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Application Proof of

Viewtrix Technology Co., Ltd.
雲英谷科技股份有限公司

(the "**Company**")

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

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Viewtrix Technology Co., Ltd.
雲英谷科技股份有限公司

(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 Hong Kong [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of International [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%, 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],**
[REDACTED]

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A copy of this document, having attached thereto the documents specified in "Appendix V — Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display", has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this document or any other documents referred to above.

The **[REDACTED]** is expected to be determined by agreement between the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**), and the Company on the **[REDACTED]**, which is expected to be on or before **[REDACTED]** (Hong Kong time) and, in any event, not later than 12:00 noon on **[REDACTED]** (Hong Kong time). The **[REDACTED]** will not be more than HK$**[REDACTED]** per **[REDACTED]** and is currently expected to be not less than HK$**[REDACTED]** per **[REDACTED]**, unless otherwise announced. If, for any reason, the **[REDACTED]** is not agreed by 12:00 noon on **[REDACTED]** (Hong Kong time) between the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**) and the Company, the **[REDACTED]** will not proceed and will lapse.

Applicants for **[REDACTED]** may be required to pay, on application (subject to application channels), the maximum **[REDACTED]** of HK$**[REDACTED]** for each **[REDACTED]** together with a brokerage fee of 1.0%, a SFC transaction levy of 0.0027%, a Stock Exchange trading fee of 0.00565% and an AFRC transaction levy of 0.00015%, subject to refund if the **[REDACTED]** as finally determined is less than HK$**[REDACTED]**.

The [REDACTED], on behalf of the [REDACTED], may, where considered appropriate and with the Company's consent, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range below that stated in this document (which is HK$[REDACTED] to HK$[REDACTED]) at any time prior to the morning of the last day for lodging applications under the [REDACTED]. In such case, notices of the reduction in the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.viewtrixtech.com as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the [REDACTED]. See "Structure of the [REDACTED]" and "How to Apply for [REDACTED]" sections for further details.

Prospective investors of the [REDACTED] should note that the obligations of the [REDACTED] under the [REDACTED] are subject to termination by [REDACTED] (for themselves and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. See "[REDACTED]" section for further details.

The **[REDACTED]** have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be **[REDACTED]**, sold, pledged or transferred within the United States or to, or for the account or benefit of US persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The **[REDACTED]** may be **[REDACTED]**, sold or delivered (a) in the United States solely to QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or (b) outside the United States in offshore transactions in reliance on Regulation S.

[REDACTED]

IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

EXPECTED TIMETABLE[(1)]

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

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IMPORTANT NOTICE TO INVESTORS

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SUMMARY

***This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. 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

Our Mission

Chip into a Brilliant Future.

Our Vision

Becoming a global leader of chip in display and empowering the upgrading of global smart devices' display experiences.

Who We Are

We are a world-leading AMOLED DDIC design house. Our focus is on delivering reliable and high-performance display driver solutions to consumer electronics brand companies. According to Frost & Sullivan, we are the largest AMOLED DDIC provider based in mainland China and the fifth-largest AMOLED DDIC provider globally, both in terms of sales volume in 2024.

We implement the fabless business model, and achieve our leading position through strategic collaborations with key players in the industry, including foundries, OSAT providers and display panel manufacturers, ultimately enhancing the display experience for end users. We have developed a full stack of industry-leading proprietary display driver technologies that integrate software and hardware, covering three critical technical aspects: the design of DDICs, the development of driver compensation algorithms and the layout of pixel compensation circuits. We currently offer AMOLED DDICs, which are predominantly utilized in smartphones, as well as Micro-OLED display backplanes/drivers, primarily designed for VR/AR devices.

After over ten years of progress, we have established Viewtrix as a globally recognized technology brand within the display sector, consistently focusing on value creation for brand companies. According to Frost & Sullivan, as of December 31, 2024, our AMOLED DDICs have been mass-produced and delivered to various top smartphone companies globally featuring in over 10 different product series. These smartphone companies collectively hold more than a quarter of the global market share. According to the same source, we are the first company based in mainland China to receive brand company certification for AMOLED DDICs and the only one to have shipped over 10 million units to these companies. Additionally, our total sales volume surpassed 50 million units in 2024. We play a crucial role in brand companies' supply chain, achieving high downstream customer loyalty. Our share of AMOLED DDIC supplies to the all smartphone brands globally increased from 1.2% in 2022 to 4.0% in 2024.

