reserves	Statutory reserves	Share option/ share award reserves	Investment revaluation reserves	Other reserves	Retained earnings	Total
	(Note 35)	*Note (i)*	*Note (ii)*	*Note (iii)*	*Note (iv)*	*Note (v)*		*Note (vii)*	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2024	701,239	3,921,145	(265,295)	350,620	140,638	6	11,559	1,759,522	6,619,434
Profit for the year	–	–	–	–	–	–	–	245,201	245,201
Change in fair value of financial assets at FVTOCI	–	–	–	–	–	95	–	–	95
Total comprehensive income for the year	–	–	–	–	–	95	–	245,201	245,296
Recognition of equity-settled share-based payment expenses	–	–	–	–	89,742	–	–	–	89,742
Share repurchase and deregistration *(Note 35 & 36)*	(5,222)	(160,070)	165,292	–	–	–	–	–	–
Share repurchase *(Note 36)*	–	–	(249,624)	–	(229)	–	–	–	(249,853)
Issue of restricted shares	–	(162,895)	162,895	–	–	–	–	–	–
2023 final dividend paid	–	–	–	–	–	–	–	(587,312)	(587,312)
Others	–	–	–	–	–	–	21	–	21
Balance at December 31, 2024	696,017	3,598,180	(186,732)	350,620	230,151	101	11,580	1,417,411	6,117,328

Notes:

(i) Share premium:

The amount represents capital contribution in excess of nominal value of share capital.

(ii) Treasury shares reserves:

It represents the shares bought back by the Company which reduce the number of outstanding shares on the open market.

(iii) Statutory reserves:

The amount represents the legal requirement for a certain level of operating funds set aside from retained earnings for operating use.

(iv) Share option/share award reserves:

The share option/share award reserves comprises the fair value of share options/share awards granted which are yet to be exercised/released. The amount will either be transferred to the share premium account when the related options/share awards are exercised/released or be transferred to retained earnings should the related options expire or be forfeited.

(v) Investment revaluation reserves:

The investment revaluation reserves comprises the cumulative net change in the fair value of equity investment designated at FVTOCI under IFRS 9 that are held at the end of the reporting period.

(vi) Exchange and other reserves

The amount mainly represents gains/losses arising from retranslating the net assets of foreign operations into the presentation currency of the Group.

(vii) Retained earnings:

Cumulative net gains and losses recognised in profit or loss.

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	Year ended December 31,		
	2022	**2023**	**2024**
Percent of equity interest held by non-controlling interests:			
Shenzhen Zhangrui	–	49.00%	49.63%

* The Group did not obtain the control over the Shenzhen PVT Electronics Co., Ltd. during the year ended December 31, 2022

The following tables illustrate the summarised financial information of the above subsidiary.

	Year ended December 31,	
	2023	**2024**
	RMB'000	*RMB'000*
Profit for the year allocated to non-controlling interests:		
– Shenzhen Zhangrui	8,398	5,850
Accumulated balance of non-controlling interests		
– Shenzhen Zhangrui	114,141	122,602

	Year ended December 31,	
	2023	2024
	RMB'000	*RMB'000*
Revenue	267,232	447,665
Total expenses, net	(250,094)	(435,707)
Loss for the year	(17,138)	(11,958)
Total comprehensive income for the year	(17,138)	(11,958)
Current assets	310,371	271,978
Non-current assets	106,977	112,290
Current liabilities	(193,088)	(131,460)
Non-current liabilities	(7,035)	(5,756)
Net cash flows generated from operating activities	22,049	45,669
Net cash flows used in investing activities	(91,047)	(5,820)
Net cash flows generated from financing activities	67,317	678
	1,681	40,527

39. ACQUISITION OF SUBSIDIARIES

During the Track Record Period, the Group continued to actively seek for investment opportunities through acquisitions and has completed several acquisitions of subsidiaries, of which all details are as below:

(a) For the year ended December 31, 2023

	Name of the subsidiary acquired	Vendor	Percentage of equity interests acquired	Principal activity	Date of completion
(i)	Shenzhen Zhangrui	Independent third parties	51%	Information transmission, software and information technology services	July 3, 2023
(ii)	Guangzhou Zhiyuan	Independent third parties	100%	Real estate industry	September 5, 2023
(iii)	Guangzhou Xihe Health Management Co., Ltd. ("**Guangzhou Xihe**")	Independent third parties	51%	Health management information platform and green resource network	September 8, 2023

(i) Acquisition of Shenzhen Zhangrui

On June 16, 2023, the Company entered into an Equity Transfer Agreement with the shareholders of Shenzhen Zhangrui to acquire a total of 44% equity interests in Shenzhen Zhangrui held by those shareholders for a total transfer price of approximately RMB181,526,000. At the same time, the Company acquired 7% of new shares in Shenzhen Zhangrui of approximately RMB68,786,000. As a result, the Company holds a total of 51% equity interests in Shenzhen Zhangrui.

The above equity change was registered with the relevant industrial and commercial authorities on June 27, 2023, and the Company appointed personnel to serve as Chairman of Shenzhen Zhangrui. The equity transfer and capital increase payments were completed on July 3, 2023, and the Company obtained substantive control over Shenzhen Zhangrui.

Details of the fair value of identifiable assets and liabilities acquired are as follows:

	Fair value
	RMB'000
Property, plant and equipment	2,105
Intangible assets	34,365
Right-of-use assets	3,527
Other non-current assets	4,483
Inventories	74,023
Trade and other receivable	117,089
Cash and cash equivalents	114,512
Prepayments	1,950
Trade and other payables	(111,124)
Borrowings	(24,458)
Deferred tax liabilities	(3,292)
Non-controlling interests	(104,458)
Net assets acquired	108,722

	RMB'000
Cash consideration paid	250,312
Less: Fair value of net assets acquired	(108,722)
Goodwill *(Note 23)*	141,590
Net Cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	250,312
Less: Cash and cash equivalents acquired	(114,512)
	135,800

The fair value of trade and other receivables at the date of acquisition amounted to approximately RMB117,089,000. The gross contractual amounts of those trade and other receivables acquired amounted to approximately RMB120,427,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was approximately RMB3,338,000.

The non-controlling interests recognised at the acquisition date was measured at 49% of the net assets acquired.

Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for the identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Since the acquisition date, Shenzhen Zhangrui has contributed approximately RMB267,232,000 to the Group's revenue and a net profit of approximately RMB17,138,000 to the overall result of the Group for the year ended December 31, 2023. If the acquisition had occurred on January 1, 2023, the Group's revenue would have been approximately RMB20,673,748,000 and the profit of the Group would have been approximately RMB1,436,579,000 for the year ended December 31, 2023.

The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2023, nor is it intended to be a projection of future results.

(ii) ***Acquisition of Guangzhou Zhiyuan***

On August 12, 2023, the Company entered into an Equity Transfer Agreement with Guangzhou Zhiyuan to acquire 100% equity interest in Guangzhou Zhiyuan held by Guangzhou Zhiyuan Service Management Co., Ltd., at a consideration of approximately RMB1,168,000. The equity change was registered with the relevant industrial and commercial authorities on August 18, 2023, and the equity transfer payment was completed on September 5, 2023. The Company obtained substantive control over Guangzhou Zhiyuan.

Details of the fair value of identifiable assets and liabilities acquired are as follows:

	Fair value
	RMB'000
Property, plant and equipment	23
Trade and other receivable	2,570
Cash and cash equivalents	72
Trade and other payables	(1,761)
Net assets acquired	904

	RMB'000
Cash consideration paid	1,168
Less: Fair value of net assets acquired	(904)
Goodwill *(Note 23)*	264
Net Cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	1,168
Less: Cash and cash equivalents acquired	(72)
	1,096

The fair value of trade and other receivables at the date of acquisition amounted to approximately RMB2,570,000, which is approximately the contractual amounts of those trade and other receivables acquired.

Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for the identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Since the acquisition date, Guangzhou Zhiyuan has contributed approximately RMB15,082,000 to the Group's revenue and a net profit of approximately RMB108,000 to the overall result of the Group for the year ended December 31, 2023. If the acquisition had occurred on January 1, 2023, the Group's revenue would have been approximately RMB20,197,556,000 and the profit of the Group would have been approximately RMB1,399,910,000 for the year ended December 31, 2023.

The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2023, nor is it intended to be a projection of future results.

(iii) Acquisition of Guangzhou Xihe

On August 15, 2023, the Company's subsidiary entered into an Equity Transfer Agreement with Guangzhou Xihe Health Management Partnership (Limited Partnership) and Guangzhou Xihe Health Management Partnership (Limited Partnership) to acquire 11% and 40% equity share, respectively, in Guangzhou Xihe, for a total consideration of approximately RMB1,493,000. The equity change was registered with the relevant industrial and commercial authorities on August 22, 2023, and the equity transfer payment was completed on September 8, 2023. The Company obtained substantive control over Guangzhou Xihe.

Details of the fair value of identifiable assets and liabilities acquired are as follows:

	Fair value
	RMB'000
Property, plant and equipment	52
Prepayments	17
Trade and other receivable	507
Cash and cash equivalents	2,694
Trade and other payables	(217)
Non-controlling interests	(1,496)
Net assets acquired	1,557

	RMB'000
Cash consideration paid	1,493
Less: Fair value of net assets acquired	(1,557)
Bargain purchase gain	(64)
Net Cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	1,493
Less: Cash and cash equivalents acquired	(2,694)
	(1,201)

The fair value of trade and other receivables at the date of acquisition amounted to approximately RMB507,000, which is approximately the contractual amounts of those trade and other receivables acquired.

The non-controlling interests recognised at the acquisition date was measured at 49% of the net assets acquired.

The bargain purchase gain arose from the Group's acquisition of the interest in Guangzhou Xihe. The gain arose as a result of the Group negotiating a good price when acquiring Guangzhou Xihe, due to the prior owners not being able to profitably operate a business of this nature. This led to a negotiation during which the Group was able to agree a cash consideration that was below the assessed net fair value of the assets acquired and liabilities assumed.

Since the acquisition date, Guangzhou Xihe has contributed approximately RMB2,147,000 to the Group's revenue and a net profit of approximately RMB370,000 to the overall result of the Group for the year ended December 31, 2023. If the acquisition had occurred on January 1, 2023, the Group's revenue would have been approximately RMB24,471,637,000 and the profit of the Group would have been approximately RMB1,401,156,000 for the year ended December 31, 2023.

The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2023, nor is it intended to be a projection of future results.

(b) For the year ended December 31, 2024

	Name of subsidiary acquired	Vendor	Percentage of equity interests acquired	Principal activity	Date of completion
(i)	Shanghai Qiyin	Independent third party	51%	Software and information technology services	October 8, 2024
(ii)	Conference Line Business	Independent third party	N/A	Software product development and information technology services	January 25, 2024

(i) Acquisition of Shanghai Qiyin

On July 25, 2024, the Company's subsidiary entered into an Investment Agreement with the shareholders of Shanghai Qiyin. Through a capital increase of RMB20,000,000, the Company's subsidiary subscribed for 51% equity interest in Shanghai Qiyin.

The equity change was registered with the relevant industrial and commercial authorities on October 28, 2024, and the Company appointed Chairman of Shanghai Qiyin. The first installment of RMB10,000,000 was paid on October 8, 2024, and in accordance with the investment agreement, the Company obtained substantive control over Shanghai Qiyin.

Details of the fair value of identifiable assets and liabilities acquired are as follows:

	Fair value
	RMB'000
Property, plant and equipment	118
Right-of-use assets	357
Prepayments	468
Financial assets at fair value through profit or loss	10,000
Cash and cash equivalents	10,770
Other current assets	65
Other current liabilities	(1,109)
Other non-current liabilities	(137)
Non-controlling interests	(10,061)
Net assets acquired	10,471

	RMB'000
Cash consideration paid	10,000
Other payables	10,000
Less: Fair value of net assets acquired	(10,471)
Goodwill *(Note 23)*	9,529
Net Cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	10,000
Less: Cash and cash equivalents acquired	(10,770)
	(770)

The non-controlling interests recognised at the acquisition date was measured at 49% of the net assets acquired.

Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for the identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Since the acquisition date, Shanghai Qiyin has no revenue contributed to the Group and a net loss of approximately RMB2,037,000 to the overall result of the Group for the year ended December 31, 2024. If the acquisition had occurred on January 1, 2024, the Group's revenue would have been approximately RMB22,401,182,000 and the profit of the Group would have been approximately RMB1,034,111,000 for the year ended December 31, 2024.

The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2024, nor is it intended to be a projection of future results.

(ii) Acquisition of Conference Line Business

Details of the fair value of identifiable assets and liabilities acquired are as follows:

	Fair value
	RMB'000
Property, plant and equipment	988
Intangible assets	15,200
Tax recoverable	1,263
Net assets acquired	17,451

	RMB'000
Cash consideration paid	38,500
Less: Fair value of net assets acquired	(17,451)
Goodwill *(Note 23)*	21,049
Net Cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	38,500
Less: Cash and cash equivalents acquired	–
	38,500

On January 25, 2024, the Company's subsidiary entered into an acquisition agreement with Guangzhou Mailing Information Co., Ltd. to acquire a list of computer equipment, machinery, conference line business technology patent, related software and the related software development team and operation team (collectively "**Conference Line Business**") at the consideration of RMB38,500,000.

The Conference Line Business engaged in the operation and development of the conference line business. The Directors consider that the Conference Line Business constitutes a business under IFRS 3, as the Conference Line Business consists of inputs and substantive processes applied to those inputs that have the ability to create outputs as at the acquisition date. The Group therefore accounted for this transaction as an acquisition of business.

Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for the identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

40. OVERVIEW OF THE GROUP'S EXPOSURE TO CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of each reporting period, the Group's maximum exposure to credit risk which cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of the financial position.

In order to minimise credit risk, the Group has tasked its finance team to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. Management uses publicly available financial information and the Group's own historical repayment records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate exposure is spread amongst approved counterparties.

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix as at December 31, 2022, 2023 and 2024 within lifetime ECL (not credit impaired) estimated based on the financial quality of debtors and historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The following table details the credit risk exposures of the Group's trade receivables which are subject to ECL assessment:

	Average expected credit loss rate	Gross amounts	Loss allowance
		RMB'000	*RMB'000*
As at December 31, 2022			
Within 1 year	5.0%	213,432	(10,671)
1 to 2 years	10.0%	2,507	(251)
2 to 3 years	30.0%	1,053	(316)
Over 3 years	100.0%	13,745	(13,745)
		230,737	(24,983)
As at December 31, 2023			
Within 1 year	5.0%	309,828	(15,491)
1 to 2 years	10.0%	1,192	(119)
2 to 3 years	30.0%	613	(184)
Over 3 years	100.0%	9,775	(9,775)
		321,408	(25,569)
As at December 31, 2024			
Within 1 year	5.0%	440,249	(22,013)
1 to 2 years	10.0%	2,061	(206)
2 to 3 years	30.0%	23	(7)
Over 3 years	100.0%	5,982	(5,982)
		448,315	(28,208)

The Group makes full provision for a trade receivable when there is information indicating that the receivable is in severe financial difficulty and there is no realistic prospect of recovery.

For other receivables, the Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experience and available forward-looking information. As at December 31, 2022, 2023 and 2024, all the other receivables are classified as Stage 1. There is no change in stage during the Track Record Period.

41. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities comprising the Group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track record Period.

The capital structure of the Group consists of lease liabilities, borrowings (net of cash and bank balances) and equity attributable to owners of the Company (comprising capital and reserves).

Management of the Group regularly reviews the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts.

42. FINANCIAL INSTRUMENTS

Categories of financial instruments

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Group			
Financial assets			
Financial assets at FVTPL *(Note 25)*	999,419	1,022,976	569,552
Financial assets at FVTOCI *(Note 25)*	72,852	72,490	71,908
Financial assets at amortised cost:			
– Trade and bills and other receivables *(Note 26)*	563,711	893,980	988,225
– Time deposits *(Note 27)*	3,092,478	4,711,155	3,306,414
– Certificates of deposits held *(Note 27)*	4,813,385	2,318,229	3,709,791
– Restricted bank deposits *(Note 27)*	26,968	36,291	14,385
– Cash and bank balances *(Note 27)*	4,714,752	4,681,386	4,889,691
	14,283,565	13,736,507	13,549,966
Financial liabilities			
Financial liabilities at amortised cost:			
– Trade, bills and other payables, excluded deposits received *(Note 29)*	4,154,771	4,570,454	4,480,294
– Borrowings *(Note 31)*	2,166,793	2,849,771	3,274,204
– Derivative financial instruments *(Note 25)*	–	3,324	17,062
– Lease liabilities *(Note 32)*	64,667	64,451	48,039
	6,386,231	7,488,000	7,819,599

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Company			
Financial assets			
Financial assets at FVTPL *(Note 25)*	125,209	120,016	116,967
Financial assets at FVTOCI *(Note 25)*	2,459	2,504	2,631
Financial assets at amortised cost:			
– Trade, bills and other receivables *(Note 26)*	28,980	36,090	34,407
– Amounts due from subsidiaries	245,099	635,835	1,119,265
– Time deposits *(Note 27)*	6,512	407,513	454,797
– Certificates of deposits held *(Note 27)*	2,280,639	150,000	578,608
– Restricted bank deposits *(Note 27)*	2,714	2,940	2,940
– Cash and bank balances *(Note 27)*	440,316	501,802	2,385,506
	3,131,928	1,856,700	4,695,121
Financial liabilities			
Financial liabilities at amortised cost:			
– Trade, bills and other payables *(Note 29)*	760,054	594,880	1,516,196
– Borrowings *(Note 31)*	200,000	100,000	63,263
– Amounts due to subsidiaries	1,131,374	978,160	4,845,954
	2,091,428	1,673,040	6,425,413

Financial risk management objectives and policies

The Group's major financial assets and liabilities include restricted bank deposits, trade, bills and other receivables, time deposits, certificates of deposits held, cash and bank balances, structured deposits, derivatives financial instruments, unlisted equity investments, trade, bills and other payables, borrowings and lease liabilities. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose it primarily to currency risk, interest rate risk and price risk. There has been no change in the Group's exposure to these risks or the manner in which it managed and measured the risks during each of the reporting period.

Currency risk

Several subsidiaries of the Company have foreign currency sales, capital expenditure and cash and bank balances, which expose the Group to foreign currency risk.

The subsidiaries are mainly exposed to foreign currency of US$.

The carrying amounts of the Group's foreign currency denominated monetary assets (trade and other receivables and cash and bank balances) and liabilities (trade and other payables) at the end of each reporting period are summarised as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Group			
Assets			
US$	589,492	1,059,221	1,519,091
Liabilities			
US$	827,995	970,824	792,727

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against foreign currencies, the foreign currencies with which the Group may have a material exposure. 5% represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis uses outstanding foreign currency denominated monetary items as a base and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rate. A positive number below indicates an increase in profit before tax where foreign currencies strengthens 5% against RMB. For a 5% weakening of foreign currencies against RMB, there would be an equal and opposite impact on profit before tax.

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Group			
Impact on profit before tax			
US$	(28,522)	(15,044)	(36,318)

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to its restricted bank deposits, structured deposits, cash and bank balances and lease liabilities. Borrowing agreements are fixed rate loans, the exposure in relation to fixed rate agreements is considered to be minimal.

The Group has no cash flow interest rate risk as there are no borrowings which bear floating interest rate.

Price risk

The Group is exposed to equity price risk changes arising from equity investments classified as financial assets at FVTPL and financial asset at FVTOCI (see Note 25). The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles. The equity price risk is mainly concentrated on the equity price risk is mainly derived from latest transaction prices/consideration for shares transfer in similar equity interest.

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices of financial assets at FVTPL and financial assets at FVTOCI had been 10% higher/lower, with all other variables held constant, the profit before tax would have increase/decrease by approximately RMB99,942,000, RMB102,298,000 and RMB56,955,000 and the other comprehensive income would have increase/decrease by RMB7,285,000, RMB7,249,000 and RMB7,191,000 for the years ended December 31, 2022, 2023 and 2024, respectively, arising from the fair value gain/loss of the financial assets at FVTPL and financial assets at FVTOCI.

Credit risk

As at the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position.

Credit terms are granted to customers who are in good credit reputation. In order to minimise the credit risk, management has designated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the directors of the Company review the recoverability of each significant trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

As at December 31, 2022, 2023 and December 31, 2024, the Group has concentration of credit risk as 14.61%, 11.67% and 23.00%, respectively, of the total trade receivables was due from the Group's largest customer. The Group's concentration of credit risk on the top five largest customers accounted for 33.16%, 45.90% and 49.77% of the total trade receivables as at December 31, 2022, 2023 and December 31, 2024, respectively.

The Group expects that there is no significant credit risk associated with cash deposits since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

The Group also expects that there is no significant credit risk associated with amounts due from related parties since counterparties are mainly related parties with good reputation.

The overview of the Group's exposure to credit risk set out in Note 40.

Liquidity risk

In the management of the liquidity risk, the Group and the Company monitor and maintain a level of cash and bank balances and unused banking facilities deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

Liquidity and interest risk table

	On demand or less than one year	One to two years	Within two to five years	More than five years	Total undiscounted cash flows	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Group						
As at December 31, 2022						
Trade and other payables	4,154,688	83	–	–	4,154,771	4,154,771
Borrowings	2,079,897	100,044	–	–	2,179,941	2,166,793
Lease liabilities	28,158	40,906	–	–	69,064	64,667
Total	6,262,743	141,033	–	–	6,403,776	6,386,231
As at December 31, 2023						
Trade and other payables	4,470,197	257	–	–	4,470,454	4,470,454
Borrowings	2,669,133	216,791	–	–	2,885,924	2,849,771
Lease liabilities	28,315	41,553	–	–	69,868	64,451
Total	7,167,645	258,601	–	–	7,426,246	7,384,676
As at December 31, 2024						
Trade and other payables	4,480,294	–	–	–	4,480,294	4,480,294
Borrowings	3,245,419	382,545	22,638	35,232	3,685,834	3,274,204
Lease liabilities	22,610	27,879	–	–	50,489	48,039
Total	7,748,323	410,424	22,638	35,232	8,216,617	7,802,537
Company						
As at December 31, 2022						
Trade and other payables	759,971	83	–	–	760,054	760,054
Borrowings	104,616	100,044	–	–	204,660	200,000
Total	864,587	100,127	–	–	964,714	960,054
As at December 31, 2023						
Trade and other payables	594,880	–	–	–	594,880	594,880
Borrowings	100,044	–	–	–	100,044	100,000
Total	694,924	–	–	–	694,924	694,880
As at December 31, 2024						
Trade and other payables	1,516,196	–	–	–	1,516,196	1,516,196
Borrowings	7,851	6,326	22,638	35,232	72,047	63,263
Total	1,524,047	6,326	22,638	35,232	1,588,243	1,579,459

Fair value measurement

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the Historical Financial Information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under IFRS Accounting Standards.

(i) Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(ii) Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during the Track Record Period.

The carrying amounts of the financial assets and liabilities, which are measured at amortised cost, approximated their fair value as of December 31, 2022, 2023 and 2024.

The following table presents the Group's financial assets that are measured at fair value as of December 31, 2022, 2023 and 2024 respectively.

	Level 1	**Level 2**	**Level 3**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2022				
Assets				
Financial assets at FVTPL				
– Unlisted equity investments	–	–	181,102	181,102
– Structured deposits	818,317	–	–	818,317
Financial assets at FVTOCI				
– Unlisted equity investments	–	–	72,852	72,852
	818,317	–	253,954	1,072,271

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
Assets				
Financial assets at FVTPL				
– Unlisted equity investments	–	–	228,696	228,696
– Structured deposits	794,114	–	–	794,114
– Derivatives financial instruments	–	166	–	166
Financial assets at FVTOCI				
– Unlisted equity investments	–	–	72,490	72,490
	794,114	166	301,186	1,095,466

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024				
Assets				
Financial assets at FVTPL				
– Unlisted equity investments	–	–	236,488	236,488
– Structured deposits	310,073	–	–	310,073
– Derivatives financial instruments	–	22,991	–	22,991
Financial assets at FVTOCI				
– Unlisted equity investments	–	–	71,908	71,908
	310,073	22,991	308,396	641,460

(b) Information about Level 2 fair value measurement

For foreign currency forwards and exchange swap, the fair value is determined based on the third party bid prices on similar securities.

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movements in level 3 items for the years ended December 31, 2022, 2023 and 2024:

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At January 1,	86,795	253,954	301,186
Additions	63,085	21,000	5,000
Disposal	–	(6,289)	–
Change in fair value of financial assets at FVTOCI	62,972	638	(582)
Change in fair value of financial assets at FVTPL	41,102	31,883	2,792
At December 31,	253,954	301,186	308,396

(d) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

	Fair value As of December 31,			Valuation techniques	Significant unobservable inputs	Relationship of key assumptions to fair value
	2022	2023	2024			
	RMB'000	*RMB'000*	*RMB'000*			
Financial assets at FVTOCI						
– Unlisted equity investments	68,030	67,095	67,290	Recent transaction comparison with adjustments approach	Stock exchange index adjustment	The higher the stock exchange index adjustment, the higher the fair value.
– Unlisted equity investments	4,822	5,395	4,618	Sales comparison approach	Recent market transaction price	The higher the recent market transaction price, the higher the fair value.
Financial assets at FVTPL						
– Unlisted equity investments	181,102	228,696	236,488	Market multiples with an adjustment of discount lack of marketability	Enterprise Value-to-Sales ratio	The higher the Enterprise Value-to-Sales ratio, the higher the fair value.

No sensitivity analysis has been presented as the effect is insignificant.

43. SHARE-BASED PAYMENT

Share Options Scheme

On June 4, 2021, the Company granted 1st batch of share options of 8,082,500 options to 1,105 grantees to subscribe for an aggregate of 8,082,500 shares ("**2021 Share Options**"). On January 14, 2022, the Company granted 2nd batch of share options of 885,000 options to 144 grantees to subscribe for an aggregate of 885,000 shares ("**2022 Share Options**") (collectively "**Share Options**").

The following tables disclose detail of the Company's 2021 Share Options and 2022 Share Options:

	Date of grant	Exercise price	No. of shares	Vesting period	Exercisable period	Vesting condition
2021 Share Options	June 4, 2021	94.78	3,233,000	June 4, 2021 – June 3, 2022	June 4, 2022 – June 3, 2023	Vesting of the Share Options is conditional upon achievement of certain sales targets of the Group by the grantees within the vesting period and retain employment in the Group until the end of the vesting period.
			2,424,750	June 4, 2021 – June 3, 2023	June 4, 2023 – June 3, 2024	
			2,424,750	June 4, 2021 – June 3, 2024	June 4, 2024 – June 3, 2025	
2022 Share Options	January 14, 2022	56.80	442,500	January 14, 2022 – January 13, 2023	January 14, 2023 – January 13, 2024	
			442,500	January 14, 2022 – January 13, 2024	January 14, 2024 – January 13, 2025	

The employees who held the 2021 Share Options and 2022 Share Options were not entitled the dividend declared by the Company during the vesting period.

The Company operates the Share Option Scheme for the purpose of providing incentives and/or rewards to eligible participants (including the Company's directors and other employees of the Group) who render services and/or contribute to the success of the Group's operations. Eligible participants receive remuneration in the form of share-based payments, whereby eligible participants render services as consideration for Share Options.

The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted on the grant date. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Set out below are details of the movements of the outstanding options granted under the Share Option during the years:

	December 31,					
	2022		2023		2024	
	Weighted average exercise price		**Weighted average exercise price**		**Weighted average exercise price**	
	RMB	*Number*	*RMB*	*Number*	*RMB*	*Number*
Outstanding at beginning of year	95.68	8,082,500	92.68	5,035,000	–	–
Granted during the year	56.80	885,000	–	–	–	–
Forfeited during the year	90.77	(3,932,500)	92.68	(5,035,000)	–	–
Outstanding at end of years	92.68	5,035,000	–	–	–	–
Options exercisable		–		–		–
Weighted average remaining contractual life (years)		2.39		–		–

The fair value of the 2022 Share Options granted was calculated using the Black-Scholes model. The major inputs into the model are as follows:

Expected Volatility	17.77% – 22.04%
Risk-free interest rate	1.50% – 2.10%
Expected dividend yield	0.78% – 0.81%

Changes in variables and assumptions may result in changes in fair values of the share options.

During the year ended December 31, 2022 and 2023, the Company recognised expense/(credit) for the services rendered during the vesting period under the Share Option of approximately RMB46,779,000 and RMB49,144,000, respectively.

Restricted Share Scheme

The Company adopted a restricted share scheme in 2022 (the "**2022 Restricted Share Scheme**") for the primary purpose of attracting, retaining and motivating the directors and employees of the Group. Under the Restricted Share Scheme, the directors granted 5,222,500 newly issued restricted shares under the scheme to eligible employees, including the directors and employees of the Group, at a price of RMB31.65 per share, which settled upon the date of grant, to obtain ordinary shares of the Company upon vesting.

Restricted shares granted to incentive recipients are subject to different lock-up periods, which commence from the grant date. The interval between the grant date and the first vesting date shall not be less than 12 months. During the lock-up period, the incentive recipients' restricted shares shall not be transferable, used as collateral, or applied to debt settlement.

Upon satisfaction of vesting conditions, the Company will process the release of restrictions for eligible recipients in accordance with applicable regulations. Restricted shares held by recipients who do not meet vesting conditions shall not be released and cannot be deferred to subsequent periods; such shares shall be repurchased and canceled by the Company at the grant price.

Cash dividends received by incentive recipients through restricted shares are held in trust by the Company as dividend payables and paid to recipients upon vesting. If vesting conditions are not met, such dividends shall be reclaimed by the Company. Shares acquired by incentive recipients through capitalization (e.g., capital reserve conversion, stock dividends, or stock splits) during the lock-up period shall be subject to the same restrictions and may not be sold or transferred in secondary markets; such shares shall also be repurchased and canceled by the Company if vesting conditions are not met.

Upon termination of the restricted share incentive plan, the Company shall repurchase all unvested restricted shares and dispose of them in accordance with the provisions of the Company Law.

Pursuant to the issue completed on October 28, 2022, all the then outstanding restricted share granted to eligible employees and a repurchase obligation to return the consideration from the eligible employees if the restricted share not vested, amounting to approximately RMB165,262,000, is recognised as other payable.

Set out below are details of the movements of the outstanding restricted shares granted under the 2022 Restricted Share Scheme during the years, retroactively reflecting the bonus issue:

	December 31,					
	2022		2023		2024	
	Weighted average exercise price		**Weighted average exercise price**		**Weighted average exercise price**	
	RMB	*Number*	*RMB*	*Number*	*RMB*	*Number*
Outstanding at beginning of year	–	–	31.65	5,222,500	31.65	3,106,500
Granted during the year	31.65	5,222,500	–	–	–	–
Cancelled during the year	–	–	–	–	31.65	(3,106,500)
Forfeited during the year	–	–	31.65	(2,116,000)	–	–
Outstanding at end of years	31.65	5,222,500	31.65	3,106,500	–	–
Restricted shares exercisable		–		–		–
Weighted average remaining contractual life (years)		2.23		1.23		–

The estimated fair value of the awarded shares in related to 2022 Restricted Share Scheme granted is approximately RMB180,020,000. On the date of grant, the market price of shares of the Company was RMB66.12 per Share. The fair value measurement was made based on the number of awarded shares and the market price per share on the date of grant deducting the exercise price of the restricted shares. Vesting of the restricted shares is conditional upon achievement of certain sales and performance targets of the Group by the grantees within the vesting period and the grantees retain employment in the Group until the end of the vesting period.

Under the Restricted Share Scheme, the holders of the restricted shares are entitled to dividend declared by the Company and the dividend will be settled upon the end of lockup period. As at December 31, 2023, a dividend payable of RMB5,483,000 has been recognised.

On April 24, 2024, the directors of the Group resolved to cancel the 2022 Restricted Share Scheme and repurchased all the remaining restricted share. This decision was made due to significant changes in the Company's internal and external environment which have made it unlikely to achieve the intended results.

During the year ended December 31, 2022, 2023 and 2024, the Company recognised expenses for the services rendered during the vesting period under the 2022 Restricted Share Scheme of approximately RMB12,498,000, RMB26,657,000 and RMB68,343,000, respectively.

The Company adopted a restricted share scheme in 2024 (the "**2024 Restricted Share Scheme**") for the primary purpose of attracting, retaining and motivating the directors and employees of the Group. Under the Restricted Share Scheme, the directors granted 7,565,000 restricted new shares under the scheme to eligible employees, including the directors and employees of the Group, at a price of RMB14.58 per share, which settled upon the date of grant, to obtain ordinary shares of the Company upon vesting. All the share issued under the 2024 Restricted Share Scheme are repurchased from the secondary market by the Group.

Pursuant to the issue completed on September 11, 2024, all the then outstanding restricted share granted to eligible employees and a repurchase obligation to return the consideration from the eligible employees if the restricted share not vested, amounting to approximately RMB110,298,000, is recognised as other payable.

Set out below are details of the movements of the outstanding restricted shares granted under the 2024 Restricted Share Scheme during the year ended December 31, 2024 reflecting the bonus issue:

	December 31, 2024	
	Weighted average exercise price	
	RMB	*Number*
Outstanding at beginning of year	–	–
Granted during the year	14.58	7,565,000
Outstanding at end of years	14.58	7,565,000
Restricted shares exercisable		–
Weighted average remaining contractual life (years)		1.82

The estimated fair value of the awarded shares in related to 2024 Restricted Share Scheme granted is approximately RMB137,683,000. On the date of grant, the market price of shares of the Company was RMB32.78 per Share. The fair value measurement was made based on the number of awarded shares and the market price per share on the date of grant deducting the exercise price of the restricted shares. Vesting of the restricted shares is conditional upon achievement of certain sales and performance targets of the Group by the grantees within the vesting period and the grantees retain employment in the Group until the end of the vesting period.

During the year ended December 31, 2024, the Company recognised expenses for the services rendered during the vesting period under the 2024 Restricted Share Scheme of approximately RMB25,494,000.

44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2022	1,275,542	41,770	1,317,312
Financing cash flows			
– Proceeds from bank borrowings	2,376,651	–	2,376,651
– Repayment of bank borrowings	(1,485,400)	–	(1,485,400)
– Interest paid on borrowings	(68,736)	–	(68,736)
– Repayment of leases liabilities	–	(22,140)	(22,140)
– Interest paid on leases liabilities	–	(2,540)	(2,540)
Non-cash changes			
– Early termination of leases	–	(12,608)	(12,608)
– New leases	–	57,645	57,645
– Interest expense recognised	68,736	2,540	71,276
At December 31, 2022 and January 1, 2023	2,166,793	64,667	2,231,460
Financing cash flows			
– Proceeds from bank borrowings	2,795,253	–	2,795,253
– Repayment of bank borrowing	(2,136,733)	–	(2,136,733)
– Interest paid on borrowings	(72,307)	–	(72,307)
– Repayment of lease liabilities	–	(33,252)	(33,252)
– Interest paid on lease liabilities	–	(3,917)	(3,917)
Non-cash changes			
– Early termination of leases	–	(6,932)	(6,932)
– New leases	–	39,968	39,968
– Interest expense recognised	72,307	3,917	76,224
– Acquisition of subsidiaries	24,458	–	24,458
At December 31, 2023 and January 1, 2024	2,849,771	64,451	2,914,222
Financing cash flows			
– Proceeds from bank borrowings	3,610,253	–	3,610,253
– Repayment of bank borrowings	(3,185,820)	–	(3,185,820)
– Interest paid on borrowings	(97,175)	–	(97,175)
– Repayment of lease liabilities	–	(29,946)	(29,946)
– Interest paid on lease liabilities	–	(2,161)	(2,161)
Non-cash changes			
– Termination of leases	–	(2,947)	(2,947)
– New leases	–	16,481	16,481
– Interest expense recognised	97,175	2,161	99,336
At December 31, 2024	3,274,204	48,039	3,322,243

45. CAPITAL COMMITMENTS

At the end of each reporting period, capital commitments contracted but not provided for in the Historical Financial Information are as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for, net of deposits/investments paid:			
Construction in progress	285,267	350,310	435,189

46. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Group during the Track Record Period are as follows:

Names of related parties	Relationship
廣州微乾信息科技有限公司 Guangzhou Weiqian Information Technology Co., Ltd.	The associate of the Group
國體智慧體育技術創新中心(北京)有限公司 Guoti Smart Sports Technology Innovation Center (Beijing) Co., Ltd.	The associate of the Group
廣州黃埔視盈科創股權投資合夥企業(有限合夥) Guangzhou Huangpu Shiying Sci Tech Equity Innovation Equity Investment Partnership (Limited Partnership)	The associate of the Group
廣州六環信息科技有限公司 Guangzhou Liuhuan Information Technology Co., Ltd. ("**Guangzhou Liuhuan**")	The associate of the Group
廣州鐳晨智能裝備科技有限公司 Guangzhou Leichen Intelligent Equipment Co., Ltd. ("**Leichen Intelligent**")	The associate of the Group
廣州源動智慧體育科技有限公司 Guangzhou Yuandong Smart Sports Technology Co., Ltd.	The associate of the Group
蘇州青松共盈新興產業創業投資基金合夥企業(有限合夥) Suzhou Qingsong Gongying Emerging Industry Venture Capital Fund Partnership (Limited Partnership)	The associate of the Group
廣州視享科技有限公司 Guangzhou Shixiang Technology Co., Ltd.	The associate of the Group
廣州艾格因科技有限公司 Guangzhou Aigein Technology Co., Ltd.	The associate of the Group
廣州視創顯示科技有限公司 Guangzhou Shichuang Display Technology Co., Ltd.	The associate of the Group
昂寶集成電路(西安)有限公司 Angbao Integrated Circuit (Xi'an) Co., Ltd.	The associate of the Group
廣州視捷新能源有限公司 Guangzhou Shijie New Energy Co., Ltd. ("**Guangzhou Shijie**")	The associate of the Group
廣州視珩電子科技有限公司 Guangzhou Shiheng Electronic Technology Co., Ltd.	The associate of the Group
廣東順德雷蒙電器科技有限公司 Guangdong Shunde Remon technology co., Ltd.	The associate of the Group
廣州華蒙星體育發展有限公司 Guangzhou Huamengxing Sports Development Co., Ltd. ("**Huamengxing Sports**")	The director of the Company is the director of related party

Names of related parties	Relationship
廣州華蒙星體育發展有限公司東莞分公司 Guangzhou Huamengxing Sports Development Co., Ltd. Dongguan Branch	The director of the Company is the director of related party
廣州華蒙星體育發展有限公司佛山分公司 Guangzhou Huamengxing Sports Development Co., Ltd. Foshan Branch	The director of the Company is the director of related party
廣州市視源公益慈善基金會 Guangzhou Shiyuan Charitable Foundation	The chairman of the board of the Group is the director of the related party
廣州知物投資有限公司 Guangzhou Zhiwu Investment Co., Ltd.	The related party controlled by the substantial shareholder of the Group
東莞市厚街華蒙星城市體育培訓中心有限公司 (曾用名：東莞市厚街華蒙星城市體育發展有限公司) Dongguan Houjie Huamengxing Urban Sports Training Center Co., Ltd. (Formerly known as Dongguan Houjie Huamengxing Urban Sports Development Co., Ltd.)	The related party, Huamengxing Sports, holds 100% of the shares.
廣州視焓科技有限公司 Guangzhou Shihan Technology Co., Ltd.	Note (ii)
廣州智源服務管理有限公司 Guangzhou Zhiyuan Service Management Co., Ltd. ("**Zhiyuan Service**")	Note (ii)
廣州市智遠物業管理有限公司 Guangzhou Zhiyuan Property Management Co., Ltd. ("**Zhiyuan Property**")	Note (ii)
廣州市增城區華蒙星少兒體育發展有限公司 Guangzhou Zengcheng District Huamengxing Children's Sports Development Co., Ltd.	The related party, Huamengxing Sports, holds 60% of the shares.
江門市蓬江區華蒙星新尚陽體育發展有限公司 Huameng Xingxin Shangyang Sports Development Co., Ltd. Pengjiang District, Jiangmen City	The related party, Huamengxing Sports, holds 60% of the shares.
佛山市順德區大良街道華蒙星體育培訓有限公司 (曾用名：佛山市順德觀綠華蒙星體育發展有限公司) Huamengxing Sports Training Co., Ltd., Daliang Street, Shunde District, Foshan City (Formerly known as Huamengxing Sports Development Co., Ltd. of Guanlv in Shunde District, Foshan City)	The related party, Huamengxing Sports, holds 70% of the shares.
南昌華蒙星體育發展有限公司 Nanchang Huamengxing Sports Development Co., Ltd.	The related party, Huamengxing Sports, holds 51% of the shares.
深圳華蒙星體育發展有限公司 Shenzhen Huamengxing Sports Development Co., Ltd.	The related party, Huamengxing Sports, holds 85% of the shares.
蘇州華蒙星體育發展有限公司 Suzhou Huamengxing Sports Development Co., Ltd.	The related party, Huamengxing Sports, holds 100% of the shares.
鄭州華蒙星體育賽事策劃有限公司 Zhengzhou Huamengxing Sports Event Planning Co., Ltd.	The related party, Huamengxing Sports, holds 51% of the shares.
廣州雷辰智能科技有限公司 Guangzhou Leichen Technology Co., Ltd. ("**Leichen Technology**")	Note (iii)

Names of related parties	Relationship
廣州雷辰機電技術有限公司 Guangzhou Leichen Electromechanical Technology Co., Ltd.	The wholly-owned subsidiary of the related party, Leichen Intelligent
廣州邁聆信息科技有限公司 Guangzhou Mailing Information Technology Co., LTD.	Note (ii)
廣州閃暢信息科技有限公司 Guangzhou Shanchang Information Technology Co., Ltd.	Note (ii)
蘇州智源管理技術服務有限公司 Suzhou Zhiyuan Management Technology Service Co., Ltd. *(Note (vii))*	The subsidiary of a related party — Zhiyuan Service
東莞市茶山華蒙星體育產業有限公司 Dongguan Chashan Huamengxing Sports Industry Co., Ltd.	The related party, Huamengxing Sports, holds 100% of the shares.
東莞市虎門長德華蒙星體育培訓中心有限公司 (曾用名：東莞市虎門長德華蒙星體育發展有限公司) Dongguan Humen Changdehua Mengxing Sports Training Center Co., Ltd. (Formerly known as Dongguan City Humen Town Changde Huamengxing Sports Development Co., Ltd.)	The related party, Huamengxing Sports, holds 100% of the shares.
東莞市厚街華蒙星莞太體育發展有限公司 Dongguan Houjie Huamengxing Guantai Sports Development Co., Ltd.	The related party, Huamengxing Sports, holds 100% of the shares.
東莞市塘廈雲創華蒙星體育發展有限公司 Dongguan Tangxia Yunchuanghua Mengxing Sports Development Co., Ltd.	The related party, Huamengxing Sports, holds 85% of the shares.
廣州羽象科技有限公司 Guangzhou Yuxiang Technology Co., Ltd.	Note (ii)
廣州知物投資有限公司 Guangzhou Zhiwu Investment Co., Ltd.	The related party is controlled by the actual controller of the Group
合肥至睿管理服務有限公司 Hefei Zhirui Management Service Co., Ltd. *(Note (vii))*	The subsidiary of a related party — Zhiyuan Service
西安知源服務管理有限公司 Xi'an Zhiyuan Service Management Co., Ltd. *(Note (viii))*	The subsidiary of a related party — Zhiyuan Service
廣州智源貿易服務有限公司 Guangzhou Zhiyuan Trading Services Co., Ltd.	The subsidiary of a related party — Zhiyuan Service
北京至甄企業服務有限公司 (該公司已於2024年4月30日註銷) Beijing Zhizhen Enterprise Service Co., Ltd. *(Note (ix))* (The company was dissolved on April 30, 2024.)	The subsidiary of a related party — Zhiyuan Service
東莞市華蒙星體育發展有限公司 Dongguan Huamengxing Sports Development Co., Ltd.	The subsidiary of a related party — Huamengxing Sports
廣州鷹視信息科技有限公司 Guangzhou Yingshi Information Technology Co., Ltd. *(Note (x))*	The subsidiary of its associate — Leichen Intelligent Equipment
廣州六環軟件技術有限公司 Guangzhou Liuhuan Software Technology Co., Ltd.	The subsidiary of its associate — Liuhuan Information
西安視捷新能源有限公司 Xi'an Shijie New Energy Co., Ltd.	The subsidiary of its associate — Guangzhou Shijie
廣州市智遠物業管理有限公司 Guangzhou Zhiyuan Property Management Co., Ltd.	Note (iv)

Names of related parties	**Relationship**
佛山市南海區源星體育有限公司 (曾用名：佛山市南海區華蒙體育發展有限公司) Foshan Nanhai District Yuanxing Sports Co., Ltd. (Formerly known as Foshan Nanhai Huamengxing Sports Development Co., Ltd.)	The related party, Huamengxing Sports, holds 100% of the shares.
廣州羲和健康管理有限公司 Guangzhou Xihe Health Management Co., Ltd. ("**Guangzhou Xihe**")	Note (v)

(i) The English names of the related parties registered in the PRC mentioned above represent the best efforts made by management of the Company to translate their Chinese names as they do not have official English names.