Our Transformative Opportunities

- AMOLED panels gaining significant traction.
- Mainland China becoming the center of the display panel and smartphone sectors.
- Ongoing advancement of AI technology.

OUR BUSINESS MODEL

We started to focus on the R&D and design of AMOLED DDIC in 2017, with an eye on the strong potential of the then next generation display technology for consumer electronics. We successfully mass produced and supplied our AMOLED DDICs to one of China's largest AMOLED panel manufacturers in 2021, who then supplied the laminated AMOLED display modules for smartphones offered by a leading domestic brand company. This makes us the first AMOLED DDIC company based in mainland China to supply to a major consumer electronics brand company, and we have since grown to be the largest AMOLED DDIC provider in mainland China and the fifth largest worldwide in terms of sales volume in 2024. We run a fabless model, meaning that we focus on the R&D and design of chips, while relying on third-party foundries to fabricate the chips we design and OSAT providers for the packaging and testing of our chips.

OUR PRODUCTS

DDIC is a core device in an electronic device that interfaces with the processing unit and the display panel by converting the digital commands into visible image on the display panel. A DDIC accepts commands and data from the processing unit and generates signal with suitable voltage, current, timing and demultiplexing to make the display show the desired image.

We currently offer two categories of products: (i) AMOLED DDICs, primarily used for premium smartphones; and (ii) Micro-OLED display backplanes/drivers, primarily used for AR/VR enabled head-mounted devices.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
AMOLED DDICs	361,017	65.5	601,437	83.5	816,033	91.6
Micro-OLED display backplanes/drivers	189,113	34.3	118,833	16.5	75,039	8.4
Others[(1)]	1,160	0.2	134	0.02	232	0.03
Total	**551,290**	**100.0**	**720,404**	**100.0**	**891,304**	**100.0**

Note:

(1) Primarily revenue from board cards and technical services.

RESEARCH AND DEVELOPMENT

Research and development are critical to maintaining our market-leading position and to the sustained growth of our business by ensuring that we can continue to meet the evolving needs of the brand companies. According to Frost & Sullivan, we are the first company in mainland China to possess the advanced technological know-hows required to develop and design AMOLED DDICs and Micro-OLED display backplanes/drivers, including algorithm optimization, standard cell optimization, low power consumption, advanced chip packaging technology, system level power supply and heat dissipation technology. We are devoted to in-house research and development of core cutting-edge technologies.

SALES AND MARKETING

We believe that consistently delivering high-quality products on time that meet and exceed our downstream customers' expectations is the most efficient sales and marketing approach for us. As such, our sales and marketing activities are focused on maintaining and expanding the scope of our strategic relationships with our downstream customers since we aim to become and remain the strategic long-term partner of our downstream customers. Our sales team also actively involve in our product R&D process to ensure we can deliver satisfactory products to our direct and downstream customers.

CUSTOMERS AND SUPPLIERS

Our downstream customers mainly include display panel manufacturers and brand companies in the consumer electronics industry. For shorter cash collection cycle and better capital management, we sell our products to display panel manufacturers both directly and through distributors.

Our suppliers mainly include our foundry partners for water fabrication and OSAT providers for chip packaging and testing.

Top Five Customers

In 2022, 2023 and 2024, sales to our five largest customers amounted to RMB402.1 million, RMB655.0 million and RMB803.9 million, accounting for 72.9%, 91.0% and 90.2% of our total sales in the respective periods. In 2022, 2023 and 2024, sales to our largest customer amounted to RMB113.2 million, RMB347.5 million and RMB482.6 million, accounting for 20.5%, 48.2% and 54.1% of our total sales in the respective periods. 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 Listing Rules.