(ii) In accordance with the provisions of the Stock Listing Rules of the Shenzhen Stock Exchange and based on the principle that substance over form, this company has determined that it is a related party of the Company.

(iii) The Company's original shareholding ratio in Leichen Intelligent was 20%, and Leichen Intelligent was a related party of the Company. On March 10, 2021, the Company transferred all of its equity interests to Guangzhou Ruiyuan Investment Co., Ltd..

(iv) The Company originally recognised Zhiyuan Services as a related party under the Shenzhen Stock Exchange Listing Rules based on the substance over form principle, with Zhiyuan Property being identified as its controlled subsidiary and consequently recognised as an affiliated entity. In September 2023, the Company acquired a 100% equity interest in Zhiyuan Property, resulting in a business combination not under common control. Accordingly, transactions between Zhiyuan Property and the Company during January-August 2023 were disclosed as related-party transactions.

(v) The Company originally recognised Guangzhou Xihe as a related party based on the substance over form principle. In September 2023, the Company acquired a 51% equity interest in Guangzhou Xihe, resulting in a business combination not under common control. Accordingly, transactions between Guangzhou Xihe and the Company during January and August 2023 were disclosed as related-party transactions.

(vi) This company was dissolved on May 8, 2024.

(vii) This company was dissolved on August 9, 2024.

(viii) This company was dissolved on February 19, 2024.

(ix) This company was dissolved on April 30, 2024.

(x) This company is in the process of dissolution registration, with the public notice period spanning from April 23, 2025 to June 23, 2025.

In addition to the transactions and balances disclosed in respective notes, the Group had the following significant transactions and balances with related parties during the Track Record Period:

(a) Related party transactions:

(i) Fee paid to related parties for services/goods

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
For services:			
Guangzhou Shixiang Technology Co., Ltd. (廣州視享科技有限公司)	46	–	–
Guangzhou Shanchang Information Technology Co., Ltd. (廣州閃暢信息科技有限公司)	43	133	–
Guangzhou Aigein Technology Co., Ltd. (廣州艾格因科技有限公司)	580	867	–
Guangzhou Mailing Information Technology Co., Ltd. (廣州邁聆信息科技有限公司)	5,874	1,642	4,132
Guangzhou Zhiyuan Property Management Co., Ltd. (廣州市智遠物業管理有限公司)	41	–	–
Guangzhou Zhiyuan Service Management Co., Ltd. (廣州智源服務管理有限公司)	86,650	88,885	–
Guangzhou Huamengxing Sports Development Co., Ltd. (廣州華蒙星體育發展有限公司)	755	284	–
Suzhou Zhiyuan Management Technology Service Co., Ltd. (蘇州智源管理技術服務有限公司)	1,812	6,092	–
Beijing Zhizhen Enterprise Service Co., Ltd. (北京至甄企業服務有限公司)	–	1,138	–
Guangzhou Xihe Health Management Co., Ltd. (廣州羲和健康管理有限公司)	–	1,619	–
Hefei Zhirui Management Service Co., Ltd. (合肥至睿管理服務有限公司)	–	4,535	–
Guangzhou Shichuang Display Technology Co., Ltd. (廣州視創顯示科技有限公司)	–	15	–
Guangzhou Yuxiang Technology Co., Ltd. (廣州羽象科技有限公司)	–	3	275
Guangzhou Yuandong Smart Sports Technology Co., Ltd. (廣州源動智慧體育科技有限公司)	–	23	–
Xi'an Zhiyuan Service Management Co., Ltd. (西安知源服務管理有限公司)	–	71	–
Guangzhou Zengcheng District Huamengxing Children's Sports Development Co., Ltd. (廣州市增城區華蒙星少兒體育發展有限公司)	–	9	–
	95,801	105,316	4,407

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
For goods:			
Guangzhou Liuhuan Information Technology Co., Ltd. (廣州六環信息科技有限公司)	403	46	331
Guangzhou Mailing Information Technology Co., Ltd. (廣州邁聆信息科技有限公司)	9,876	11,380	1,639
Guangzhou Shixiang Technology Co., Ltd. (廣州視享科技有限公司)	104	55	9
Guangzhou Shihan Technology Co., Ltd. (廣州視焓科技有限公司)	6,121	12,396	22,625
Guangzhou Yuandong Smart Sports Technology Co., Ltd. (廣州源動智慧體育科技有限公司)	980	227	96
Guangzhou Aigein Technology Co., Ltd. (廣州艾格因科技有限公司)	36,689	57,267	41,648
Guangzhou Zhiyuan Service Management Co., Ltd. (廣州智源服務管理有限公司)	5,968	7,058	142
Guangzhou Shichuang Display Technology Co., Ltd. (廣州視創顯示科技有限公司)	1,605	8	36
Guangzhou Zhiyuan Trading Services Co., Ltd. (廣州智源貿易服務有限公司)	–	4,049	7,785
Guangzhou Shanchang Information Technology Co., Ltd. (廣州閃暢信息科技有限公司)	–	109	3
Guangzhou Leichen Intelligent Equipment Technology Co., Ltd. (廣州鐳晨智能裝備科技有限公司)	–	6,430	8,118
Guangzhou Huamengxing Sports Development Co., Ltd. (廣州華蒙星體育發展有限公司)	–	21	6
Hefei Zhirui Management Service Co., Ltd. 合肥至睿管理服務有限公司	–	33	–
Onbo Integrated Circuit (Xi'an) Co., Ltd. (昂寶集成電路(西安)有限公司)	–	376	1,920
Guangzhou Shiheng Electronic Technology Co., Ltd. (廣州視珩電子科技有限公司)	–	649	7,054
Guangzhou Xihe Health Management Co., Ltd. (廣州羲和健康管理有限公司)	–	1	–
Suzhou Zhiyuan Management Technology Service Co., Ltd. (蘇州智源管理技術服務有限公司)	–	16	–
Guangzhou Leichen Electromechanical Technology Co., Ltd. (廣州雷辰機電技術有限公司)	37	–	–
	61,783	100,121	91,412
	157,584	205,437	95,819

(ii) Revenue from related parties

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
For services:			
Foshan Nanhai District Yuanxing Sports Co., Ltd. (佛山市南海區源星體育有限公司)	12	–	–
Guangzhou Huamengxing Sports Development Co., Ltd. (廣州華蒙星體育發展有限公司)	551	907	923
Guangzhou Liuhuan Information Technology Co., Ltd. (廣州六環信息科技有限公司)	6,370	6,300	8,260
Guangzhou Mailing Information Technology Co., Ltd. (廣州邁聆信息科技有限公司)	729	1,539	401
Guangzhou Shanchang Information Technology Co., Ltd. (廣州閃暢信息科技有限公司)	2,097	997	365
Huamengxing Ruixing Sports Training Center Co., Ltd. In Huangpu District, Guangzhou City (廣州市黃埔區華蒙星瑞興體育培訓中心有限公司)	13	27	6
Guangzhou Zengcheng District Huamengxing Children's Sports Development Co., Ltd. (廣州市增城區華蒙星少兒體育發展有限公司)	38	2	–
Guangzhou Shixiang Technology Co., Ltd. (廣州視享科技有限公司)	579	1,059	866
Huamengxing Xinshangyang Sports Development Co., Ltd. In Pengjiang District, Jiangmen City (江門市蓬江區華蒙星新尚陽體育發展有限公司)	23	13	–
Huamengxing Sports Training Co., Ltd., Daliang Street, Shunde District, Foshan City (佛山市順德區大良街道華蒙星體育培訓有限公司)	7	15	–
Guangzhou Leichen Intelligent Equipment Technology Co., Ltd. (廣州鐳晨智能裝備科技有限公司)	1,057	1,992	3,393
Guangzhou Zhiyuan Property Management Co., Ltd. (廣州市智遠物業管理有限公司)	8	45	–
Guangzhou Shichuang Display Technology Co., Ltd. (廣州視創顯示科技有限公司)	752	1,213	1,479
Guangzhou Shihan Technology Co., Ltd. (廣州視焓科技有限公司)	45	37	79
Guangzhou Aigein Technology Co., Ltd. (廣州艾格因科技有限公司)	211	590	2,257
Guangzhou Yuandong Smart Sports Technology Co., Ltd. (廣州源動智慧體育科技有限公司)	2,090	4,074	7,017
Guangzhou Zhiyuan Service Management Co., Ltd. (廣州智源服務管理有限公司)	241	1,600	466
Suzhou Huamengxing Sports Development Co., Ltd. (蘇州華蒙星體育發展有限公司)	39	5	–
Dongguan Chashan Huamengxing Sports Industry Co., Ltd. (東莞市茶山華蒙星體育產業有限公司)	10	–	3

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Dongguan Humen Changdehua Mengxing Sports Training Center Co., Ltd. (東莞市虎門長德華蒙星體育培訓中心有限公司)	1	2	1
Dongguan Shipai Huamengxing Sports Training Center Co., Ltd. (東莞市石排華蒙星體育培訓中心有限公司)	7	–	1
Dongguan Houjie Huamengxing Guantai Sports Development Co., Ltd. (東莞市厚街華蒙星莞太體育發展有限公司)	4	–	–
Dongguan Tangxia Yunchuanghua Mengxing Sports Development Co., Ltd. (東莞市塘廈雲創華蒙星體育發展有限公司)	3	–	–
Guangzhou Yuxiang Technology Co., Ltd. (廣州羽象科技有限公司)	18	977	1,374
Guangzhou Zhiwu Investment Co., Ltd. (廣州知物投資有限公司)	77	59	516
Dongguan Houjie Huamengxing Urban Sports Training Center Co., Ltd. (東莞市厚街華蒙星城市體育培訓中心有限公司)	2	2	–
Suzhou Zhiyuan Management Technology Service Co., Ltd. (蘇州智源管理技術服務有限公司)	–	26	–
Beijing Zhizhen Enterprise Service Co., Ltd. (北京至甄企業服務有限公司)	–	1	–
Guangzhou Yingshi Information Technology Co., Ltd. (廣州鷹視信息科技有限公司)	–	313	210
Guangzhou Xihe Health Management Co., Ltd. (廣州羲和健康管理有限公司)	–	18	–
Guangzhou Liuhuan Software Technology Co., Ltd. (廣州六環軟件技術有限公司)	–	334	567
Guangzhou Shiheng Electronic Technology Co., Ltd. (廣州視珩電子科技有限公司)	–	26	41
Dongguan Huamengxing Sports Development Co., Ltd. (東莞市華蒙星體育發展有限公司)	–	1	–
Guangzhou Zhiyuan Trading Services Co., Ltd. (廣州智源貿易服務有限公司)	–	1	27
Nanchang Huamengxing Sports Development Co., Ltd. (南昌華蒙星體育發展有限公司)	–	3	–
Xi'an Zhiyuan Service Management Co., Ltd. (西安知源服務管理有限公司)	–	1	–
Guangzhou Leichen Technology Co., Ltd. (廣州雷辰智能科技有限公司)	56	–	–
Guangzhou Leichen Electromechanical Technology Co., Ltd. (廣州雷辰機電技術有限公司)	54	–	–
Guangzhou Huamengxing Sports Development Co., Ltd. Dongguan Branch (廣州華蒙星體育發展有限公司東莞分公司)	10	1	3
Guangzhou Huamengxing Sports Development Co., Ltd. Foshan Branch (廣州華蒙星體育發展有限公司佛山分公司)	20	14	1
	15,124	22,194	28,256

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
For goods:			
Guangzhou Huamengxing Sports Development Co., Ltd. (廣州華蒙星體育發展有限公司)	18	28	28
Guangzhou Liuhuan Information Technology Co., Ltd. (廣州六環信息科技有限公司)	13,862	10,408	924
Guangzhou Mailing Information Technology Co., Ltd. (廣州邁聆信息科技有限公司)	84	543	161
Guangzhou Shanchang Information Technology Co., Ltd. (廣州閃暢信息科技有限公司)	5	2	2
Guangzhou Shixiang Technology Co., Ltd. (廣州視享科技有限公司)	379	792	1,050
Guangdong Shunde Remon Technology Co., Ltd. (廣東順德雷蒙電器科技有限公司)	308	–	–
Guangzhou Leichen Intelligent Equipment Technology Co., Ltd. (廣州鐳晨智能裝備科技有限公司)	5,508	11,231	16,858
Guangzhou Shichuang Display Technology Co., Ltd. (廣州視創顯示科技有限公司)	7,195	2,823	2,624
Guangzhou Yuandong Smart Sports Technology Co., Ltd. (廣州源動智慧體育科技有限公司)	2,038	1,935	10,495
Suzhou Huamengxing Sports Development Co., Ltd. (蘇州華蒙星體育發展有限公司)	5	–	–
Guangzhou Aigein Technology Co., Ltd. (廣州艾格因科技有限公司)	12	8	19
Guangzhou Shihan Technology Co., Ltd. (廣州視焓科技有限公司)	7	–	1
Shenzhen Huamengxing Sports Development Co., Ltd. (深圳華蒙星體育發展有限公司)	3	–	–
Onbo Integrated Circuit (Xi'an) Co., Ltd. (昂寶集成電路(西安)有限公司)	–	104	–
Guangzhou Shiyuan Charity Foundation (廣州市視源公益慈善基金會)	–	842	714
Xi'an Shijie New Energy Co., Ltd. (西安視捷新能源有限公司)	–	2	217
Suzhou Zhiyuan Management Technology Service Co., Ltd. (蘇州智源管理技術服務有限公司)	–	16	–
Guangzhou Zhiyuan Service Management Co., Ltd. (廣州智源服務管理有限公司)	–	7	7
Guangzhou Shiheng Electronic Technology Co., Ltd. (廣州視珩電子科技有限公司)	–	–	1

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Guangzhou Yuxiang Technology Co., Ltd. (廣州羽象科技有限公司)	–	–	2
Guangzhou Zhiyuan Trading Services Co., Ltd. (廣州智源貿易服務有限公司)	–	–	15
Guangzhou Leichen Technology Co., Ltd. (廣州雷辰智能科技有限公司)	624	–	–
Guangzhou Leichen Electromechanical Technology Co., Ltd. (廣州雷辰機電技術有限公司)	247	–	–
	30,295	28,741	33,118
For providing use rights of assets:			
Guangzhou Shanchang Information Technology Co., Ltd. (廣州閃暢信息科技有限公司)	4,705	2,352	–
Guangzhou Shichuang Display Technology Co., Ltd. (廣州視創顯示科技有限公司)	–	–	173
	4,705	2,352	173
For donation of goods:			
Guangzhou Shiyuan Public Welfare and Charitable Foundation (廣州市視源公益慈善基金會)	–	–	664
	50,124	53,287	62,211
Acquisition/transfer of intangible assets			
Guangzhou Mailing Information Technology Co., Ltd. (廣州邁聆資訊科技有限公司)	–	–	9,389
Guangzhou Shichuang Display Technology Co., Ltd. (廣州視創顯示科技有限公司)	1,029	–	–
	1,029	–	9,389

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Acquisition/transfer of property, plant and equipment			
Guangzhou Shixiang Technology Co., Ltd. (廣州視享科技有限公司)	108	–	–
Guangzhou Shanchang Information Technology Co., Ltd. (廣州閃暢信息科技有限公司)	43	–	–
Guangzhou Aigein Technology Co., Ltd. (廣州艾格因科技有限公司)	15	–	–
Guangzhou Shichuang Display Technology Co., Ltd. (廣州視創顯示科技有限公司)	39	–	–
Guangzhou Leichen Intelligent Equipment Technology Co., Ltd. (廣州鐳晨智能裝備科技有限公司)	24	–	–
Guangzhou Zhiyuan Service Management Co., Ltd. (廣州智源服務管理有限公司)	37	–	41
Guangzhou Yuxiang Technology Co., Ltd. (廣州羽象科技有限公司)	–	–	96
Guangzhou Yuandong Smart Sports Technology Co., Ltd. (廣州源動智慧體育科技有限公司)	157	–	52
Guangzhou Liuhuan Information Technology Co., Ltd. (廣州六環信息科技有限公司)	113	–	6
Onbo Integrated Circuit (Xi'an) Co., Ltd. (昂寶集成電路(西安)有限公司)	–	221	–
Guangzhou Huamengxing Sports Development Co., Ltd. (廣州華蒙星體育發展有限公司)	–	19	–
Guangzhou Mailing Information Technology Co., Ltd. (廣州邁聆信息科技有限公司)	189	–	131
	725	240	326

(iii) The Group as lessor

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Guangzhou Liuhuan Information Technology Co., Ltd. (廣州六環信息科技有限公司)	534	543	1,665
Guangzhou Leichen Intelligent Equipment Technology Co., Ltd. (廣州鐳晨智能裝備科技有限公司)	69	228	922
Guangzhou Aigein Technology Co., Ltd. (廣州艾格因科技有限公司)	98	153	373
Guangzhou Huamengxing Sports Development Co., Ltd. (廣州華蒙星體育發展有限公司)	764	492	360
Guangzhou Shixiang Technology Co., Ltd. (廣州視享科技有限公司)	372	283	311
Guangzhou Yuandong Smart Sports Technology Co., Ltd. (廣州源動智慧體育科技有限公司)	302	211	246
Guangzhou Shichuang Display Technology Co., Ltd. (廣州視創顯示科技有限公司)	51	73	130
Guangzhou Shiheng Electronic Technology Co., Ltd. (廣州視珩電子科技有限公司)	–	–	1
Guangzhou Shanchang Information Technology Co., Ltd. (廣州閃暢信息科技有限公司)	176	107	123
Guangzhou Mailing Information Technology Co., Ltd. (廣州邁聆信息科技有限公司)	455	420	87
Guangzhou Leichen Intelligent Equipment Technology Co., Ltd. (廣州鐳晨智能裝備科技有限公司)	191	–	–
Guangzhou Zhiyuan Service Management Co., Ltd. (廣州智源服務管理有限公司)	81	17	83
Guangzhou Yuxiang Technology Co., Ltd. (廣州羽象科技有限公司)	17	17	42
Beijing Zhizhen Enterprise Service Co., Ltd. (北京至甄企業服務有限公司)	–	6	–
Guangzhou Yingshi Information Technology Co., Ltd. (廣州鷹視信息科技有限公司)	–	247	369
Guangzhou Xihe Health Management Co., Ltd. (廣州羲和健康管理有限公司)	–	9	–
Xi'an Zhiyuan Service Management Co., Ltd. (西安知源服務管理有限公司)	–	2	–
Guangzhou Shihan Technology Co., Ltd. (廣州視焓科技有限公司)	–	–	3

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Guangzhou Shiheng Electronic Technology Co., Ltd. (廣州視珩電子科技有限公司)	–	–	1
Guangzhou Leichen Electromechanical Technology Co., Ltd. (廣州雷辰機電技術有限公司)	66	–	–
	3,176	2,808	4,716

(iv) The Group as lessee

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Guangzhou Shanchang Information Technology Co., Ltd. (廣州閃暢信息科技有限公司)	–	–	61

(b) **Related party balances:**

As at the end of each reporting period, the Group had balances with related parties as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables			
Guangzhou Huamengxing Sports Development Co., Ltd. (廣州華蒙星體育發展有限公司)	107	77	93
Guangzhou Huamengxing Sports Development Co., Ltd. Foshan Branch (廣州華蒙星體育發展有限公司佛山分公司)	–	–	1
Guangzhou Leichen Intelligent Equipment Technology Co., Ltd. (廣州鐳晨智能裝備科技有限公司)	181	425	4,855
Guangzhou Liuhuan Information Technology Co., Ltd. (廣州六環信息科技有限公司)	366	1,832	1,654
Guangzhou Mailing Information Technology Co., Ltd. (廣州邁聆信息科技有限公司)	108	342	4
Guangzhou Shanchang Information Technology Co., Ltd. (廣州閃暢信息科技有限公司)	503	766	50
Guangzhou Shichuang Display Technology Co., Ltd. (廣州視創顯示科技有限公司)	77	237	261
Guangzhou Shihan Technology Co., Ltd. (廣州視焓科技有限公司)	3	3	–
Guangzhou Shixiang Technology Co., Ltd. (廣州視享科技有限公司)	69	123	110
Guangzhou Yuandong Smart Sports Technology Co., Ltd. (廣州源動智慧體育科技有限公司)	562	3,131	3,942
Guangzhou Zhiyuan Service Management Co., Ltd. (廣州智源服務管理有限公司)	82	1,220	494
Guangzhou Aigein Technology Co., Ltd. (廣州艾格因科技有限公司)	48	288	422
Suzhou Zhiyuan Management Technology Service Co., Ltd. (蘇州智源管理技術服務有限公司)	1	14	–
Guangzhou Yuxiang Technology Co., Ltd. (廣州羽象科技有限公司)	2	959	571
Guangzhou Zhiwu Investment Co., Ltd. (廣州知物投資有限公司)	9	–	32
Xi'an Zhiyuan Service Management Co., Ltd. (西安知源服務管理有限公司)	–	1	–
Guangzhou Yingshi Information Technology Co., Ltd. (廣州鷹視信息科技有限公司)	–	57	–
Guangzhou Shiheng Electronic Technology Co., Ltd. (廣州視珩電子科技有限公司)	–	10	–
Huamengxing Ruixing Sports Training Center Co., Ltd. In Huangpu District, Guangzhou City (廣州市黃埔區華蒙星瑞興體育培訓中心有限公司)	–	2	6
Guangzhou Liuhuan Software Technology Co., Ltd. (廣州六環軟件技術有限公司)	–	56	38
Onbo Integrated Circuit (Xi'an) Co., Ltd. (昂寶集成電路(西安)有限公司)	–	263	12

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Guangzhou Zhiyuan Trading Services Co., Ltd. (廣州智源貿易服務有限公司)	–	–	1
Beijing Zhizhen Enterprise Service Co., Ltd. (北京至甄企業服務有限公司)	–	1	–
Dongguan Shipai Huamengxing Sports Training Center Co., Ltd. (東莞市石排華蒙星體育培訓中心有限公司)		–	1
Suzhou Huamengxing Sports Development Co., Ltd. (蘇州華蒙星體育發展有限公司)	7	–	–
	2,125	9,807	12,547
Prepayments			
Guangzhou Liuhuan Information Technology Co., Ltd. (廣州六環信息科技有限公司)	–	–	5
Other receivables			
Guangdong Shunde Remon Technology Co., Ltd. (廣東順德雷蒙電器科技有限公司)	1,740	–	–
Guangzhou Shichuang Display Technology Co., Ltd. (廣州視創顯示科技有限公司)	1,091	–	–
Guangzhou Huangpu Shiying Sci Tech Equity Innovation Equity Investment Partnership (Limited Partnership) (廣州黃埔視盈科創股權投資合夥企業(有限合夥))	–	24,205	–
	2,831	24,205	–
Trade payables			
Guangzhou Mailing Information Technology Co., Ltd. (廣州邁聆信息科技有限公司)	202	227	38
Guangzhou Shihan Technology Co., Ltd. (廣州視焓科技有限公司)	1,660	2,065	6,471
Guangzhou Yuandong Smart Sports Technology Co., Ltd. (廣州源動智慧體育科技有限公司)	381	27	31
Guangzhou Aigein Technology Co., Ltd. (廣州艾格因科技有限公司)	9,775	8,093	7,629
Guangzhou Liuhuan Information Technology Co., Ltd. (廣州六環信息科技有限公司)	15	46	–
Guangzhou Shiheng Electronic Technology Co., Ltd. (廣州視珩電子科技有限公司)	–	449	1,575
Onbo Integrated Circuit (Xi'an) Co., Ltd. (昂寶集成電路(西安)有限公司)	–	257	513
	12,033	11,162	16,257

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Other payables			
Guangzhou Mailing Information Technology Co., Ltd. (廣州邁聆信息科技有限公司)	4,281	729	1
Guangzhou Shihan Technology Co., Ltd. (廣州視焓科技有限公司)	2	20	13
Guangzhou Zhiyuan Service Management Co., Ltd. (廣州智源服務管理有限公司)	2,362	54	–
Guangzhou Shixiang Technology Co., Ltd. (廣州視享科技有限公司)	37	2	16
Guangzhou Yuandong Smart Sports Technology Co., Ltd. (廣州源動智慧體育科技有限公司)	565	6	–
Guangzhou Liuhuan Information Technology Co., Ltd. (廣州六環信息科技有限公司)	495	–	141
Guangzhou Yuxiang Technology Co., Ltd. (廣州羽象科技有限公司)	–	3	–
Guangzhou Aigein Technology Co., Ltd. (廣州艾格因科技有限公司)	1	6	2
Guangzhou Zhiyuan Trading Services Co., Ltd. (廣州智源貿易服務有限公司)	–	835	935
Guangzhou Shiheng Electronic Technology Co., Ltd. (廣州視珩電子科技有限公司)	–	–	7
Guangzhou Shiyuan Public Welfare and Charitable Foundation (廣州市視源公益慈善基金會)	–	–	38
Guangzhou Shichuang Display Technology Co., Ltd. (廣州視創顯示科技有限公司)	39	–	8
Suzhou Zhiyuan Management Technology Service Co., Ltd. (蘇州智源管理技術服務有限公司)	54	–	–
Hefei Zhirui Management Service Co., Ltd. (合肥至睿管理服務有限公司)	33	–	–
Guangdong Shunde Remon Technology Co., Ltd. (廣東順德雷蒙電器科技有限公司)	4	–	4
Guangzhou Leichen Intelligent Equipment Co., Ltd. (廣州鐳晨智能裝備科技有限公司)	–	–	4
Xi'an Shijie New Energy Co., Ltd. (西安視捷新能源有限公司)	–	–	3
Guangzhou Zhiyuan Service Management Co., Ltd. (廣州智源服務管理有限公司)	–	–	2
	7,873	1,655	1,174

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities			
Guangzhou Aigein Technology Co., Ltd. (廣州艾格因科技有限公司)	2	–	–
Guangzhou Liuhuan Information Technology Co., Ltd. (廣州六環資訊科技有限公司)	53	875	1,037
Guangzhou Vision Technology Co., Ltd. (廣州視享科技有限公司)	50	220	120
Guangzhou Shiyuan Public Welfare and Charitable Foundation (廣州市視源公益慈善基金會)	–	1	63
Guangzhou Leichen Intelligent Equipment Co., Ltd. (廣州鐳晨智能裝備科技有限公司)	–	14	33
Guangdong Shunde Remon Technology Co., Ltd. (廣東順德雷蒙電器科技有限公司)	30	30	30
Xi'an Shijie New Energy Co., Ltd. (西安視捷新能源有限公司)	–	7	23
Guangzhou Zhiyuan Service Management Co., Ltd. (廣州智源服務管理有限公司)	–	14	18
Guangzhou Mailing Information Technology Co., Ltd. (廣州邁聆資訊科技有限公司)	8	78	13
Guangzhou Shichuang Display Technology Co., Ltd. (廣州視創顯示科技有限公司)	301	18	12
Guangzhou Yingshi Information Technology Co., Ltd. (廣州鷹視資訊科技有限公司)	–	–	1
Guangzhou Yuandong Smart Sports Technology Co., Ltd. (廣州源動智慧體育科技有限公司)	15	33	–
Guangzhou Shihan Technology Co., Ltd. (廣州視焓科技有限公司)	–	6	–
	459	1,296	1,350

(c) Compensation of key management personnel:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

The remuneration of the directors of the Company and other members of key management of the Group during the Track Record period were as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Directors' fee, salaries and other benefits	5,792	6,056	5,896
Retirement benefit scheme contributions	757	645	602
Share-based compensation	589	556	2,185
	7,138	7,257	8,683

The remuneration of key management is determined with reference to the performance of the individuals and market trends.

47. SUBSEQUENT EVENTS

On January 15, 2025, the Company's subsidiary entered into a share transfer agreement with the shareholder's of Wuhan Manrui Electronic Technology Co., Ltd. ("**Wuhan Manrui**") to acquire a total 70% of the shares of Wuhan Manrui with cash consideration of RMB5,600,000. The corresponding share transfer payment has been made, and the business registration change for Wuhan Manrui was completed on February 5, 2025.

[Except for disclosed in elsewhere in the accountants' report, there are no material subsequent events undertaken by the Group after December 31, 2024 and up to the date of this report.]

III. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to December 31, 2024.]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

This Appendix mainly provides potential investors with an overview of the Articles of Association adopted by the Company on May 30, 2025, which will become effective on the date on which the H Shares are [**REDACTED**] on the Hong Kong Stock Exchange. As the following information is in summary form, it does not contain all the information that may be important to potential investors.

SHARES AND REGISTERED CAPITAL

Shares of the Company shall take the form of share certificates. The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank pari passu with each other. Shares of the same class in the same issuance shall be issued under the same terms and at the same price. Each of the shares shall be subscribed for at the same price by any subscriber.

All shares issued by the Company shall have a par value denominated in Renminbi of RMB1 per share. Shares issued by the Company and listed on the Shenzhen Stock Exchange are hereinafter referred to as "A Shares"; and shares issued by the Company and [**REDACTED**] on the Hong Kong Stock Exchange are hereinafter referred to as "H Shares".

INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase and Decrease of Shares

According to the operation and development needs of the Company, subject to the laws and regulations, the Company may increase the capital by the following ways upon approval of special resolutions at the Shareholders' general meeting:

(1) public issuance of shares;

(2) non-public issuance of shares;

(3) distribution of bonus shares to existing shareholders;

(4) conversion of capital reserve into share capital;

(5) other means stipulated by laws, administrative regulations and other securities regulatory authorities of the place where the Company's shares are listed.

The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the Company Law and other relevant regulations, as well as the Articles of Association.

Repurchase of Shares

The Company shall not to repurchase its own shares, unless otherwise under any of the following circumstances:

(1) reducing the Company's registered capital;

(2) merging with other companies holding shares of the Company;

(3) using the shares as an employee shareholding scheme or equity incentive plan;

(4) purchasing its shares from shareholders who have voted against the resolutions on the merger or division of the Company at a Shareholders' general meeting upon their request;

(5) use of shares for conversion of convertible corporate bonds issued by the Company;

(6) necessary for the Company to maintain its value and protect the interests of the shareholders.

A resolution shall be passed at the Shareholders' general meeting when the Company is to repurchase its own shares under the circumstances (1) and (2) set out above. In case of the circumstances stipulated in (3), (5), and (6) above, a resolution of the Company's Board shall be passed by a Board meeting that is attended by at least two-thirds of the Directors. Upon the repurchase of its shares by the Company pursuant to the above provisions, under the circumstance set forth in item (1), such shares shall be cancelled within 10 days from the day of repurchase; under the circumstances set forth in items (2) and (4), such shares shall be transferred or cancelled within six months; under the circumstances set forth in items (3), (5) and (6), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years.

The Company may repurchase its shares in one of the following ways:

(1) public centralized trading;

(2) other ways recognized by laws, regulations and other securities regulatory authorities of the place where the Company's shares are listed.

In case of the circumstances stipulated in (3), (5), and (6) above, the Company shall repurchase its shares in public centralized trading.

After the repurchase of the Company's shares, the Company shall fulfill its disclosure obligations in accordance with the provisions of the Securities Law, regulations of the securities exchange where the Company's stock is listed, and other securities regulatory rules.

Transfer of Shares

Shares of the Company that were issued prior to the public offering of A shares of the Company shall not be transferred within one year from the date on which the A shares of the Company are listed and traded on the stock exchange.

The Directors, Supervisors and senior management of the Company shall notify the Company of their holdings of shares in the Company and the changes therein. The annual transfer of shares during the term of office as determined at the time of their assumption of office shall not exceed 25% of their total holdings of shares of the Company. The shares of the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed for trading. The shares in the Company held by them shall not be transferred within half a year from the date of their resignation.

Shares of the Company can be transferred in accordance with the law. All transfers of H Shares shall be effected by instruments of transfer in writing in a general or common form or in any other form acceptable to the Board of Directors, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) stamped with the corporation's chop. If the transferor or transferee is a recognized clearing house (hereinafter referred to as the "**Recognized Clearing House**") as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong or its nominee, the instruments of transfer may be signed by hand or in a machine imprinted format. All instruments of transfer shall be deposited with the legal address of the Company or such places as the Board of Directors may designate from time to time.

If any of the Company's directors, supervisors, senior management members or shareholders holding more than 5% of the Company's shares, sells the shares or other securities with an equity nature of the Company held by him/her within six months after buying the same, or buys shares or securities within six months after selling the same, the earnings therefrom shall belong to the Company and be taken back by the Board of Directors. However, where a securities company holds more than 5% of the Company's shares as a result of purchase and underwriting of the remaining shares after offering and under other circumstances stipulated by the CSRC, such taking back by the Company shall be exempted. Where there are other Laws or regulations or provisions in the listing rules of the place where the Company's shares are listed in respect of the restrictions on the transfer of shares of the Company, such provisions shall prevail.

Shares or other securities with an equity nature held by directors, supervisors, senior management members and individual shareholders as mentioned in the preceding Article include shares or other securities with an equity nature held by their spouses, parents, children and through other people's accounts.

If the Board of Directors of the Company fails to implement in accordance with the above provisions, shareholders are entitled to request the Board of Directors to implement within 30 days. If the Board of Directors of the Company fails to implement within the aforesaid time limit, shareholders are entitled to initiate legal proceedings directly in the people's court in their personal capacity for the interest of the Company.

If the Board of Directors of the Company fails to implement in accordance with the above provisions, the directors responsible shall bear joint liabilities in accordance with the law.

SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS

Shareholders

The Company shall establish a register of Shareholders based on the certificates provided by the securities registration authority and the register of Shareholders is sufficient evidence to prove that the Shareholders hold the shares of the Company. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Shareholders of the Company enjoy the following rights:

(1) to receive dividends and other forms of interest distributions in proportion to the shares they hold;

(2) to file a petition of, to convene, hold and attend the Shareholders' general meetings either in person or by proxy and exercise their corresponding voting right according to laws;

(3) to supervise, present suggestions on or make inquiries about the business operations of the Company;

(4) to transfer, donate or pledge their shares in accordance with laws, administrative regulations and the Articles of Association;

(5) to inspect and copy the Articles of Association, register of shareholders, minutes of shareholders' general meetings, resolutions of the Board of Directors' meetings, resolutions of the meetings of the Supervisory Committee, financial and accounting reports; shareholders who meet the prescribed conditions may also inspect the Company's accounting books and accounting vouchers;

(6) to participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;

(7) to request the Company to purchase their shares for the Shareholders who object to the Company's resolution on merger or division made by the Shareholders' general meetings;

(8) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

In the event that any resolution of the Shareholders' general meeting or resolution of the Board of Directors violates laws or administrative regulations, the Shareholder is entitled to request the People's Court to deem it as invalid. In the event that the convening procedure or voting method of the Shareholders' general meeting or Board of Directors' meeting violates any of laws, administrative regulations or the Articles of Association, or any resolution of which violates the Articles of Association, the Shareholder is entitled to request the People's Court to overturn the resolution within 60 days upon the resolution was adopted, except where there are only some minor defects in the convening procedures or the voting method of the Shareholders' general meeting or the Board of Directors, which do not materially affect the resolution.

Where a director or senior management member violates the provisions of the laws, administrative regulations or the Articles of Association in the course of performing his/her duties and causes losses to the Company, the shareholders individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days shall have the right to request the Supervisory Committee in writing to initiate legal proceedings in the People' s Court; where the Supervisory Committee violates the provisions of the laws, administrative regulations or the Articles of Association in the course of performing its duties and causes losses to the Company, the shareholders shall have the right to request the Board of Directors in writing to initiate legal proceedings in the People's Court.

Upon receipt of the written request made by the shareholders as stipulated in the preceding paragraph, where the Supervisory Committee and the Board of Directors refuse to file a lawsuit or fail to file a lawsuit within 30 days from receipt of such request, or under urgent circumstances that failure in filing a lawsuit immediately will cause irreparable damage to the interests of the Company, the aforesaid shareholders shall have the right to file a lawsuit to the People's Court directly in their own names for the benefits of the Company.

In the event that any person infringes the legitimate interests of the Company and causes losses thereto, the shareholders individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days may file a lawsuit to the People's Court in accordance with the above provisions.

If a director or senior management member violates the provisions of the laws, administrative regulations or the Articles of Association, thereby damaging the interests of shareholders, the shareholders may initiate legal proceedings in the People's Court.

Shareholders of the Company shall assume the following obligations:

(1) to comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(2) to pay the share subscription price according to the shares subscribed and the method of subscription;

(3) not to withdraw the shares unless prescribed by the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed;

(4) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity and the limited liability of shareholders to harm the interests of the Company's creditors;

(5) other obligations required by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with laws; any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and causes severe harms to the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

General Provisions for Shareholders' General Meetings

The shareholders' general meeting is the body of power of the Company which exercises the following functions and powers according to law:

(1) to elect or remove the Directors and Supervisors (other than the employee representatives) and to decide on matters relating to the remuneration of Directors and Supervisors;

(2) to consider and approve reports of the Board of Directors;

(3) to consider and approve reports of the Supervisory Committee;

(4) to consider and approve the Company's proposals for profit distribution plans and loss recovery plans;

(5) to resolve on any increase or decrease of the Company's registered capital;

(6) to resolve on the issue of corporate bonds by the Company;

(7) to resolve on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;

(8) to amend the Articles of Association;

(9) to adopt resolutions on Company's appointments and dismissals of accounting firms and the remunerations of accounting firms;

(10) to consider and approve the provision of guarantees stipulated in Article 47 of the Articles of Association;

(11) to consider the purchase or sale of major assets of the Company in excess of 30% of the Company's latest audited total assets within one year;

(12) to consider and approve changes in the use of proceed;

(13) to consider the equity incentive plans and employee shareholding schemes;

(14) to consider other matters on which decisions shall be made by the shareholders' general meeting as required by laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The general meeting may authorize the Board to resolve on the issuance of corporate bonds.

The following provision of guarantees to third parties by the Company are subject to the consideration and approval by the Shareholders' general meeting:

(1) a single guarantee the amount of which exceeds 10% of the latest audited net assets;

(2) any guarantee provided after the total amounts of the external guarantees provided by the Company and its holding subsidiaries exceeds 50% of the latest audited net assets of the Company;

(3) a guarantee provided to a guaranteed party whose asset-liability ratio (based on the most recent financial statements) exceeds 70%;

(4) the total amount of guarantees for twelve consecutive months exceeds 30% of the latest audited total assets of the Company;

(5) the total amount of guarantees for twelve consecutive months exceeds 50% of the latest audited net assets of the Company, and with an absolute amount of more than RMB50 million;

(6) any guarantees to be provided for Shareholders, de facto controllers and their related parties;

(7) other guarantees which shall be determined by the general meeting as required by the laws, administrative regulations, departmental rules, normative documents, stock exchange rules, the securities regulatory rules of the place where the Company' Shares are listed or the Articles of Association.

When the guarantee specified in item (4) as set out above is considered at the general meeting, it shall be approved by more than two-thirds of voting rights held by the Shareholders present at the meeting.

When the resolution on guarantees provided to Shareholders, de facto controllers and their related parties is considered at the general meeting, such Shareholders or the Shareholders controlled by the de facto controllers or their related parties shall not participate in such voting, and the vote shall be passed by more than half of the voting rights held by other Shareholders present at the general meeting.

The shareholders' general meetings are classified into annual shareholders' general meetings and interim shareholders' general meetings. The annual shareholders' general meeting shall be convened once a year and be held within 6 months of the end of the previous accounting year.

In any of the following circumstances, the Company shall convene an interim shareholders' general meeting within 2 months from the date upon which the circumstance occurs:

(1) when the number of directors falls short of the number specified in the Company Law or is less than two-thirds of the number specified in the Articles of Association;

(2) when the unrecovered losses of the Company amount to one-third of the total paid-up share capital;

(3) when requested by Shareholders who individually or jointly hold more than 10% voting rights (excluding the voting rights of treasury shares) of the Company;

(4) when the Board of Directors deems necessary;

(5) when proposed by the Supervisory Committee;

(6) other circumstances stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Convening of Shareholders' General Meetings

The Board of Directors is responsible for convening the Shareholders' general meeting.

The Board of Directors shall convene the general meeting of shareholders within the prescribed period. If the Board of Directors is unable or fails to fulfill its duty to convene such a meeting, the Supervisory Committee shall promptly convene and preside over the meeting. If the Supervisory Committee does not convene or preside over the meeting, shareholders who individually or jointly hold more than 10% of the Company's shares for 90 consecutive days or more may convene and preside over the meeting on their own initiative.

With the consent of more than half of all Independent Directors, Independent Directors have the right to propose to the Board of Directors the convening of an extraordinary general meeting. Upon receiving such a proposal from the Independent Directors, the Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback indicating whether it agrees to convene the extraordinary general meeting within 10 days. If the Board of Directors agrees to convene the meeting, it shall issue a notice of the general meeting within 5 days after the Board resolution is made. If the Board of Directors does not agree to convene the meeting, it shall provide written reasons and make a public announcement.

The Supervisory Committee shall be entitled to submit a proposal in writing to the Board of Directors on holding an interim shareholders' general meeting. The Board of Directors shall give a written reply as to whether it agrees or disagrees to hold an interim shareholders' general meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations and the Articles of Association. If the Board of Directors agrees to hold an interim shareholders' general meeting, a notice of shareholders' general meeting shall be given within 5 days after the resolution of the Board of Directors is made. Any change to the original proposal in the notice shall be subject to approval from the Supervisory Committee. If the Board of Directors does not agree to hold an interim shareholders' general meeting or fails to give a reply within 10 days upon receipt of the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty of convening a shareholders' general meeting. In such a case, the Supervisory Committee may convene and preside over the meeting on its own.

Shareholders who individually or collectively hold more than 10% of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary general meeting, and shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether or not to convene the extraordinary general meeting within 10 days after receiving the request. If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after the resolution of the Board of Directors is made, and changes to the original request in the notice shall be subject to the consent of the relevant shareholders. If the Board of Directors does not agree to convene an extraordinary general meeting, or fails to give feedback within 10 days after receiving the request, shareholders who individually or collectively hold more than 10% of the Company's shares have the right to propose to the Supervisory Committee to hold an extraordinary general meeting, and shall make a written request to the Supervisory Committee. If the Supervisory Committee agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. Where the Supervisory Committee fails to issue a notice of the general meeting within the prescribed time limit, it shall be deemed that the Supervisory Committee has not convened and presided over the general meeting, and shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over it on their own.

If the Supervisory Committee or shareholders decide to convene a Shareholders' general meeting by themselves, they shall notify the Board of Directors in writing and file with the stock exchange at the same time. Prior to the announcement of the resolution of the Shareholders' general meeting, the shareholding ratio of the convening shareholders shall not be less than 10%. The Supervisory Committee or the convening shareholders shall submit relevant supporting materials to the stock exchange when issuing the notice of the general meeting and the announcement of the resolutions of the Shareholders' general meeting.

The expenses necessary for the Shareholders' general meeting convened by the Supervisory Committee or the shareholders themselves shall be borne by the Company.

Proposals and Notices of Shareholders' General Meeting

The content of proposals shall fall within the functions and powers of the general meeting, have clear subject for discussion and specific matters to be resolved and comply with relevant requirements of the laws, administrative regulations and the Articles of Association.

The Board of Directors, the Supervisory Committee, and Shareholders who individually or collectively hold more than 1% of the shares of the Company shall have the right to put forward proposals to the Company at the Shareholders' general meeting. Shareholders who individually or collectively hold more than 1% of the shares of the Company may submit an interim proposal in writing to the convener 10 days prior to the convening of the Shareholders' general meeting.

The convener shall issue a supplementary notice of the Shareholders' general meeting within 2 days after receiving the interim proposal, disclosing the name(s) or title(s) of the Shareholder(s) who submitted the interim proposal, their shareholding percentage, and the content of the additional proposal, and shall submit such interim proposal to the Shareholders' general meeting for deliberation.