We do not directly manufacture AMOLED DDICs or Micro-OLED display backplanes/drivers. Instead, we utilize what is known as the fabless model, which is commonly adopted in the industry, whereby we cooperate with world-class production partners for all phases of the manufacturing process of our AMOLED DDICs or Micro-OLED display backplanes/drivers, including wafer fabrication and packaging and testing (packaging is applicable to AMOLED DDICs only). Our suppliers are primarily chip foundries and packaging and testing service providers.

Top Five Suppliers

In 2022, 2023 and 2024, purchases from our five largest suppliers amounted to RMB545.0 million, RMB832.5 million and RMB849.3 million, accounting for 96.9%, 97.8% and 97.2% of our total purchases in the respective periods. In 2022, 2023 and 2024, purchases from our largest supplier amounted to RMB334.2 million, RMB560.8 million and RMB651.0 million, accounting for 59.5%, 65.8% and 74.5% of our total purchases in the respective periods. 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 Listing Rules.

BUSINESS SUSTAINABILITY

During the Track Record Period, although we incurred net losses, we continued to grow our business and our operations remained stable. We have (i) increased our market share in terms of sales volume of AMOLED DDICs and enhanced our market-leading position; (ii) increased our customer coverage among display panel manufacturers and brand companies, with our products adopted in a wider range of end products; and (iii) enhanced collaboration with production partners to support our future growth.

Under the leadership of our management team, we have been focused on R&D-driven product development, with a focus on proprietary compensation algorithms and circuit layout technologies. During the Track Record Period, we have (i) consistently invested in research and development to support product iteration; (ii) optimized internal resource allocation while managing cost structure; and (iii) strengthened our customer base and technical capabilities. While we incurred net losses during the Track Record Period, we believe our market-leading position, technical foundation and customer relationships provide a solid basis for future profitability. See "Business — Business Sustainability."

OUR COMPETITIVE STRENGTHS

- Leading position in a high-barrier industry.
- Our large and stable downstream customer base.
- Stable and mutually beneficial supply chain system.
- Leading AMOLED display driver chip technology.
- Comprehensive FAE teams in the world's largest display industry market.
- Visionary management team with a diverse and creative talent pool.

OUR GROWTH STRATEGIES

We plan to implement the following strategies to consolidate and expand our leading position in the display driver chip industry:

- Continue to increase R&D investment to promote technological innovation and iteration.
- Build a multi-dimensional product matrix covering diversified products and end-applications.
- Deepen cooperation with upstream and downstream players to form an industrial alliance.

- Continue to attract top global talents and teams.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Results of Operations

	Year Ended December 31,					
	2022		2023		2024	
	(in RMB thousands, except for percentages)					
Total revenue	**551,290**	**100.0**	**720,404**	**100.0**	**891,304**	**100.0**
Cost of sales	(375,494)	(68.1)	(717,211)	(99.6)	(869,396)	(97.5)
Gross profit	**175,796**	**31.9**	**3,193**	**0.4**	**21,908**	**2.5**
Other income and gains	19,770	3.6	24,084	3.3	37,285	4.2
Selling and distribution expenses	(41,669)	(7.6)	(15,253)	(2.1)	(32,495)	(3.6)
Administrative expenses	(82,827)	(15.0)	(62,932)	(8.7)	(83,921)	(9.4)
Research and development expenses	(187,809)	(34.1)	(177,026)	(24.6)	(242,204)	(27.2)
Impairment losses on financial assets, net	(3,303)	(0.6)	2,814	0.4	70	0.0
Other expenses	(2,397)	(0.4)	(6,111)	(0.8)	(5,776)	(0.6)
Finance costs	(1,064)	(0.2)	(874)	(0.1)	(3,853)	(0.4)
Loss before tax	**(123,503)**	**(22.4)**	**(232,105)**	**(32.2)**	**(308,986)**	**(34.7)**
Income tax expenses	–	–	–	–	–	–
Loss for the year	**(123,503)**	**(22.4)**	**(232,105)**	**(32.2)**	**(308,986)**	**(34.7)**