The convener shall notify all Shareholders by way of announcement 20 days prior to the convening of the annual general meeting, and each Shareholder shall be notified by way of announcement 15 days prior to the convening of the interim general meeting. The date of the meeting shall not be included in the calculation of the commencement period.

The notice of a Shareholders' general meeting shall include the following:

(1) the time, place and duration of the meeting;

(2) matters and proposals submitted to the meeting for consideration;

(3) a prominent written statement that all Shareholders have the right to attend the general meeting of shareholders, and may entrust a proxy in writing to attend the meeting and vote. Such a proxy does not need to be a shareholder of the Company;

(4) the shareholding registration date of the Shareholders entitled to attend the general meeting;

(5) name and telephone number of the permanent contact person for conference affairs;

(6) voting time and voting procedures on the Internet or in other ways;

(7) other contents stipulated by laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The notice and supplementary notice of the Shareholders' general meeting shall fully and completely disclose all the specific contents of all proposals. Where the opinions of independent directors or intermediary agencies are required on the matters to be discussed, such opinions and reasons thereof shall be disclosed at the same time when the notice of Shareholders' general meeting and the supplementary notice are issued.

Where a general meeting intends to discuss matters relating to the election of directors and supervisors, the notice of the general meeting of shareholders shall fully disclose the details of the candidates for directors and supervisors, including at least the following:

(1) Work experience, particularly any employment history with the Company, its shareholders, or its de facto controllers;

(2) Educational background, professional qualifications, and industry experience;

(3) Part-time jobs and other personal circumstances;

(4) Disclosure of the number of shares held in the Company;

(5) Whether there exists any affiliation or relationship with shareholders holding more than 5% of the Company's shares, the actual controllers, or other directors, supervisors, and senior management of the Company;

(6) Whether it has been penalized by the China Securities Regulatory Commission and other relevant governmental authorities and disciplined by the stock exchange;

(7) Whether the individual is subject to any circumstances stipulated by laws, regulations, rules, normative documents, or the securities regulatory rules of the place where the Company's shares are listed, which would disqualify them from serving as a director or supervisor.

In addition to the adoption of the cumulative voting system for the election of directors and Shareholder Representative Supervisors, each candidate for director or shareholder representative supervisor shall be submitted as a single proposal.

After the notice of the general meeting has been given, the general meeting shall not be postponed or canceled without a valid reason, and the proposals specified in the notice of the general meeting shall not be canceled. In the event of postponement or cancellation, the convenor shall make an announcement at least two working days prior to the original convening date and state the reasons.

Proxy for the Shareholders' General Meeting

A shareholder may attend and vote at the shareholders' general meeting in person or by proxy.

Individual shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or documents or proof of shareholding. Proxies attending the meeting shall present their personal identity cards and the power of attorney from the shareholder.

Corporate shareholders shall attend the meeting through its legal representative or a proxy duly authorized by the legal representative. Where the legal representative attends the meeting, he/she shall present his/her identity card and valid documents proving his/her capacity as the legal representative. Where a proxy attends the meeting, the proxy shall present his/her identity card and a written power of attorney lawfully issued by the legal representative of the corporate shareholder, except where the shareholder is a Recognized Clearing House or its proxy where the Company's shares are listed. If the corporate shareholder has appointed a representative to attend any meeting, such attendance shall be deemed as attendance in person.

If the shareholder is a Recognized Clearing House (or its proxy), the shareholder may authorize one or more persons it deems fit, including its corporate representatives, to act as its proxy at any general meeting or any meeting of creditors; however, if more than one person is authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized may act on behalf of the Recognized Clearing House as if such person were an individual shareholder of the Company (without presenting shareholding certificates, notarized authorization and/or further evidence of its duly authorization), and shall be entitled to exercise the same statutory rights as other shareholders, including the right to speak and vote at such meetings, as if he or she were an individual shareholder of the Company.

If the power of attorney is signed by another person authorized by the principal, the power of attorney or other document authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document, together with the instrument appointing the voting proxy, shall be deposited at such place as specified in the notice of the meeting.

If the principal is a legal person, its legal representative or the person authorized by a resolution of the Board of Directors or other decision-making body shall attend the shareholders' general meeting of the Company as the representative of such legal person.

The power of attorney issued by a shareholder to appoint another person to attend a general meeting shall contain the following particulars:

(1) name of the principal, class and number of shares of the Company held by the principal;

(2) name of the proxy;

(3) instructions to vote for, against or abstain from voting on each matter to be considered that are included on the agenda of the shareholders' general meeting, respectively;

(4) date of issuance and date of expiry of the power of attorney;

(5) signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed.

The power of attorney should state whether the proxy may vote as he/she wishes if the shareholder does not give specific instructions.

Voting at the Shareholders' General Meeting

Resolutions at shareholders' general meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution at a shareholders' general meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' general meeting (including proxies). A special resolution at a shareholders' general meeting shall be passed by at least two-thirds of the voting rights held by the shareholders present at the shareholders' general meeting (including proxies).

The following matters shall be passed by ordinary resolutions at the shareholders' general meeting:

(1) work reports of the Board of Directors and the Supervisory Committee;

(2) plans for the distribution of profits and for recovery of losses proposed by the Board;

(3) the election and removal of the members of the Board of Directors and the Supervisory Committee and their remuneration and payment method;

(4) any other matters other than those shall be passed by special resolutions as required by laws, administrative regulations, or the Articles of Association.

The following matters shall be passed as special resolutions of a shareholders' general meeting:

(1) the increase or reduction of the registered capital of the Company;

(2) the division, spin-off, merger, dissolution and liquidation (including voluntary liquidation) of the Company or change of company form;

(3) spin-off of subsidiaries for listing;

(4) any amendment to the Articles of Association and its appendices (including rules for general meetings of shareholders, rules for board meetings, rules for supervisory board meetings, etc.);

(5) purchase or sale of significant assets within a year or guarantee to others, the amount of which exceeds 30% of the Company's audited total assets for the latest period;

(6) the issuance of shares, convertible corporate bonds and other types of securities recognized by the CSRC;

(7) repurchase of shares for the purpose of reducing registered capital;

(8) reorganization of major assets;

(9) share incentive plan;

(10) the shareholders' meeting resolution to voluntarily withdraw its shares from listing and trading on the Shenzhen Stock Exchange, and to decide not to trade on the stock exchange anymore or to apply for trading or transfer on other trading venues;

(11) any other matters shall be passed by special resolutions as required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, as well as other matters that the shareholders' general meeting determines by ordinary resolution will have a significant impact on the Company and need to be passed by special resolution.

The aforementioned proposals (3) and (10) shall also be approved by at least two-thirds of the voting rights held by shareholders other than the Company's Directors, Supervisors, senior management members, and shareholders who individually or jointly hold more than 5% of the Company's shares.

If at any time the Company's Shares are divided into different classes of shares, any variation of the rights attached to any class of shares shall, unless otherwise provided, be approved by a special resolution passed at a meeting of the shareholders of that class who are entitled to vote and are present at the meeting.

Shareholders (including proxies) may exercise their voting rights by the number of shares held by them which carry the right to vote. Each share shall have one vote. When material issues affecting the interests of minority shareholders are considered at a shareholders' general meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The shares held by the Company do not carry voting right, and shall not be included in the total number of shares with voting rights of shareholders present at the shareholders' general meeting.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Clause 1 and Clause 2 of Article 63 of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' general meeting for thirty-six months after the purchase.

Based on the applicable laws, regulations, and the securities regulatory rules of the place where the shares of the Company are listed, if any shareholder is required to abstain from voting on a particular resolution, or is restricted to voting only for or only against a particular resolution, then any votes cast by or on behalf of such shareholder in violation of such requirement or restriction shall not be counted towards the total number of shares with voting rights.

The Board of Directors, independent Directors, shareholders holding one per cent or more of the shares with voting rights or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders' voting rights. When soliciting voting rights from shareholders, the specific voting intention and other information shall be fully disclosed to the solicitation targets. The solicitation of shareholders' voting rights by way of remuneration or disguised remuneration is prohibited. Except for statutory conditions, the Company shall not impose minimum shareholding restrictions on the solicitation of voting rights.

Where a related party transaction is considered at a shareholders' general meeting, the interested shareholder(s) shall abstain from voting, and the voting shares held by the interested shareholder(s) shall not be counted in the total number of voting shares. The resolutions of the shareholders' general meeting shall fully disclose the voting of the non-interested shareholders.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

Directors of the Company should be natural persons, and the following person should not serve as a director of the Company:

(1) person without capacity or with limited capacity of civil conduct;

(2) person who has been sentenced to criminal punishment for corruption, bribery, misappropriation or embezzlement of property, or disrupting the socialist market economic order, or who has been deprived of political rights due to a criminal offense, where less than five years have elapsed since the completion of the sentence or restoration of political rights; or who has been given a suspended sentence, where less than two years have elapsed since the expiration of the probation period;

(3) person who was a former director, factory manager or general manager of a company or enterprise which was declared bankrupt and was liquidated and who was personally liable for the bankruptcy of such a company or enterprise, where less than three years has elapsed since the date of completion of bankruptcy and liquidation of the Company or enterprise;

(4) person who was a former legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to violation of the law and who was personally liable, where less than three years has elapsed since the date of the revocation;

(5) person who has a substantial number of debts due and outstanding has been listed as a dishonest person by the People's Court;

(6) person who is subject to the CSRC's penalties which prohibits him/her from entering into the securities market for a period which has not yet expired;

(7) person who has been publicly identified by a stock exchange as unsuitable to serve as a director or senior management of a listed company, and the period of such determination has not yet expired;

(8) other circumstances specified by the laws, administrative regulations or departmental rules.

The election, appointment or delegation of Directors in violation of the aforesaid provisions shall be null and void. If a director, during his/her term of office, becomes subject to any of the circumstances set forth in items (1) to (6) above, or if an Independent Director ceases to meet the independence requirements, the relevant director shall immediately cease performing his/her duties and the Company shall remove him or her from office in accordance with the relevant regulations. If a director becomes subject to any of the circumstances set forth in items (7) or (8) above during his/her term of office, the Company shall remove him or her from office within 30 days from the date such circumstance arises.

Directors shall be elected or replaced by the shareholders' general meeting and may be dismissed by the shareholders' meeting before the expiration of their term. The term of office of a director is 3 years. Directors shall be eligible for re-election and re-appointment upon the expiry of the term of office.

The term of office of a director shall commence from the date on which the said director assumes office until the expiry of the term of office of the current session of the Board of Directors. A director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

A director may serve concurrently as senior management member, but the total number of directors serving concurrently as senior management members and employee representative directors shall not be more than half of the directors of the Company.

Directors shall fulfill the following duties of loyalty to the Company:

(1) not abusing their powers to accept bribes or any other unlawful income;

(2) not encroaching on the Company's property or misappropriating the Company's funds;

(3) not depositing the Company's assets or funds into any accounts under their own names or the names of other individuals;

(4) not lending the Company's funds to others or providing guarantees in favor of others backed by the Company's assets in violation of the Articles of Association or without approval of the general meeting or the Board of Directors;

(5) not entering into any contract or conducting any transaction with the Company, directly or indirectly, without reporting to the Board of Directors or the general meeting of shareholders and obtaining approval by resolution of the Board of Directors and the general meeting of shareholders in accordance with this Articles of Association;

(6) not leveraging their position and powers to procure business opportunities which should be available to the Company for themselves or others, unless such opportunities are reported to the Board of Directors or the general meeting of shareholders and approved by resolution of the general meeting, or unless the Company is unable to make use of such opportunities under applicable laws, administrative regulations, or the Articles of Association;

(7) not engaging in or operating, for oneself or on behalf of others, any business that is of the same nature as that of the Company without reporting to the Board of Directors or the general meeting of shareholders and obtaining approval by resolution of the general meeting;

(8) not accepting for their own benefit any commissions in relation to transactions with the Company;

(9) not disclosing without authorization any confidential information of the Company;

(10) not using their connected relationships to harm the interests of the Company;

(11) performing any other duties of loyalty provided by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Company may have a claim against the breaching director for an account of profits for any income earned by such director in violation of the aforesaid provisions; such director is liable for compensation if any loss is caused to the Company.

Directors shall fulfill the following duties of care to the Company:

(1) to exercise the powers conferred by the Company with prudence, care and diligence to ensure that the commercial activities of the Company comply with the provisions of the laws, administrative regulations and various state economic policies and not exceed the business scope specified in the business license of the Company;

(2) to treat all shareholders impartially;

(3) to keep track of the operation and management of the Company on a timely basis;

(4) shall sign the written confirmation opinions on the Company's regular reports, and ensure that the information disclosed by the Company is true, accurate, and complete;

(5) to provide the Supervisory Committee with truthful information and materials, and not to intervene in the performance of the Supervisory Committee or supervisors of their duties and functions;

(6) to perform any other duties of care provided by the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Directors who fail to attend two consecutive meetings of the Board of Directors either in person or entrust other directors to do so are deemed incapable of performing their duties, and the board shall make a proposal to the general meeting to remove such directors. Directors may submit their resignation prior to the expiry of their terms of office. The resigning director is required to submit a resignation report to the board in writing. The Board of Directors shall disclose the relevant information within 2 days or within the period stipulated in the securities regulatory rules in the place where the Company's shares are listed.

If the resignation of a Director results in the number of Board members falling below the quorum, or if the resignation of an Independent Director causes the proportion of Independent Directors on the Board or its special committees to be inconsistent with the requirements of laws, administrative regulations, departmental rules, normative documents, or the Articles of Association, or if there is a lack of accounting professionals among the Independent Directors, the resigning Director shall continue to perform his/her duties as a Director in accordance with the laws, administrative regulations, departmental rules, normative documents, and the Articles of Association until a new Director is elected to fill the vacancy arising from such resignation. The resignation shall only take effect after the successor Director has taken office, except in cases where the resigning Director no longer meets the qualifications for directorship.

When a Director's resignation becomes effective or his/her term of office expires, the Director shall complete all handover procedures with the Board. The Director's fiduciary duties to the Company and its Shareholders shall not automatically terminate; such duties shall remain valid before the resignation becomes effective and for a period of three years after the resignation takes effect or after the expiry of his/her term of office.

No director is allowed to act in his/her own name on behalf of the Company or the board without the legal authorization provided in the Articles of Association or from the board. In the event that a director acts in his/her own name and a third party may reasonably believe that the director is acting on behalf of the Company or the board, such director shall state his/her position and capacity in advance.

The Company will be liable for any damage caused to others by a director in the performance of his or her duties for the Company; the director shall also be liable for compensation if he/she is willful or grossly negligent.

Chairman

The Board of Directors shall appoint a Chairman and a Vice Chairman. The Chairman and Vice Chairman shall be elected by more than one half (excluding the exact half) of all Directors.

The Chairman shall exercise the following functions and powers:

(1) to preside over shareholders' general meetings and to convene and to preside over Board meetings;

(2) to supervise and inspect the implementation of Board resolutions;

(3) to sign company stocks, corporate bonds, and other valuable securities;

(4) to sign the documents of the Board and other documents and reports that shall be signed by the legal representative of the Company;

(5) to exercise the functions and powers as a legal representative;

(6) to nominate candidates for the Company's General Manager and Secretary to the Board for consideration and approval by the Board of Directors;

(7) to exercise other functions and powers conferred by the Articles of Association or the Board.

Board of Directors

The Company shall establish a Board of Directors, which, entrusted by the shareholders' general meeting, is responsible for the operation and management of the Company's assets as a legal entity. The Board of Directors serves as the decision-making body for the Company's business operations and management, is accountable to the shareholders' general meeting, and safeguards the interests of the Company and all its shareholders. During the adjournment of the shareholders' general meeting, the Board of Directors shall manage the Company's internal affairs and may represent the Company externally.

The Board of Directors exercises the following functions and powers:

(1) to convene shareholders' general meetings and report on its work to the shareholders' general meeting;

(2) to implement the resolutions of the shareholders' general meetings;

(3) to decide on the Company's business plans and investment plans;

(4) to formulate the Company's profit distribution plan and loss recovery plan;

(5) to formulate proposals for the increase or reduction of the Company's registered capital, issuance of bonds or other securities, and listing plans;

(6) to formulate plans for major acquisitions, purchase of our Company's shares, or merger, division, dissolution and change of form of our Company;

(7) within the scope authorized by the shareholders' general meeting, to decide on the Company's external investment, acquisition and sale of assets, asset pledge, external guarantee matters, entrusted wealth management, related transactions, and external donations;

(8) to decide on the establishment of the Company's internal management structure;

(9) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board of Directors, or other senior management personnel, and to determine their remuneration, rewards, and penalties; based on the general manager's nomination, to decide on the appointment or dismissal of the Company's deputy general manager, financial officer, and other senior management personnel, and to determine their remuneration and rewards and penalties;

(10) to formulate the Company's basic management system;

(11) to formulate proposals for any amendment to the Articles of Association;

(12) to manage the information disclosure matters of the Company;

(13) to propose to the shareholders' general meeting the appointment or change of the accounting firm acting as the auditors of our Company;

(14) to receive the work report of the Company's general manager and examine the general manager's work;

(15) to approve, by a resolution passed at a meeting of Board of Directors attended by at least two-thirds of the Directors, matters relating to the acquisition of the Company's shares for the purpose of employee shareholding schemes or equity incentive plans, for converting shares into convertible corporate bonds issued by the Company, or for the acquisition of the Company's shares as necessary to safeguard the Company's value and the interests of its shareholders;

(16) other functions and powers conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association and the general meeting.

Matters beyond the scope provided by the Articles of Association or the scope of authorisation of the general meeting shall be submitted by the Board to the general meeting for consideration.

Meetings of the Board should be held at least forth every year and convened by the chairman. Notice of the meeting in writing should be served on all of the Directors and Supervisors fourteen (14) days before the date of the meeting. Board meetings are divided into regular meetings and interim meetings. The Board of Directors should hold regular meetings at least four times a year, approximately once every quarter.

An interim board meeting may be proposed by shareholders individually or collectively representing more than one-tenth of the total voting rights of the Company, more than one-third of the directors, a majority of the Independent Directors, the Supervisory Committee, the chairman of the board, the general manager, or by the securities regulatory authorities. The chairman of the board shall convene and preside over the board meeting within 14 days upon receipt of such proposal.

The Board meeting shall be held upon the attendance of more than half of Directors. Resolutions made by the Board of Directors must be passed by more than half of all Directors of the Company. Voting on the resolutions of the Board of Directors shall be conducted on a one-person-one-vote basis.

If any Director has connection with the enterprise or individual involved in the resolution made at a Board meeting, such director shall submit a written report to the Board of Directors in a timely manner. The said Director shall not vote on the said resolution for himself/herself or on behalf of another Director. The Board meeting may be held when more than half of the non-connected Directors attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-connected Directors. If the number of non-connected Directors attending the meetings is less than three, the issue shall be submitted to the shareholders' general meeting for consideration.

Directors shall attend Board meetings in person. If a Director is unable to attend a meeting for any reason, he/she shall carefully select and, by written authorization, entrust another Director to attend the meeting on his/her behalf. An Independent Director shall not appoint a non-Independent Director as his/her proxy. The power of attorney shall specify the name of the proxy, the matters entrusted, the scope of authorization, and the validity period, and shall be signed or sealed by the appointing Director. Where voting matters are involved, the appointing Director shall expressly state his/her opinion of consent, objection, or abstention on each matter in the power of attorney. No Director shall make or accept a proxy without voting intentions, a general proxy, or a proxy with an unclear scope of authorization. The appointed Director shall exercise the rights of a Director within the scope of authorization. If a Director neither attends a Board meeting in person nor appoints a proxy to attend, he/she shall be deemed to have waived the voting rights at that meeting.

Borrowing Powers

The Articles of Association do not contain any specific provisions regarding Directors exercise of borrowing powers, but there are relevant provisions regarding Directors power to determine, to the extent authorized by the general meeting, on such matters as issuance of corporate bonds, the external investments, purchase or sale of assets, assets mortgage, external guarantee, entrusted wealth management, connected transactions and external donations of the Company.

Independent Directors

Independent Directors shall diligently perform their duties in accordance with laws, administrative regulations, the rules of the CSRC, stock exchange rules, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association. They shall play roles in decision-making participation, supervision and checks and balances, and professional consultation at the Board of Directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.

Independent Directors shall exercise the following special powers:

(1) to independently engage intermediary institutions to conduct audits, consultations, or reviews on specific matters of the Company;

(2) to propose to the Board of Directors the convening of an extraordinary general meeting of shareholders;

(3) to propose the convening of a meeting of the Board of Directors;

(4) to lawfully and publicly solicit shareholders' rights from shareholders;

(5) to express independent opinions on matters that may harm the interests of the Company or minority shareholders;

(6) to exercise other powers as provided by laws, administrative regulations, the regulations of the China Securities Regulatory Commission, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The exercise of the above powers listed in items (1) to (3) by Independent Directors shall require the consent of more than half of all Independent Directors.

The following matters shall be submitted to the Board of Directors for consideration only after being approved by more than half of all Independent Directors of the Company:

(1) related party transactions that are required to be disclosed;

(2) proposals for the Company or relevant parties to amend or waive commitments;

(3) decisions and measures made by the Board of Directors of a listed company in response to an acquisition;

(4) other matters as stipulated by laws, administrative regulations, rules of the CSRC, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The Company shall establish a dedicated meeting mechanism attended solely by Independent Directors. For matters such as related party transactions to be considered by the Board of Directors, prior approval shall be obtained at the dedicated meeting of Independent Directors. The Company shall convene dedicated meetings of Independent Directors on a regular or ad hoc basis. The matters specified in items (1) to (3) above regarding the special powers of Independent Directors and the matters listed above shall be reviewed by the special meeting of Independent Directors.

The meeting of Independent Directors may, as necessary, discuss and study other matters concerning the Company. The meeting of Independent Directors shall be convened and presided over by an Independent Director jointly elected by more than half of all Independent Directors; if the convener fails or is unable to perform such duties, two or more Independent Directors may convene the meeting themselves and elect one among them to preside over.

Special Committees under the Board

The Company has established the audit committee under the Board of Directors, which shall exercise the powers and functions of the Supervisory Committee as stipulated by the Company Law, as well as those required by the securities' regulatory rules of the place where the Company's shares are listed.

The Company has also established the strategy and the ESG (Environmental, Social, and Governance) committee, the nomination committee, and the remuneration and appraisal committee under the Board of Directors, which shall perform their duties in accordance with the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, and the authorization of the Board of Directors. Proposals from the special committees shall be submitted to the Board of Directors for deliberation and decision. The working procedures of the special committees shall be formulated by the Board of Directors.

SENIOR MANAGEMENT MEMBERS

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The Company may appoint several deputy general managers as needed. Deputy general managers are nominated by the general manager and appointed or dismissed by the Board of Directors. Deputy general managers assist the general manager in their work.

Senior management members of the Company include: the general manager, deputy general manager, chief financial officer, and board secretary, who are appointed or dismissed by the Board of Directors.

The term of office of the general manager shall be 3 years, renewable upon re-appointment.

The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

(1) to organize the implementation of the resolutions of the Board of Directors, and report to the Board of Directors;

(2) to lead the Company's production, operation and management;

(3) to sign relevant contracts and other documents in accordance with the lawful authorization of the Board of Directors or the legal representative;

(4) to organize the implementation of the Company's annual operation plan and investment proposal;

(5) to prepare the plan for the establishment of the Company's internal management department;

(6) to prepare the basic management system of the Company;

(7) to formulate the specific rules and regulations of the Company;

(8) to propose to the Board of Directors the appointment or dismissal of the Company's deputy general manager, financial officer and other senior management members;

(9) to decide on the appointment or dismissal of senior management member other than those required to be appointed or dismissed by the Board of Directors;

(10) other powers authorized by the Articles of Association or the Board of Directors.

The general manager shall attend meetings of the Board of Directors.

The Company shall have a secretary to the Board, and shall be responsible for the preparation of the shareholders' general meeting and Board meeting, document keeping and management of information regarding the shareholders of the Company and other matters, and shall deal with information disclosure, investor relations management and other matters. The secretary to the Board shall comply with the relevant provisions of the laws, administrative regulations, departmental rules, other securities regulatory authorities of the place where the Company's shares are listed and the Articles of Association.

The secretary of the Board is a senior management member of the Company, accountable to the Board of Directors. The secretary of the Board is nominated by the chairman and appointed or dismissed by the Board of Directors.

SUPERVISORS AND SUPERVISORY COMMITTEE

The Company shall have a Supervisory Committee, which is the Company's supervisory body. The Supervisory Committee is responsible to the shareholders' meeting and reports its work, safeguarding the legitimate rights and interests of the Company, shareholders, and employees. The Supervisory Committee shall be composed of 3 Supervisors. The term of office of the supervisor is 3 years for each session. Upon expiry of the term, the supervisor may be re-appointed upon re-election.

The Supervisory Committee shall include shareholder representatives and employee representatives, the ratio of employee representatives shall not be less than one-third of all Supervisors. The employee representatives sitting on the Supervisory Committee shall be elected by the employees through the employee representative congress, employee congress or any other democratic form.

Supervisors who are not employee representatives (hereinafter referred to as "**Shareholder Representative Supervisors**") shall be elected or replaced by the shareholders' general meeting. The list of candidates for Shareholder Representative Supervisors shall be nominated by shareholders individually or collectively holding 1% or more of the Company's shares, or by the Supervisory Committee, and shall be submitted by the Supervisory Committee to the shareholders' general meeting for election or replacement by way of a proposal. Employee representative supervisors shall enter the Supervisory Committee directly after being elected through the employees' congress, general meeting of employees, or other forms of democratic election.

The Supervisory Committee shall have a chairman. The chairman of the Supervisory Committee shall be elected or changed by more than half of all the Supervisors. The chairman of the Supervisory Committee shall convene and preside over the meeting of the Supervisory Committee; where the chairman of the Supervisory Committee is unable to or fails to perform his duties, a supervisor shall be chosen by more than half of all the supervisors to convene and preside over the meeting of the Supervisory Committee.

Supervisors may attend meetings of the Board of Directors as a non-voting participant, and Supervisors can raise questions or suggestions pertaining to resolutions of Board of Directors.

The Supervisory Committee shall exercise the following functions and powers:

(1) to review the Company's regular reports prepared by the Board of Directors and provide written review opinions;

(2) to supervise the conduct of special committees under the Board of Directors, and check whether the members of the special committees perform their duties in accordance with the rules of procedure of the special committees;

(3) to examine the Company's financial affairs;

(4) to supervise the conduct of directors and senior executives in performing their duties for the Company, and propose the dismissal of directors and senior executives who have violated laws, administrative regulations, the Articles of Association, or resolutions of the shareholders' general meetings;

(5) to require directors and senior executive personnel to rectify their acts when they are detrimental to the interests of the Company;

(6) to propose to convene an interim shareholders' general meeting, and to convene and preside over the shareholders' general meeting when the Board of Directors fails to perform the duties of convening and presiding over the shareholders' general meeting under the Company Law;

(7) to submit proposals to the shareholders' general meeting;

(8) to propose to convene a meeting of the Board of Directors when deemed necessary;

(9) to file lawsuits against the directors and senior management in accordance with Article 189 of the Company Law;

(10) to investigate any irregularities in the operations of the Company; if necessary, may engage accounting firms, law firms and other professional institutions to assist in the work, with expenses to be borne by the Company;

(11) any other functions and powers stipulated by the Articles of Association or conferred by shareholders' general meetings.

The Supervisory Committee shall convene a meeting at least once every six months. Supervisors may propose to convene extraordinary meetings of the Supervisory Committee. Resolutions of the Supervisory Committee shall be adopted by one vote per person, with voting conducted by a show of hands or by ballot, and shall be passed by more than half of the members of the Supervisory Committee.

FINANCIAL AND ACCOUNTING SYSTEM

Financial Accounting System

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the relevant authorities of the PRC.

The Company shall submit and disclose its annual reports to the local branch offices of the CSRC and the stock exchange(s) in the place where the Company's shares are listed within 4 months from the end of each fiscal year, its interim reports to the local branch offices of the CSRC and the stock exchange(s) in the place where the Company's shares are listed within 2 months from the end of the first half of each fiscal year, and its quarterly reports to the local branch offices of the CSRC and the stock exchange(s) in the place where the Company's shares are listed within 1 month from the end of the first three months and the first nine months of each fiscal year.

The aforesaid annual reports, interim reports, and quarterly reports shall be prepared in accordance with relevant laws, administrative regulations, requirements of the CSRC, securities regulatory rules of the jurisdiction where the Company's shares are listed, and the provisions of the stock exchange in the place where the Company's shares are listed.

The Company will not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

Profit distribution

The Company is required to set aside 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required. Where the statutory reserve fund of the Company is insufficient to make up the losses of the Company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve fund in accordance with the provisions in the preceding paragraph.

Subject to a resolution of the shareholders' general meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund. After making up of losses and appropriation to reserve funds, balance of the profit after tax shall be distributed to shareholders in proportion to their shareholdings, unless otherwise stipulated in the Articles of Association.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

Reserve funds of the Company are used for recovering losses of the Company and expanding scale of operation of the Company or conversion into its capital. Where the reserve fund of the Company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve funds are converted to increase the registered capital, the remaining balance of such reserve fund must not be less than 25% of its registered capital before such conversion.

After the resolution on the profit distribution plan is passed at the Company's general meeting, or after the Board of the Company formulates a specific distribution plan based on the conditions and upper limits for interim dividends approved at the annual general meeting, the Company shall complete the distribution of dividends (or bonus shares) within 2 months.

The Company shall distribute profits in cash, shares, or a combination of both, with a preference for cash distribution. Profit distribution shall not exceed the accumulated distributable profits and shall not compromise the Company's ability to achieve sustainable development. Provided that the Company is profitable in the current year and its operational and capital needs are met, profits shall be distributed in cash. The amount of profits distributed in cash each year shall be no less than 30% of the distributable profits realized in that year.

INTERNAL AUDIT

The Company implements an internal audit system, which is put into effect upon approval by the Board of Directors and is disclosed to the public.

The internal audit department supervises and inspects the Company's business activities, risk management, internal controls, and financial information. The internal audit department is accountable to the Board of Directors.

The internal audit department is responsible for the specific organization and implementation of the Company's internal control assessment. Based on the evaluation report issued by the internal audit department and reviewed by the audit committee, along with relevant materials, the Company issues an annual internal control evaluation report. The audit committee participates in the performance evaluation of the head of the internal audit department.

APPOINTMENT OF ACCOUNTING FIRM

The Company shall appoint such accounting firm which has complied with the Securities Law and the securities regulatory rules of the place where the shares of the Company are listed for carrying out the audit for the accounting statements, net asset verification and other relevant consultancy services. The term of appointment is 1 year and can be re-appointed.

The appointment or removal of accounting firm by the Company shall be subject to the approval of the shareholders' general meetings. The Board of Directors may not appoint accounting firm before the approval of the shareholders' general meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The audit fees of an accounting firm shall be determined at the shareholders' general meeting.

If the Company removes or no longer re-appoints the accounting firm, it shall notify such accounting firm thirty (30) days in advance. When shareholders vote for the removal of such accounting firm, such accounting firm shall be entitled to state its opinions at the shareholders' general meeting. Where the accounting firm resigns its office, it shall make clear to the shareholders' general meeting whether or not there are irregularities in the Company.

NOTICE AND ANNOUNCEMENT

Notices of the Company shall be issued by the following means:

(1) direct delivery;

(2) by personal delivery;

(3) by telephone;

(4) by post;

(5) by facsimile;

(6) by e-mail;

(7) by announcements;

(8) by SMS (text message);

(9) by any other means stipulated by laws, regulations, rules, normative documents, company policies and procedures, or signed agreements.

Among the above notification delivery methods, delivery by mail, facsimile, email, or announcement is considered written delivery. Direct delivery and personal delivery are generally conducted in written form.

Notices sent by way of public announcement shall be deemed to have been received by all relevant parties after the publication of such announcement.

Where the Company's notice is delivered by personal delivery, a recipient shall sign (or affix a seal on) the acknowledgement of receipt, and the date of receipt is the date on which the recipient signs such acknowledgement of receipt. Where the Company's notice is delivered by post, the date of receipt is the 5th business day after the date of posting at the post office. Where the Company's notice is delivered by way of public announcement, the date of the first publication of the announcement shall be the date of delivery. Where a company notice is served by fax, the recipient shall be notified by telephone simultaneously, and the recipient shall promptly fax back the acknowledgment of receipt.

The date on which the recipient faxes back the acknowledgment shall be the date of delivery. If the recipient fails to fax back or promptly fax back the acknowledgment, the day following the date of sending by fax shall be the date of delivery. Where a company notice is served by email, the date on which the electronic message enters the recipient's designated specific system shall be the date of delivery.

The meetings and the resolution of the meetings shall not be null and void even if the notice of the meeting fails to be delivered to or received by any person entitled to receive such notice due to accidental omission.

The Company publishes announcements and other information that needs to be disclosed in newspapers and/or websites that meet the requirements of the CSRC and the Hong Kong Stock Exchange, in accordance with laws, regulations, and the requirements of relevant regulatory authorities.

MERGER, DIVISION, INCREASE AND REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION

Merger, Division, Increase and Reduction of Capital

Merger of the Company may take the form of absorption or establishment of a new company. In the case of merger by absorption, a company absorbs any other company, and the absorbed company shall be dissolved. Merger by establishment of a new company shall refer to the establishment of a new company as a result of merger of two or more companies and dissolution of the merger parties.

In the event of a merger, the merger parties shall enter into a merger agreement, and formulate a balance sheet and an inventory list for assets. The Company shall notify its creditors within 10 days from passing of the resolution on merger, and make an announcement within 30 days in newspaper or on the National Enterprise Credit Information Publicity System. Creditors may require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.

At the time of merger, the claims and debts of the merger parties shall be succeeded by the Company which subsists after the merger or the newly established company.

When the Company undergoes a division, its assets shall be divided accordingly. In the event of a division, a balance sheet and an inventory list for assets shall be prepared. The Company shall notify its creditors within 10 days from passing of the resolution on division, and make an announcement within 30 days on newspaper or on the National Enterprise Credit Information Publicity System.

The debts of the Company prior to the division shall be assumed jointly and severally by the companies arising from the division, unless provided otherwise in a written agreement reached by the Company and the creditors in respect of repayment of the debts prior to the division.

Where the Company needs to reduce its registered capital, it shall formulate a balance sheet and an inventory list for assets. The Company shall notify its creditors within 10 days from passing of the resolution on reduction of registered capital and make an announcement within 30 days on newspaper or on the National Enterprise Credit Information Publicity System. The creditors shall have the right to require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification. If the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares according to the proportion of shares held by the shareholders, unless otherwise provided by Law, the rules of securities regulation of the place where the Company's shares are listed, or these Articles of Association.

In the event of change in registration matters due to merger or division, the Company shall complete change registration formalities with the Company registration authority pursuant to the law; where the Company is dissolved, the Company shall apply for deregistration pursuant to the law; where a new company is established, company establishment formalities shall be completed pursuant to the law. If the Company increase or reduce its registered capital, the Company shall complete change registration formalities with the Company registration authority pursuant to the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(1) a shareholders' general meeting has resolved on dissolution of the Company;

(2) dissolution is required due to the merger or division of the Company;

(3) the Company's business license is revoked or the Company is ordered to be closed down or dissolved pursuant to the law; or

(4) where the Company has serious difficulties in its business management that cannot be resolved through any other means, and its subsistence will cause serious damages to the interests of its shareholders, the shareholders who hold 10% or more of the total voting rights of the Company may apply to the people's court for dissolution of the Company.

If any of the situations as mentioned in the preceding paragraph arises, the Company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

If the above-mentioned circumstance (1) occurs and the Company has not yet distributed its assets to shareholders, the Company may continue to exist by amending the Articles of Association or through resolutions of the shareholders' meeting.

Where the Company is dissolved pursuant to the circumstances stipulated in (1), (3) or (4) above, it shall be dissolved. The Directors are the obligated parties for liquidation and shall form a liquidation committee to conduct liquidation within 15 days from the date the cause for dissolution arises. The liquidation committee shall be composed of Directors, unless otherwise stipulated in the Articles of Association or resolved by the shareholders' meeting to appoint others. If the liquidation obligated parties fail to perform their liquidation duties in a timely manner, thereby causing losses to the Company or its creditors, they shall be liable for compensation.

The liquidation committee shall exercise the following functions and powers during the period of liquidation:

(1) to liquidate the Company's assets and compile a balance sheet and a property inventory separately;

(2) to inform creditors by notice or announcement;

(3) to deal with the outstanding businesses of the Company relating to liquidation;

(4) to pay off the taxes owed and the taxes arising during liquidation;

(5) to clear credits and debts;

(6) to distribute of the remaining assets of the Company after all the debts are paid off;

(7) to participate in civil proceedings on behalf of the Company.

The liquidation committee shall notify all creditors within 10 days after its establishment and shall make announcements on the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their rights to the liquidation committee within 30 days after receipt of the notice or within 45 days after announcement if the creditors have not received the notice. The creditors shall explain matters relating to their rights and provide relevant evidential documents. The liquidation committee shall register the creditor's rights. The liquidation committee shall not pay off any debts to any creditors during the period of declaration of creditor's rights.

After the liquidation committee has liquidated the assets of the Company and has compiled a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit it to the shareholders' general meeting or the People's Court for confirmation. The Company's assets shall be used in the following order to make payment for liquidation expenses, employees' wages, social insurance premiums and statutory compensation, and payment of tax in arrears and the Company's debts; the residual assets thereafter shall be distributed to the shareholders in proportion to their shareholdings. During the liquidation period, the Company shall subsist but shall not engage in business activities unrelated to liquidation. The Company's assets shall not be distributed to shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.

After the liquidation committee has liquidated the assets of the Company and compiled a balance sheet and a property inventory, if it discovers that the Company's assets are insufficient to repay its debts in full, it shall immediately apply to the people's court for bankruptcy and liquidation of the Company in accordance with the law. After the people's court accepts the application for bankruptcy, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court. Following the completion of the liquidation of the Company, the liquidation committee shall formulate a liquidation report, submit it to the shareholders' general meeting or the People's Court for confirmation, deliver it to the Company registry and apply for the deregistration of the Company's registration.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

Under any of the following circumstances, the Company shall amend the Articles of Association:

(1) Following the revision of the Company Law or relevant laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in the Articles of Association contradict the provisions of the revised laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed;

(2) There is any change to the Company's particulars which result in inconsistency with the matters set out in the Articles of Association; or

(3) The Shareholders' General Meeting has decided on making amendments to the Articles of Association.

If the amendment to the Articles of Association adopted by resolution of the shareholders' general meeting is subject to the approval of the competent authority, it shall be reported to the competent authority for approval; if it involves matters of company registration, the registration of the changes shall be made with the Company registration authority in accordance with the law.

FURTHER INFORMATION ABOUT THE GROUP

Incorporation

The Company was established as a limited liability company under the laws of the PRC on December 28, 2005 and was converted into a joint stock company with limited liability on December 31, 2011.

The Company has established a place of business in Hong Kong at 31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The Company was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Non-Hong Kong Companies) Regulation (Chapter 622J of the Laws of Hong Kong) on May 28, 2025, with Ms. Yu Wing Sze appointed as the Hong Kong authorised representative of the Company for acceptance of the service of process and any notices required to be served on the Company in Hong Kong.

As the Company was incorporated in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in "Regulatory Overview" and "Appendix III — Summary of the Articles of Association" in this Document, respectively.

Changes in the Share Capital of the Company

An aggregate of 5,222,500 A Shares repurchased by the Company were cancelled on July 15, 2024. The total issued share capital of the Company decreased from RMB701,239,045 comprising 701,239,045 A Shares of nominal value of RMB1.00 each to RMB696,016,545 comprising 696,016,545 A Shares of nominal value of RMB1.00 each.

Save as disclosed above, there has been no alteration in the share capital of the Company within two years immediately preceding the date of this Document.

Resolutions of the Shareholders

On May 30, 2025, resolutions of the Shareholders were passed pursuant to which, among other things:

(i) the issue by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be **[REDACTED]** on the Hong Kong Stock Exchange;

(ii) the number of H Shares to be issued shall be no more than **[REDACTED]**% of the total issued share capital of the Company as enlarged by the **[REDACTED]**, and the grant of the **[REDACTED]** in respect of no more than **[REDACTED]**% of the number of H Shares issued pursuant to the **[REDACTED]**;

(iii) authorization of the Board or its authorized individuals to handle all matters relating to, among other things, the **[REDACTED]**, the issue and **[REDACTED]** of H Shares on the Hong Kong Stock Exchange; and

(iv) subject to the completion of the [**REDACTED**], the conditional adoption of the revised Articles of Association, which shall become effective on the [**REDACTED**], and the authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Hong Kong Listing Rules.

Subsidiaries of the Company

A summary of the corporate information and the particulars of the Company's subsidiaries are set out in Note 18 to the Accountants' Report as set out in Appendix I to this Document.

The Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted], a waiver from strict compliance with the requirements of paragraph 26 of Appendix D1A to the Hong Kong Listing Rules in relation to the disclosure of information relating to the changes in the share capital of any member of the Group within the two years immediately preceding the date of this Document. For details, see "Waivers from Strict Compliance with the Hong Kong Listing Rules — Waiver in respect of Alteration in Share Capital."

There has been no alteration in the share capital of the major subsidiaries within two years immediately preceding the date of this Document.

FURTHER INFORMATION ABOUT THE BUSINESS

Summary of Material Contract

The Group has entered into the following contract (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this Document that is or may be material:

(a) the [**REDACTED**].