Non-IFRS Measure

To supplement our consolidated financial statements that are presented in accordance with the IFRSs, we also use adjusted profit/(loss) for the year (a non-IFRS measure) and adjusted net margin (a non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRSs. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted profit/(loss) for the year (a non-IFRS measure) and adjusted net margin (a non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS. We define adjusted profit/(loss) for the year (a non-IFRS measure) as loss for the year adjusted for [**REDACTED**] (a non-recurring item) and share-based compensations (a non-cash item). We define adjusted net margin (a non-IFRS measure) as adjusted profit/(loss) for the year (a non-IFRS measure) as a percentage of our total revenue.

	Year Ended December 31,		
	2022	**2023**	**2024**
	(in RMB thousands, except for percentages)		
Loss for the year	**(123,503)**	**(232,105)**	**(308,986)**
Add:			
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Share-based compensation	124,183	14,793	84,831
Adjusted profit/(loss) for the year (a non-IFRS measure)	680	(217,312)	(224,155)
Adjusted net margin (a non-IFRS measure)	*0.1%*	*(30.2)%*	*(25.1)%*

Revenue

During the Track Record Period, we mainly generated revenue from sales of (i) AMOLED DDICs and (ii) Micro-OLED display backplanes/drivers.

By Product

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
AMOLED DDICs	361,017	65.5	601,437	83.5	816,033	91.6
Micro-OLED display backplanes/drivers	189,113	34.3	118,833	16.5	75,039	8.4
Others[(1)]	1,160	0.2	134	0.0	232	0.0
Total	**551,290**	**100.0**	**720,404**	**100.0**	**891,304**	**100.0**

Note:

(1) Including board cards and technical service offerings.

During the Track Record Period, revenue generated from the sales of AMOLED DDICs accounted for a substantial majority of our total revenue. In addition to the sales of AMOLED DDICs, we also derived revenue from sales of Micro-OLED display backplanes/drivers. To maintain strong relationships with our key downstream customers and address their diverse needs, we also provided other products and services, which primarily included board cards and customised development and technology licensing services related to AMOLED DDICs upon demand of our customers.

Sales Volume and Average Selling Price

	Year Ended December 31,					
	2022		2023		2024	
	Sales volume[(1)]	**Average selling price[(2)]**	**Sales volume[(1)]**	**Average selling price[(2)]**	**Sales volume[(1)]**	**Average selling price[(2)]**
	(Units'000)	*(RMB)*	*(Units'000)*	*(RMB)*	*(Units'000)*	*(RMB)*
AMOLED DDICs	14,060	25.7	32,287	18.6	51,350	15.9

	Year Ended December 31,					
	2022		2023		2024	
	Sales volume[(1)]	**Average selling price[(2)]**	**Sales volume[(1)]**	**Average selling price[(2)]**	**Sales volume[(1)]**	**Average selling price[(2)]**
	(Pieces)	*(RMB)*	*(Pieces)*	*(RMB)*	*(Pieces)*	*(RMB)*
Micro-OLED backplanes/drivers	9,086	20,813.7	5,459	21,768.3	3,326	22,561.0

Notes:

(1) Sales volume of AMOLED DDICs is measured by the number of individual chips, while the sales volume of Micro-OLED backplanes/drivers is measured by the number of wafer pieces. This difference arises from the distinct packaging and delivery requirements of these two product types.

For AMOLED DDICs, the mainstream packaging method involves cutting the wafer into individual chips before delivery. As a result, sales are calculated based on the number of chips sold.

In contrast, due to the specific manufacturing processes required by Micro-OLED panel manufacturers, our Micro-OLED backplanes/drivers are typically delivered in the form of whole wafers, without being cut or packaged into individual chips. This is because downstream panel manufacturers need to directly process the wafers to produce the Micro-OLED displays. Consequently, unlike our DDICs, which are sold on a per-chip basis, our Micro-OLED backplanes/drivers are sold on a per-wafer basis, and "wafers" are used as the unit of measurement for sales volume.

Additionally, since panel manufacturers fabricate the Micro-OLED display devices directly on the backplane chips, the size of the Micro-OLED display modules supported by the chips is essentially determined at the time of delivery. This unique characteristic further differentiates the sales and delivery of Micro-OLED products from that of AMOLED DDICs.

(2) The average selling price of our product is calculated by dividing revenue generated from sale of such product by the sales volume of such product.

Gross Profit and Gross Margin

By Product

We recorded gross profit as revenue less cost of sales. We recorded gross margin as gross profit divided by revenue, expressed as a percentage.

	Year Ended December 31,					
	2022		2023		2024	
	Gross profit	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin
	(in RMB thousands, except for percentages)					
AMOLED DDICs	117,851	32.6	(8,714)[2]	(1.4)[2]	2,259	0.3
Micro-OLED display backplanes/drivers	57,125	30.2	11,846	10.0	19,436	25.9
Others[1]	820	70.7	61	45.5	213	91.8
Total/Overall	**175,796**	**31.9**	**3,193**	**0.4**	**21,908**	**2.5**

Notes:

(1) Including board cards and technical service offerings.

(2) We recorded gross loss of RMB8.7 million from AMOLED DDICs in 2023 due to inventory write-offs. See also "Financial Information — Principal Components of Results of Operations — Cost of Sales."

Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2022	2023	2024
	(in RMB thousands)		
Total non-current assets	110,154	122,688	156,448
Total current assets	1,329,267	1,091,505	1,069,273
Total assets	**1,439,421**	**1,214,193**	**1,225,721**
Total non-current liabilities	9,492	4,433	1,595
Total current liabilities	132,782	126,864	235,330
Total liabilities	**142,274**	**131,297**	**236,925**
Net current assets	**1,196,485**	**964,641**	**833,943**
Total equity	**1,297,147**	**1,082,896**	**988,796**

Summary of Consolidated Statements of Cash Flows

The table below sets forth our cash flows for the years indicated.

	Year ended December 31,		
	2022	2023	2024
	(in RMB thousands)		
Operating cash flows before movements in working capital	15,916	(161,141)	(196,077)
Changes in working capital	(196,542)	(5,335)	(55,127)
Interest received	5,642	5,067	15,587
Income tax (paid)/refund	(690)	690	–
Net cash used in operating activities	(175,674)	(160,719)	(235,617)
Net cash (used in)/generated from investing activities	(184,185)	192,512	(92,765)
Net cash generated from financing activities	336,649	24,875	242,585
Net increase (decrease) in cash and cash equivalents	**(23,210)**	**56,668**	**(85,797)**
Cash and cash equivalents as of the beginning of year	153,017	132,265	189,741
Effect of foreign exchange rate changes, net	2,458	808	887
Cash and cash equivalents as of the end of the year	**132,265**	**189,741**	**104,831**

DIVIDEND

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

There is no assurance that dividends of any amount will be declared or be distributed in any year. As of the Latest Practicable Date, we did not have any dividend policy. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that it is required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. We will pay dividends according to the applicable PRC laws and our Articles of Association.

RISK FACTORS

We face risks including those set out in "Risk Factors." As different investors may have different interpretations and criteria when determining the significance of risks, you should read the "Risks Factors" in its entirety before you decide to invest in our H Shares. Some of the major risks that we face include:

- If we fail to develop and introduce new or enhanced products and solutions on a timely basis, our ability to attract and retain customers could be impaired and our competitive position could be harmed.
- Our research and development efforts are not guaranteed to yield the results we anticipate.
- Our growth and profitability depend on general economic conditions and the level of consumer spending.
- Our future growth depends in part on maintaining and building relationships and achieving additional design wins with leading brand companies.
- We work with a limited number of third-party foundries.
- We incurred net losses during the Track Record Period and may not be able to achieve or maintain profitability in the future.
- We may be subject to the risks associated with international trade policies, export controls and economic sanctions, and geopolitical tension.