Intellectual Property

As of the Latest Practicable Date, the following intellectual property rights were material to the Group's business:

Trademarks

As of the Latest Practicable Date, the Group had registered the following trademarks which were material to its business:

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
1.	CVTE	9	The Company	Mainland China	70996142	December 13, 2033
2.	CVTE	9	The Company	Macau	N/97243	September 14, 2029
3.	CVTE	9	The Company	Taiwan	1730629	September 30, 2025
4.	CVTE	9	The Company	Hong Kong	303293235	February 3, 2035
5.	CVTE	9	The Company	The U.S.	7470635	August 13, 2034
6.	CVTE	9	The Company	The European Union	13709977	February 5, 2035
7.	CVTE	9	The Company	India	2903233	February 16, 2035
8.	視源	9	The Company	Mainland China	20213816A	September 20, 2027
9.	CVTE DREAM • FUTURE	9	The Company	Mainland China	30431379	February 13, 2029
10.	視源股份 CVTE DREAM • FUTURE	9	The Company	Mainland China	37868581A	May 27, 2030
11.	CVTE+DreamFuture	9	The Company	The U.S.	6436834	August 3, 2031
12.	視源健康 YIBICOM	44	The Company	Mainland China	24054706	May 6, 2028
13.	FREDREAM	11	The Company	Mainland China	51763530	August 13, 2031
14.	易倍康 YIBICOM	44	The Company	Mainland China	20530581	August 20, 2027
15.	MAXHUB	9	Guangzhou Shizhen	Mainland China	75387255	July 6, 2034
16.	MAXHUB 領效	9	Guangzhou Shizhen	Mainland China	72875960	January 20, 2034
17.	Maxhub	9	Guangzhou Shizhen	Macau	N/125654	December 27, 2031
18.	Maxhub	9	Guangzhou Shizhen	Hong Kong	304106916	April 10, 2027
19.	Maxhub	9	Guangzhou Shizhen	Taiwan	1892298	January 15, 2028
20.	Maxhub	9	Guangzhou Shizhen	The U.S.	5360745	December 19, 2027
21.	Maxhub	9	Guangzhou Shizhen	The European Union	16319841	February 6, 2027
22.	MAXHUB	9	Guangzhou Shizhen	India	4415266	January 21, 2030
23.	SEEWO	9, 10, 16, 20, 28, 38, 41, 42, 44, 45	Shirui Electronic	Mainland China	19715391	June 6, 2027
24.	SEEWO	9	Shirui Electronic	Hong Kong	302148633	January 31, 2032
25.	SEEWO	9	Shirui Electronic	Macau	N/063904	January 15, 2027

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
26.	SEEWO	9	Shirui Electronic	Taiwan	1533729	August 31, 2032
27.	希沃	9, 10, 12, 16, 20, 28, 38, 41, 42, 44, 45	Shirui Electronic	Mainland China	19713591	August 20, 2027
28.	青松	9	Xi'an Qingsong	Mainland China	59951038	May 27, 2032
29.	QSTECH	9	Xi'an Qingsong	Mainland China	59950949	March 20, 2032
30.	SPES TECH	9	Suzhou Yuankong Electronic Technology Co., Ltd. (蘇州源控電子科技有限公司, "**Suzhou Yuankong**")	Mainland China	48801215	November 27, 2031
31.	QS QSTECH	9	Xi'an Qingsong	The European Union	1463707	March 14, 2029
32.	QS QSTECH	9	Xi'an Qingsong	The U.S.	6187123	March 14, 2029
33.	璟測	42	Guangzhou Jingce Testing Technology Co., Ltd. (廣州璟測檢測技術有限公司, "**Guangzhou Jingce**")	Mainland China	47156568	February 6, 2031
34.	JCOA	9	Guangzhou Jingce	Mainland China	63249595	January 20, 2033
35.	Bytello	9	The Company	Hong Kong	305717881	August 12, 2031
36.	Bytello	9	The Company	The U.S.	6830138	August 30, 2032

Domain Name

As of the Latest Practicable Date, the Group had registered the following domain name which was material to its business:

No.	Domain Name	Registered Owner	Expiry Date
1.	www.cvte.com	The Company	April 20, 2029

Patents

As of the Latest Practicable Date, the Group had registered the following patents which were material to its business:

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Announcement Date
1.	Infrared touch screen touch positioning method and device based on oblique coordinate system (基於斜坐標系的紅外觸摸屏觸摸定位方法及裝置)	Invention	Shirui Electronic	Mainland China	201110142765.5	November 27, 2013
2.	Modular splicing mode LCD TV drive system and control method (模塊化拼接方式的液晶電視驅動系統及控制方法)	Invention	The Company	Mainland China	201110189362.6	June 5, 2013
3.	An infrared touch screen touch point recognition method and device (一種紅外觸摸屏觸摸點識別方法和裝置)	Invention	Shirui Electronic	Mainland China	201110206718.2	October 9, 2013
4.	All-in-one PC and its method of realising full-channel fast touch (一體機及其實現全通道快速觸摸的方法)	Invention	Shirui Electronic	Mainland China	201310118677.0	April 12, 2017
5.	Annotation method and device for multi-channel display of all-in-one machine (一體機多通道顯示的批註方法及裝置)	Invention	Shirui Electronic	Mainland China	201310118741.5	May 18, 2016
6.	LED backlight short circuit protection circuit (LED背光短路保護電路)	Invention	The Company	Mainland China	201310334903.9	April 27, 2016
7.	Anti-glare tempered glass and its preparation method (防眩鋼化玻璃及其製備方法)	Invention	Shirui Electronic	Mainland China	201410129770.6	November 30, 2016

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Announcement Date
8.	Low-power constant-current control circuit and television (低功耗的恆流控制電路和電視機)	Invention	The Company	Mainland China	201410475845.6	January 23, 2018
9.	A face recognition method, system and user terminal and server (一種人臉識別方法、系統及用戶終端、服務器)	Invention	The Company and Shirui Electronic	Mainland China	201510130373.5	October 16, 2018
10.	A wireless screen transmission method, extension device and wireless screen transmission system (一種無線傳屏方法、擴展設備和無線傳屏系統)	Invention	Shirui Electronic	Mainland China	201510334863.7	December 25, 2018
11.	A data transmission method, device and communication system (一種數據傳輸方法、裝置及通信系統)	Invention	Shirui Electronic	Mainland China	201510744786.2	September 18, 2018
12.	Method, extension device, peripheral device and system for data transmission (數據傳輸的方法、擴展裝置、外圍設備及系統)	Invention	The Company	Mainland China	201610104529.7	December 18, 2018
13.	Window border shadow display method and device (窗口邊框陰影顯示方法及裝置)	Invention	Shirui Electronic	Mainland China	201610417380.8	December 28, 2018
14.	Processing method, system, apparatus and electronic device for tactile signals (觸感信號的處理方法、系統、裝置及電子設備)	Invention	The Company and Shirui Electronic	Mainland China	201711225565.X	February 11, 2020
15.	Elemental control method, apparatus, device and storage medium (元素控制方法、裝置、設備及存儲介質)	Invention	The Company and Guangzhou Shizhen	Mainland China	201810462173.3	June 25, 2019

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Announcement Date
16.	Dual system device and its writing method, device and interactive smart tablet (雙系統設備及其書寫方法、裝置和交互智能平板)	Invention	The Company and Guangzhou Shizhen	Mainland China	201810622600.X	October 13, 2020
17.	Control method, device and system for screen casting (投屏的控制方法、裝置和系統)	Invention	The Company and Shirui Electronic	Mainland China	201810988562.X	June 15, 2021
18.	Tripod (ST33) (腳架(ST33))	Design	The Company and Guangzhou Shizhen	Mainland China	201830361872.X	December 7, 2018
19.	Video image transmission method, device, interactive intelligent tablet and storage medium (視頻圖像傳輸方法、裝置、交互智能平板和存儲介質)	Invention	The Company and Guangzhou Shizhen	Mainland China	201910063004.7	January 8, 2021
20.	A controlling method, device, apparatus and storage medium for touch operation mode (一種觸摸操作模式的控制方法、裝置、設備及存儲介質)	Invention	The Company and Guangzhou Shizhen	Mainland China	201910286510.2	November 10, 2020
21.	A screen transfer processing method, apparatus, device and storage medium (一種傳屏處理方法、裝置、設備和存儲介質)	Invention	The Company and Guangzhou Shizhen	Mainland China	201910735830.1	June 15, 2021
22.	Data transmission method and device (數據傳輸方法及裝置)	Invention	The Company and Shirui Electronic	Mainland China	202011043529.3	July 22, 2022
23.	Data transmission method and data transmission apparatus (數據傳輸方法及數據傳輸設備)	Invention	The Company and Shirui Electronic	Mainland China	202010479265.X	April 5, 2022

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Announcement Date
24.	Touch data processing method, apparatus, device and storage medium (觸摸數據處理方法、裝置、設備及存儲介質)	Invention	The Company and Shirui Electronic	Mainland China	202010821331.7	March 25, 2022
25.	Intelligent video terminal (quad camera) (智能視頻終端(四攝))	Design	The Company and Shirui Electronic	Mainland China	202130156378.1	July 27, 2021
26.	Multi-channel touch control method, device and computer storage medium for integration machine (Mehrkanaliges Berührungssteuerungs-verfahren, Vorrichtung und Computerspeicher-medium für Integrationsmaschine)	Invention	Shirui Electronic	Germany	DE602014065624T2	May 13, 2020
27.	Method and device for displaying window edge shadows (Verfahren und Vorrichtung zur Anzeige von Fensterrandschatten)	Invention	Shirui Electronic	Germany	DE602016062910	August 25, 2021
28.	Touch sensor signal processing method and system (Berührungssensor-signalverarbeitung-sverfahren und System)	Invention	The Company and Shirui Electronic	Germany	DE602018030311T2	January 26, 2022
29.	All-in-one machine and method and computer memory medium for realizing quick touch in all channels thereof	Invention	Shirui Electronic	The European Union	EP2966547B1	October 16, 2019
30.	Window border shadow display method and device	Invention	Shirui Electronic	The European Union	EP3470967B1	August 25, 2021

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Announcement Date
31.	Multi-channel touch control method, device and computer storage media for integration machine	Invention	Shirui Electronic	The European Union	EP3486761B1	May 13, 2020
32.	Touch sensing signal processing method and system	Invention	The Company and Shirui Electronic	The European Union	EP3702893B1	January 26, 2022
33.	Data transmission method and data transmission device	Invention	The Company and Shirui Electronic	The European Union	EP3972140B1	November 6, 2024
34.	Video image transmission method, device, intelligent interactive tablet and storage medium (ビデオ畫像の伝送方法、裝置、インテリジェントインタラクティブタブレット及び記憶媒體)	Invention	The Company and Guangzhou Shizhen	Japan	JP7250937B2	April 3, 2023
35.	Video image transmission method, device, interactive intelligent tablet and storage medium (비디오 이미지 전송 방법, 장치, 인터랙티브 지능형 태블릿 및 저장 매체)	Invention	The Company and Guangzhou Shizhen	South Korea	KR102594030B1	October 24, 2023
36.	Method, device and computer storage medium for multichannel touch control of all-in-one machine	Invention	Shirui Electronic	The U.S.	US10025490B2	July 17, 2018
37.	Method and apparatus of displaying window border shadow	Invention	Shirui Electronic	The U.S.	US10636191B2	April 28, 2020

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Announcement Date
38.	All-in-one machine and method and computer memory medium for realizing quick touch in all channels thereof	Invention	Shirui Electronic	The U.S.	US10656732B2	May 19, 2020
39.	Wireless screen transmission method, extension device, and wireless screen transmission system	Invention	Shirui Electronic	The U.S.	US10922041B2	February 16, 2021
40.	Touch sensing signal processing method, system and device, and electronic device	Invention	The Company and Shirui Electronic	The U.S.	US11036329B2	June 15, 2021
41.	Method, device and system for controlling screen projection	Invention	The Company and Shirui Electronic	The U.S.	US11237791B2	February 1, 2022
42.	All-in-one machine and method and computer memory medium for realizing quick touch in all channels thereof	Invention	Shirui Electronic	The U.S.	US11513618B2	November 29, 2022
43.	Dual-system device and writing method and apparatus thereof, and interactive intelligent tablet	Invention	The Company and Guangzhou Shizhen	The U.S.	US11614912B2	March 28, 2023
44.	Data transmission method and data transmission device	Invention	The Company and Shirui Electronic	The U.S.	US12013739B2	June 18, 2024
45.	Low-latency low-power consumption peripheral device for conferencing	Invention	The Company and Shirui Electronic	The U.S.	US12061511B2	August 13, 2024

Copyrights

As of the Latest Practicable Date, the Group had registered the following copyrights which were material to its business:

No	Copyright Name	Registrant	Registration Number	Registration Date
1.	Shirui video booth software V2.0 (視睿視頻展台軟件V2.0)	Shirui Electronic	2016SR035161	February 22, 2016
2.	Shirui regional version of centralised control management software V6.0 (視睿區域版集中控制管理軟件V6.0)	Shirui Electronic	2017SR163157	May 8, 2017
3.	Shirui school version of centralised control management software V6.0 (視睿學校版集中控制管理軟件 V6.0)	Shirui Electronic	2017SR163151	May 8, 2017
4.	Shirui seewo pigeon software V1.0 (視睿希沃信鴿軟件 V1.0)	Shirui Electronic	2017SR366797	July 12, 2017
5.	Seewo whiteboard software V1.0 (希沃白板軟件 V1.0)	Shirui Electronic	2018SR652831	August 16, 2018
6.	Shirui seewo data board software V2.0 (視睿希沃數據看板軟件 V2.0)	Shirui Electronic	2019SR0311554	April 8, 2019
7.	Shirui seewo butler software V1.0 (視睿希沃管家軟件 V1.0)	Shirui Electronic	2019SR0309137	April 8, 2019
8.	Seewo easy classroom student learning system — classroom interaction software V3.0 (希沃易課堂學生學習系統-課堂互動軟件 V3.0)	Shirui Electronic	2020SR0036622	January 8, 2020
9.	Seewo easy classroom student learning system — pre-learning software V3.0 (希沃易課堂學生學習系統-課前預習軟件 V3.0)	Shirui Electronic	2020SR0032660	January 8, 2020

No	Copyright Name	Registrant	Registration Number	Registration Date
10.	Seewo easy classroom student learning system — error learning software V3.0 (希沃易課堂學生學習系統-錯題學習軟件 V3.0)	Shirui Electronic	2020SR0032667	January 8, 2020
11.	Seewo easy classroom student learning system — self learning software V3.0 (希沃易課堂學生學習系統-自主學習軟件 V3.0)	Shirui Electronic	2020SR0036859	January 8, 2020
12.	Seewo easy classroom teacher teaching system — after-school homework evaluation software V3.0 (希沃易課堂教師教學系統-課後作業評價軟件 V3.0)	Shirui Electronic	2020SR0047219	January 9, 2020
13.	Seewo easy classroom teacher teaching system — teaching evaluation software V3.0 (希沃易課堂教師教學系統-教學評價軟件 V3.0)	Shirui Electronic	2020SR0047223	January 9, 2020
14.	Seewo easy classroom teacher teaching system — lesson planning software V3.0 (希沃易課堂教師教學系統-備課軟件 V3.0)	Shirui Electronic	2020SR0047224	January 9, 2020
15.	Seewo easy classroom teacher teaching system — resource push software V3.0 (希沃易課堂教師教學系統-資源推送軟件 V3.0)	Shirui Electronic	2020SR0078654	January 15, 2020
16.	Seewo easy classroom teacher teaching system — classroom teaching software V3.0 (希沃易課堂教師教學系統-課堂教學軟件 V3.0)	Shirui Electronic	2020SR0078728	January 15, 2020

No	Copyright Name	Registrant	Registration Number	Registration Date
17.	Seewo easy classroom student learning system — after-school homework software V3.0 (希沃易課堂學生學習系統-課後作業軟件 V3.0)	Shirui Electronic	2020SR0078737	January 15, 2020
18.	Seewo easy classroom teacher teaching system — classroom homework help software V3.0 (希沃易課堂教師教學系統-課堂作業輔導軟件 V3.0)	Shirui Electronic	2020SR0078661	January 15, 2020
19.	Seewo three-classroom application management platform V1.0 (希沃三個課堂應用管理平台 V1.0)	Shirui Electronic	2020SR1145400	September 23, 2020
20.	Seewo guide control system V2.0 (希沃導播控制系統 V2.0)	Shirui Electronic	2020SR1144178	September 23, 2020
21.	Seewo cloud desktop system V1.0 (希沃雲桌面系統 V1.0)	Shirui Electronic	2021SR0772486	May 26, 2021
22.	Seewo magic cube software V3.0 (希沃魔方軟件 V3.0)	Shirui Electronic	2021SR0896875	June 16, 2021
23.	Pigeon teaching and research cloud platform V1.0 (信鴿教研雲平台 V1.0)	Shirui Electronic	2021SR0912413	June 18, 2021
24.	Seewo Pinke software V1.2 (希沃品課軟件 V1.2)	Shirui Electronic	2021SR0964662	June 29, 2021
25.	Shirui seewo online learning machine software V2.0 (視睿希沃網課學習機軟件 V2.0)	Shirui Electronic	2021SR0996108	July 7, 2021
26.	Shirui multimedia courseware production and presentation software V5.2 (視睿多媒體課件製作展示軟件 V5.2)	Shirui Electronic	2021SR1117422	July 28, 2021

No	Copyright Name	Registrant	Registration Number	Registration Date
27.	Tracking and positioning system (recording and broadcasting mainframe) V1.0 (跟蹤定位系統(錄播主機) V1.0)	Shirui Electronic	2022SR0162604	January 25, 2022
28.	Seewo intelligent podium operating system V1.0 (希沃智能講台操作系統 V1.0)	Shirui Electronic	2022SR1165951	August 17, 2022
29.	Seewo classroom intelligent feedback system (previous name: Shirui AI intelligent classroom observation system) V1.0 (希沃課堂智能反饋系統(原名:視睿AI智能課堂觀察系統) V1.0)	Shirui Electronic	2023SR0208756	February 8, 2023
30.	Seewo Yiqixue system V1.3 (希沃易啟學系統 V1.3)	Shirui Electronic	2024SR0072054	January 10, 2024
31.	Shizhen conference tablet side menu software V1.0 (視臻會議平板側拉菜單軟件 V1.0)	Guangzhou Shizhen	2017SR172313	May 11, 2017
32.	Shizhen conference tablet system upgrade software V1.0 (視臻會議平板系統升級軟件 V1.0)	Guangzhou Shizhen	2017SR172318	May 11, 2017
33.	Shizhen conference tablet welcome page software V1.0 (視臻會議平板歡迎頁面軟件 V1.0)	Guangzhou Shizhen	2017SR172047	May 11, 2017
34.	MAXHUB remote conferencing big board end software V2.2.0 (MAXHUB遠程會議大板端軟件 V2.2.0)	Guangzhou Shizhen	2018SR809418	October 11, 2018
35.	MAXHUB intelligent cloud screen system software V1.0 (MAXHUB智慧雲屏系統軟件 V1.0)	Guangzhou Shizhen	2019SR1264388	December 3, 2019
36.	Integrated service platform V1.0 (集成服務平台 V1.0)	Guangzhou Shizhen	2023SR0294905	March 2, 2023

No	Copyright Name	Registrant	Registration Number	Registration Date
37.	MAXHUB intelligent coordination software V6.9.0 (MAXHUB智慧協同軟件 V6.9.0)	Guangzhou Shizhen	2023SR1088260	September 18, 2023
38.	MindLinker software (abbreviation: Qihui) V3.0.0 (MindLinker軟件(簡稱：啟會) V3.0.0)	Guangzhou Shizhen	2024SR0674793	May 17, 2024
39.	MindLinker software for Android device end (abbreviation: MindLinker) V6.1 (邁聆會議安卓設備端軟件(簡稱：MindLinker)V6.1)	Guangzhou Shizhen	2024SR0674788	May 17, 2024
40.	MindLinker software for computer end (abbreviation: MindLinker) V5.7 (邁聆會議電腦端軟件(簡稱：MindLinker) V5.7)	Guangzhou Shizhen	2024SR0674789	May 17, 2024
41.	MindLinker software (windows computer end) (abbreviation: MindLinker) V5.10.0 (邁聆會議軟件(windows電腦端)(簡稱：MindLinker) V5.10.0)	Guangzhou Shizhen	2024SR0674792	May 17, 2024
42.	MindLinker software (Android device end) (abbreviation: MindLinker) V6.3.1 (邁聆會議軟件(安卓設備端)(簡稱：MindLinker)V6.3.1)	Guangzhou Shizhen	2024SR0674790	May 17, 2024
43.	MindLinker software (abbreviation: MindLinker) V5.0 (邁聆會議軟件(簡稱：MindLinker) V5.0)	Guangzhou Shizhen	2024SR0674787	May 17, 2024

No	Copyright Name	Registrant	Registration Number	Registration Date
44.	Three-classroom school-level application management platform V3.0 (三個課堂校級應用管理平台V3.0)	Guangzhou Kaidelian Intelligent Technology Co., Ltd. (廣州開得聯智能科技有限公司, "**Guangzhou Kaidelian**")	2022SR0572137	May 11, 2022
45.	Teaching quality management platform V3.0 (教學質量管理平台V3.0)	Guangzhou Kaidelian	2024SR0529048	April 19, 2024
46.	Boutique host guide system V4.0 (精品主機導播系統V4.0)	Guangzhou Kaidelian	2024SR0592606	April 30, 2024
47.	Boutique host video processing system V4.0 (精品主機視頻處理系統V4.0)	Guangzhou Kaidelian	2024SR0594325	April 30, 2024
48.	Touch host video processing system V4.0 (觸控式主機視頻處理系統V4.0)	Guangzhou Kaidelian	2024SR0594389	April 30, 2024
49.	Teacher camera image processing system V4.0 (教師攝像機圖像處理系統V4.0)	Guangzhou Kaidelian	2024SR0592597	April 30, 2024
50.	Boutique host interactive system V4.0 (精品主機互動系統V4.0)	Guangzhou Kaidelian	2024SR0601685	May 6, 2024
51.	Touch host interactive system V4.0 (觸控式主機互動系統V4.0)	Guangzhou Kaidelian	2024SR0619555	May 9, 2024
52.	Touch panel host guiding system V4.0 (觸控式主機導播系統V4.0)	Guangzhou Kaidelian	2024SR0648719	May 14, 2024
53.	Student camera image processing system V4.0 (學生攝像機圖像處理系統V4.0)	Guangzhou Kaidelian	2024SR0651373	May 14, 2024

DISCLOSURE OF INTERESTS

Disclosure of Interests of Directors, Supervisors and Chief Executive of the Company

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the interests and/or short positions (as applicable) of the Directors, the Supervisors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any interests and/or short positions (as applicable) in shares, underlying shares or debentures of any of the Company's associated corporations (within the meaning of Part XV of the SFO) which (1) will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (2) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (3) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange, in each case once the H Shares are **[REDACTED]** on the Hong Kong Stock Exchange, will be as follows:

(i) Interests in the Company

Name of Director, Supervisor or chief executive	Nature of interest	Number and description of Shares or underlying Shares held	Shareholding in A Shares upon completion of the [REDACTED](1)	Shareholding in total issued share capital upon completion of the [REDACTED](1)
Mr. Wong Ching Chung(2)	Beneficial owner	77,616,000 A Shares	11.15%	**[REDACTED]**%
	Interest held jointly with other persons	250,008,000 A Shares	35.92%	**[REDACTED]**%
	Interest in controlled corporation(4)	2,563,644 A Shares	0.37%	**[REDACTED]**%
Mr. Wang Yiran(2)(3) ...	Beneficial owner	75,856,000 A Shares	10.90%	**[REDACTED]**%
	Interest held jointly with other persons	251,768,000 A Shares	36.17%	**[REDACTED]**%
	Interest of spouse	7,920,000 A Shares	1.14%	**[REDACTED]**%
	Interest in controlled corporation(4)	2,563,644 A Shares	0.37%	**[REDACTED]**%
Ms. Yu Wei(2)	Beneficial owner	36,960,000 A Shares	5.31%	**[REDACTED]**%
	Interest held jointly with other persons	290,664,000 A Shares	41.76%	**[REDACTED]**%
	Interest in controlled corporation(4)	2,563,644 A Shares	0.37%	**[REDACTED]**%
Mr. Zhou Kaiqi(2)	Beneficial owner	34,636,800 A Shares	4.98%	**[REDACTED]**%
	Interest held jointly with other persons	292,987,200 A Shares	42.09%	**[REDACTED]**%
	Interest in controlled corporation(4)	2,563,644 A Shares	0.37%	**[REDACTED]**%

Name of Director, Supervisor or chief executive	Nature of interest	Number and description of Shares or underlying Shares held	Shareholding in A Shares upon completion of the [REDACTED][(1)]	Shareholding in total issued share capital upon completion of the [REDACTED][(1)]
Mr. Wang Yang[(5)] ……	Beneficial owner	195,000 A Shares	0.03%	[REDACTED]%
Dr. Yang Ming[(6)] …….	Beneficial owner	132,250 A Shares	0.02%	[REDACTED]%
Ms. Zhang Lixiang[(7)] .	Interest of spouse	3,147,000 A Shares	0.45%	[REDACTED]%
Mr. Lin Weichou ……	Beneficial owner	7,775,000 A Shares	1.12%	[REDACTED]%
Mr. Chen Hui[(8)] ……..	Beneficial owner	3,750 A Shares	0.001%	[REDACTED]%
	Interest of spouse	95,500 A Shares	0.01%	[REDACTED]%

Notes:

(1) The calculation is based on the total number of **[REDACTED]** Shares in issue immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

(2) Mr. Wong Ching Chung, Mr. Wang Yiran, Mr. Sun Yonghui, Ms. Yu Wei, Mr. Zhou Kaiqi and Mr. You Tianyuan have entered into the Acting-in-Concert Agreement. For details, see "Relationship with the Controlling Shareholders — Overview." By virtue of the SFO, they are deemed to be interested in the Shares held by each other.

(3) As of the Latest Practicable Date, the spouse of Mr. Wang Yiran held 7,920,000 A Shares. By virtue of the SFO, Mr. Wang Yiran is deemed to be interested in the Shares held by his spouse.

(4) As of the Latest Practicable Date, there were 2,563,644 repurchased A Shares held by the Company as treasury shares. The Controlling Shareholders who control more than one-third of the voting power at the general meetings of the Company would be taken to have an interest in such treasury shares held by the Company.

(5) As of the Latest Practicable Date, Mr. Wang Yang was interested in (i) 15,000 A Shares directly held by him; and (ii) 180,000 A Shares held by the Stock Ownership Plan granted to him under the Stock Ownership Plan.

(6) As of the Latest Practicable Date, Dr. Yang Ming was interested in (i) 32,250 A Shares directly held by him; and (ii) 100,000 A Shares held by the Stock Ownership Plan granted to him under the Stock Ownership Plan.

(7) As of the Latest Practicable Date, the spouse of Ms. Zhang Lixiang held 3,147,000 A Shares. By virtue of the SFO, Ms. Zhang Lixiang is deemed to be interested in the Shares held by her spouse.

(8) As of the Latest Practicable Date, the spouse of Mr. Chen Hui was interested in (i) 5,500 A Shares directly held by her; and (ii) 90,000 A Shares held by the Stock Ownership Plan granted to her under the Stock Ownership Plan. By virtue of the SFO, Mr. Chen Hui is deemed to be interested in the Shares that his spouse is interested in.

(ii) Interests in the associated corporations of the Company

Name of Director or chief executive	Name of associated corporation	Nature of interest	Shareholding
Mr. Wang Yiran[(1)]	Guangzhou Shiyuan Health Management Co., Ltd. (廣州視源健康管理有限公司, "**Guangzhou Shiyuan Health Management**")	Interest in controlled corporations	30.00%

Note:

(1) As of the Latest Practicable Date, Guangzhou Shiyuan Health Management was held as to 70% by the Company and 30% by Zhuhai Hengqin Jiance Investment Partnership (Limited Partnership) (珠海橫琴見策投資合夥企業(有限合夥), "**Jiance Investment**"). Jiance Investment was held as to 37.92% by Mr. Wang Yiran as a limited partner.

Save as disclosed above, so far as the Directors are aware, immediately following the completion of the [**REDACTED**], no Directors, Supervisors or the chief executive will, directly or indirectly, be interested in the shares or underlying shares of the associated corporations of the Company.

Disclosure of Interests of Substantial Shareholders

The following table sets out, so far as the Directors are aware, persons who will be, directly or indirectly, interested in 10% or more of the equity interests of the subsidiaries of the Company:

Member of the Group	Name of substantial shareholder	Approximate percentage of equity interest held by the substantial shareholder
Beijing Shixin Yuanchuang Electronic Technology Co., Ltd. (北京視新源創電子科技有限公司)	Ningbo Shixin Enterprise Management Partnership (Limited Partnership) (寧波視新企業管理合夥企業(有限合夥))	15.00%

Member of the Group	Name of substantial shareholder	Approximate percentage of equity interest held by the substantial shareholder
Guangzhou Shixiao Technology Co., Ltd. (廣州視驍科技有限公司)	Ningbo Shixiao Enterprise Management Partnership (Limited Partnership) (寧波視驍企業管理合夥企業(有限合夥))	16.33%
Xiamen Shierwo Electronic Technology Co., Ltd. (廈門視爾沃電子科技有限公司)	Xiamen Weierxin Investment Management Co., Ltd. (廈門微而欣投資管理有限公司)	20.00%
Xi'an Qingsong	Ningbo Meishan Bonded Port Area Shiyu Enterprise Management Partnership (Limited Partnership) (寧波梅山保稅港區視瑜企業管理合夥企業(有限合夥))	26.77%
Guangzhou Shiyuan Health Management	Jiance Investment	30.00%
Guangzhou Shirong Information Technology Co., Ltd. (廣州視嶸信息技術有限公司)	Ningbo Meishan Bonded Port Area Shifu Enterprise Management Partnership (Limited Partnership) (寧波梅山保稅港區視服企業管理合夥企業(有限合夥))	30.00%
Wuhan Manrui Electronic Technology Co., Ltd. (武漢曼瑞電子科技有限公司)	Wuhan Jujing Enterprise Management Partnership (Limited Partnership) (武漢俱境企業管理合夥企業(有限合夥))	30.00%
Guangzhou Shirui Wotu Technology Co., Ltd. (廣州視睿沃途科技有限公司)	Guangzhou Xinuo Enterprise Management Partnership (Limited Partnership) (廣州希諾企業管理合夥企業(有限合夥))	30.00%
Hefei Shiyan Electronic Technology Co., Ltd. (合肥視研電子科技有限公司)	Ningbo Shixin Enterprise Management Partnership (Limited Partnership) (寧波視信企業管理合夥企業(有限合夥))	30.00%

Member of the Group	Name of substantial shareholder	Approximate percentage of equity interest held by the substantial shareholder
Guangzhou Jingce	Ningbo Meishan Bonded Port Area Zhongjing Enterprise Management Partnership (Limited Partnership) (寧波梅山保稅港區眾璟企業管理合夥企業(有限合夥))	36.00%
Suzhou Yuankong	Ningbo Meishan Bonded Port Area Yuankong Enterprise Management Partnership (Limited Partnership) (寧波梅山保稅港區源控企業管理合夥企業(有限合夥))	30.00%
Inner Mongolia Shisheng Electronic Technology Co., Ltd. (內蒙古視晟電子科技有限公司)	Inner Mongolia Haorui Juyuan Enterprise Management Center (Limited Partnership) (內蒙古浩睿聚源企業管理中心(有限合夥))	40.00%
Xi'an Seewo Electronic Technology Co., Ltd. (西安希沃電子科技有限公司)	Ningbo Xiance Enterprise Management Partnership (Limited Partnership) (寧波獻策企業管理合夥企業(有限合夥))	40.00%
Shandong Shirui Innovation Intelligent Technology Co., Ltd. (山東視睿創新智能科技有限公司)	Ningbo Shirui Innovation Enterprise Management Partnership (Limited Partnership) (寧波視睿創新企業管理合夥企業(有限合夥))	40.00%
Jiangsu Shirui Haoyuan Electronic Technology Co., Ltd. (江蘇視睿浩源電子科技有限公司)	Ningbo Haoshi Enterprise Management Partnership (Limited Partnership) (寧波浩視企業管理合夥企業(有限合夥))	40.00%

Member of the Group	Name of substantial shareholder	Approximate percentage of equity interest held by the substantial shareholder
Hainan Shirui Electronic Technology Co., Ltd. (海南視睿電子科技有限公司)	Hainan Gongcheng Gongzhi Enterprise Management Partnership (Limited Partnership) (海南共誠共智企業管理合夥企業（有限合夥）)	40.00%
Seewo (Liaoning) Electronic Technology Co., Ltd. (希沃（遼寧）電子科技有限公司) ...	Shenyang Xiexing Enterprise Management Partnership (Limited Partnership) (瀋陽偕行企業管理合夥企業（有限合夥）)	40.00%
Fujian Shixi Electronic Technology Co., Ltd. (福建視晞電子科技有限公司)	Xiamen Ruiwo Gongchuang Enterprise Management Partnership (Limited Partnership) (廈門睿沃共創企業管理合夥企業（有限合夥）)	40.00%
Hefei Yuanwo Changhe Electronic Technology Co., Ltd. (合肥源沃長合電子科技有限公司)	Ningbo Yuanwo Enterprise Management Partnership (Limited Partnership) (寧波源沃企業管理合夥企業（有限合夥）)	40.00%
Hunan Yuanwo Electronic Technology Co., Ltd. (湖南源沃電子科技有限公司)	Changsha Yuanwo Enterprise Management Partnership (Limited Partnership) (長沙源沃企業管理合夥企業（有限合夥）)	40.00%
Zhengzhou Shirui Electronic Technology Co., Ltd. (鄭州視睿電子科技有限公司)	Zhengzhou Lingwo Enterprise Management Partnership (Limited Partnership) (鄭州領沃企業管理合夥企業（有限合夥）)	40.00%
Sichuan Shirui Qichuang Electronic Technology Co., Ltd. (四川視睿啟創電子科技有限公司)	Sichuan Yuanrui Zhixiang Enterprise Management Partnership (Limited Partnership) (四川源睿智翔企業管理合夥企業（有限合夥）)	40.00%

Member of the Group	Name of substantial shareholder	Approximate percentage of equity interest held by the substantial shareholder
Jiangxi Shiyou Electronic Technology Co., Ltd. (江西視猷電子科技有限公司)	Nanchang Yuanquan Enterprise Management Partnership (Limited Partnership) (南昌源泉企業管理合夥企業(有限合夥))	40.00%
Beijing Shirui Yuanchuang Technology Co., Ltd. (北京視睿源創科技有限公司)	Ningbo Shirui Yuanchuang Enterprise Management Partnership (Limited Partnership) (寧波視睿源創企業管理合夥企業(有限合夥))	40.00%
Wuhan Shirui Electronic Technology Co., Ltd. (武漢視睿電子科技有限公司)	Wuhan Yuanming Enterprise Management Partnership (Limited Partnership) (武漢源明企業管理合夥企業(有限合夥))	40.00%
Chongqing Shirui Electronic Technology Co., Ltd. (重慶視睿電子科技有限公司)	Hongshu Damai Chongqing Enterprise Management Partnership (Limited Partnership) (弘書達脈重慶企業管理合夥企業(有限合夥))	40.00%
Guizhou Shirui Electronic Technology Co., Ltd. (貴州視睿電子科技有限公司)	Ningbo Zhuchuang Enterprise Management Partnership (Limited Partnership) (寧波築創企業管理合夥企業(有限合夥))	40.00%
Yunnan Shirui Dianhe Information Technology Co., Ltd. (雲南視睿滇合信息科技有限公司)	Ningbo Dianhe Enterprise Management Partnership (Limited Partnership) (寧波滇合企業管理合夥企業(有限合夥))	40.00%
Shanghai Shixi Intelligent Technology Co., Ltd. (上海視熙智能科技有限公司)	Shanghai Shixi Enterprise Management Center (Limited Partnership) (上海視熙企業管理中心(有限合夥))	40.00%

Member of the Group	Name of substantial shareholder	Approximate percentage of equity interest held by the substantial shareholder
Hebei Shiyi Electronic Technology Co., Ltd. (河北視翊電子科技有限公司)	Shijiazhuang Tongke Trading Firm (Limited Partnership) (石家莊仝科貿易商行(有限合夥))	40.00%
Wuhan Shixin Technology Co., Ltd. (武漢視炘科技有限公司)	Han Lixin (韓立新)	30.00%
	Ningbo Shihang Enterprise Management Partnership (Limited Partnership) (寧波視航企業管理合夥企業(有限合夥))	15.00%
Guangzhou Xibeisi Intelligent Technology Co., Ltd. (廣州希倍思智能科技有限公司)	Ningbo Shiju Enterprise Management Partnership (Limited Partnership) (寧波視聚企業管理合夥企業(有限合夥))	44.30%
Guangzhou Kaidelian	Ningbo Shitong Enterprise Management Partnership (Limited Partnership) (寧波視同企業管理合夥企業(有限合夥))	43.70%
Shanghai Qiyin Technology Co., Ltd. (上海綺音科技有限公司)	Sun Qi (孫祺)	25.97%
Shenzhen PVT	Su Yongchun (蘇永春)	20.18%
	Gong Liheng (龔利恆)	13.93%
	Shenzhen Ruixin Investment Partnership (Limited Partnership) (深圳銳芯投資合夥企業(有限合夥))	12.52%
Nanjing Signway Technology Co., Ltd. (南京欣威視通信息科技股份有限公司)	Yang Yongge (楊勇舸)	29.32%
Shanxi Shiang Yuanqi Technology Co., Ltd. (山西視昂源啟科技有限公司)	Taiyuan Shirui Enterprise Management Partnership (Limited Partnership) (太原視睿企業管理合夥企業(有限合夥))	51%

Member of the Group	Name of substantial shareholder	Approximate percentage of equity interest held by the substantial shareholder
Dream Future Ltd.	Wang Yongfu (王永富)	20%

Save as disclosed above and in "Substantial Shareholders" and "— Disclosure of Interests of Directors, Supervisors and Chief Executive of the Company" in this section, the Directors are not aware of any person (other than a Director or chief executive of the Company) who will have an interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group.

FURTHER INFORMATION ABOUT THE DIRECTORS AND THE SUPERVISORS

Particulars of the Service Contracts

Each of the Directors and Supervisors [has entered] into a service contract with the Company. The principal particulars of these service contracts comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service contracts may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors or Supervisors has or is proposed to have entered into any service contract with any member of the Group (excluding contracts expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation).

Remuneration of Directors and Supervisors

For details of the remuneration of Directors and Supervisors, see "Directors, Supervisors and Senior Management — Remuneration" and Note 14 in "Appendix I — Accountants' Report."

Agency Fees or Commissions Received

The **[REDACTED]** will receive an **[REDACTED]** in connection with the **[REDACTED]**, as detailed in "**[REDACTED]**." Save in connection with the **[REDACTED]**, no commissions, discounts, brokerages or other special terms have been granted by the Group to any person (including the Directors, promoters and experts referred to in "Other Information — Qualifications and Consents of Experts" below) in connection with the issue or sale of any capital or security of the Company or any member of the Group within the two years immediately preceding the date of this Document.

Within the two years immediately preceding the date of this Document, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of the Company.

Personal Guarantees

The Directors have not provided personal guarantees in favour of lenders in connection with banking facilities granted to the Group.

Disclaimers

(a) None of the Directors nor any of the experts referred to in "Other Information — Qualifications and Consents of Experts" below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this Document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

(b) Save in connection with the [**REDACTED**], none of the Directors nor any of the experts referred to in "Other Information — Qualifications and Consents of Experts" below, is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to the business of the Group.

(c) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this Document to any promoter of the Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the [**REDACTED**] or related transactions as mentioned.

STOCK OWNERSHIP PLAN

The following is a summary of the principal terms of the Stock Ownership Plan. The terms of the Stock Ownership Plan are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules as it does not involve any further grant by the Company after the [**REDACTED**].

(a) Purpose

The purpose of the Stock Ownership Plan is to establish and promote the profit-sharing mechanism between the employees and the Shareholders, improve the corporate governance, enhance the employee cohesion and the competitiveness of the Company, mobilize the employees' motivation and creativity, so as to promote the long-term, sustainable and healthy development of the Company.

(b) Participants

The participants of the Stock Ownership Plan include the Directors (other than the independent Directors), Supervisors, senior management and the mid-level management and core technical (business) staff of the Group who have an important role in the Company's overall performance and medium- and long-term development.

(c) Administration

The Stock Ownership Plan is subject to the approval of the Shareholders' meeting. The Stock Ownership Plan is under the administration of a committee (the "**Management Committee**"), the members of which are elected by the participants of the Stock Ownership Plan. The Management Committee oversees the daily management of the Stock Ownership Plan and exercises Shareholders' rights on behalf of the participants.

(d) Term of the Stock Ownership Plan

The Stock Ownership Plan is valid for a period of 60 months commencing from the date on which the Stock Ownership Plan is approved by the Shareholders' meeting and the Company publishes the announcement in respect of the transfer of the last tranche of relevant underlying A Shares to the Stock Ownership Plan (the "**Announcement Date**").

(e) Lock-up of Shares

The A Shares held by the Stock Ownership Plan will be unlocked in tranches of 40%, 30% and 30% in each of the three unlocking periods that occur 12 months, 24 months and 36 months from the Announcement Date, respectively, provided that the annual assessment and performance targets as set out under the Stock Ownership Plan are achieved.

(f) Source and Numbers of Shares

The A Shares held by the Stock Ownership Plan are the A Shares repurchased by the Company. The maximum number of A Shares held by the Stock Ownership Plan is 7,800,000 A Shares.

As of the Latest Practicable Date, a total of 7,565,000 A Shares were held by the Stock Ownership Plan, representing approximately **[REDACTED]**% of the total issued share capital immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised). The table below sets forth the details of the A Shares held by the Stock Ownership Plan granted the employees of the Group as of the Latest Practicable Date:

Name	Position in the Group	Announcement Date	Grant price (per A Share)	Number of A Shares	As an approximate percentage of total issued share capital upon completion of the [REDACTED][(1)]
Mr. Wang Yang	Executive Director and chairman of the Board	November 22, 2024	RMB14.58	180,000	**[REDACTED]**%
Dr. Yang Ming	Executive Director	November 22, 2024	RMB14.58	100,000	**[REDACTED]**%
Mr. Hu Lihua	Person-in-charge of finance (finance director)	November 22, 2024	RMB14.58	100,000	**[REDACTED]**%
Mr. Fei Wei	Board secretary and joint company secretary	November 22, 2024	RMB14.58	60,000	**[REDACTED]**%
Other employees of the Group[(2)]	/	November 22, 2024	RMB14.58	7,125,000	**[REDACTED]**%

Notes:

(1) The calculation is based on the assumption that the **[REDACTED]** is not exercised.

(2) Representing an aggregate of 232 employees who are not Directors, Supervisors or senior management of the Company.

OTHER INFORMATION

Estate Duty

The Directors have been advised that no material liability for estate duty is likely to fall on the Group.

Litigation

As of the Latest Practicable Date, the Company was not engaged in any outstanding litigation or arbitration which may have material adverse effect on the [**REDACTED**] and, so far as the Directors are aware, no material litigation or claim was pending or threatened by or against the Company.

Joint Sponsors

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Hong Kong Listing Rules.

Pursuant to the engagement letter entered into between the Company and the Joint Sponsors, the Company has agreed to pay the Joint Sponsors a total fee of US$800,000 for acting as the sponsor for the [**REDACTED**].

Preliminary Expenses

The Company has not incurred any material preliminary expenses.

Promoters

The promoters of the Company are all of the 34 then Shareholders of the Company immediately before its conversion into a joint stock company with limited liability. For details, see "History, Development and Corporate Structure — Major Shareholding Changes of the Company — Early Development and Conversion into a Joint Stock Company." Within the two years immediately preceding the date of this Document, no cash, securities, or other benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters of the Company in connection with the [**REDACTED**] or the related transactions described in this Document.

Qualifications and Consents of Experts

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this Document are as follows:

Name of Expert	Qualifications
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation under the SFO for carrying on type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
GF Capital (Hong Kong) Limited	Licenced to carry on type 6 (advising on corporate finance) of the regulated activity as defined under the SFO
BDO Limited	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
JunHe LLP	Legal advisor to the Company as to mainland China laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

Each of the experts listed above [has given] and [has not withdrawn] its written consent to the issue of this Document with the inclusion of its report and/or letter (as the case may be) and the references to its name included herein in the form and context in which they respectively appear.

Binding Effect

This Document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Document

The English language and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided in Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as otherwise disclosed in the section headed "Financial Information" and this section, in connection with the [**REDACTED**] or otherwise waived from disclosure pursuant to the waivers disclosed in the section headed "Waivers from Strict Compliance with the Hong Kong Listing Rules,"

(a) within the two years preceding the date of this Document, no share or loan capital of the Company or any of its subsidiaries has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash;

(b) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(c) no founder, management or deferred shares of the Company or any of its subsidiaries have been issued or have been agreed to be issued;

(d) save for the A Shares that are listed on the Shenzhen Stock Exchange and the H Shares to be [**REDACTED**] in connection with the [**REDACTED**], none of the equity and debt securities of the Company or its subsidiary is presently listed or dealt in on any other stock exchange nor is any listing or permission to deal being or proposed to be sought;

(e) the Company has no outstanding convertible debt securities or debentures;

(f) none of the experts listed under "— Qualifications and Consents of Experts":

  (i) is interested beneficially or non-beneficially in any shares in any member of the Group; or

  (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group save in connection with the [**REDACTED**].

(g) the English text of this Document shall prevail over their respective Chinese text; and

(h) there has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position of the Group in the 12 months preceding the date of this Document.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this Document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of the material contract referred to in "Appendix IV — Statutory and General Information — Further Information about the Business — Summary of Material Contract;" and

(b) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Qualifications and Consents of Experts."

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and the Company's website at **www.cvte.com** during a period of 14 days from the date of this Document:

(a) the Articles of Association;

(b) the Accountants' Report and the report on the unaudited **[REDACTED]** financial information prepared by BDO Limited, the texts of which are set out in "Appendix I — Accountants' Report" and "Appendix II — Unaudited **[REDACTED]** Financial Information," respectively;

(c) the audited consolidated financial statements of the Group for the years ended December 31, 2022, 2023 and 2024;

(d) the legal opinion from JunHe LLP, the Company's PRC Legal Advisor, in respect of, among other things, the general matters and property interests of the Group under the PRC laws;

(e) the industry report prepared by Frost & Sullivan referred to in the section headed "Industry Overview" in this Document;

(f) the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures and the Guidelines for the Articles of Association of Listed Companies issued by the CSRC together with their unofficial English translations;

(g) the service contracts between each of the Directors, the Supervisors and the Company referred to in "Appendix IV — Statutory and General Information — Further Information about the Directors and the Supervisors — Particulars of the Service Contracts;"

(h) the material contract referred to in "Appendix IV — Statutory and General Information — Further Information about the Business — Summary of Material Contract;" and

(i) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Qualifications and Consents of Experts."