FUTURE PLANS AND 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**] million from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expense in connection with the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). We intend to use our [**REDACTED**] for the purposes and in the amounts set forth below.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to support the research and development and optimization of AMOLED TDDI chips, as well as the expansion of their application scenarios.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to support the research and development and optimization of Micro-OLED and Micro-LED display drivers backplanes.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for strategic investments or acquisitions to capture future growth opportunities.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for working capital and other general corporate purposes, including day-to-day operation and general corporate expenditures.

The additional net [**REDACTED**] that we would receive if the [**REDACTED**] were exercised in full would be HK$[**REDACTED**] million.

In the event that the [**REDACTED**] is fixed at a higher or lower level compared to the midpoint of the range of the [**REDACTED**] stated in this Document, the net [**REDACTED**] from the [**REDACTED**] will be allocated to the above purposes on a pro rata basis.

OUR SINGLE LARGEST SHAREHOLDER

Upon the [**REDACTED**], the general partner of Yisheng No. 1 shall be changed from Mr. Han Xu to Dr. Gu Jing. See "History, Development and Corporate Structure — Establishment and Evolvement of the Shareholding Platforms of the Company." Accordingly, immediately following the completion of the [**REDACTED**] and upon the conversion and re-designation of Class A Ordinary Shares as Shares without any weighted voting rights on an one-to-one basis (assuming the [**REDACTED**] is not exercised), Dr. Gu Jing will be entitled to control approximately [**REDACTED**]% of the total issued Shares of the Company through Shenzhen Yishi, Yisheng No. 1 and Yisheng No. 2, representing approximately [**REDACTED**]% of the aggregate voting power at the Company's general meetings. Accordingly, Dr. Gu Jing will be our Single Largest Shareholder upon the [**REDACTED**].

PREVIOUS LISTING ATTEMPT

For the purposes of the proposed initial public offering in the A-share market (the "**Proposed A-share Listing**") and receiving guidance from a qualified sponsor of A-share listing (the "**A-share Listing Tutorial**"), the Company entered into a pre-listing tutorial (上市輔導) agreement on January 6, 2023. However, in consideration of the reasons as set out in "— Reasons for the [**REDACTED**]" below and given the market conditions, the Company decided to focus its resources on the [**REDACTED**] on the Stock Exchange and did not proceed with the Proposed A-Share Listing.

To the best of the Directors' knowledge and belief, the Directors are not aware of any material matter in relation to the A-share Listing Tutorial that would affect the Company's suitability for [**REDACTED**] on the Stock Exchange or other material matters that need to be brought to the attention of the Stock Exchange. Based on the due diligence works conducted by the Joint Sponsors, the Joint Sponsors are not aware of any material matter in relation to the A-share Listing Tutorial that needs to be brought to the attention of the Stock Exchange.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the [**REDACTED**] of, and permission to deal in, our H Shares to be [**REDACTED**] pursuant to the [**REDACTED**] (including any H Shares which may be [**REDACTED**] pursuant to the exercise of the [**REDACTED**]) and the H Shares to be [**REDACTED**] from Unlisted Shares, on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2024, which is over HK$500 million, and (ii) our expected market capitalization at the time of [**REDACTED**], which, based on the low end of the indicative [**REDACTED**] range, exceeds HK$4 billion.

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that (i) the [**REDACTED**] has been completed and [**REDACTED**] H Shares are newly [**REDACTED**] in the [**REDACTED**], (ii) the [**REDACTED**] for the [**REDACTED**] is not exercised, and (iii) [**REDACTED**] Shares to be [**REDACTED**] into H shares upon the completion of the [**REDACTED**].

	Based on the [REDACTED] of HK$[REDACTED] per H Share	**Based on the [REDACTED] of HK$[REDACTED] per H Share**
	HK$[**REDACTED**]	HK$[**REDACTED**]
[**REDACTED**] of our Shares[(1)]	million	million
Unaudited [**REDACTED**] adjusted net tangible assets per Share[(2)]	HK$[**REDACTED**]	HK$[**REDACTED**]

Notes:

(1) The calculation of [**REDACTED**] of our Shares is based on [**REDACTED**] H Shares [**REDACTED**] from [**REDACTED**] and [**REDACTED**] H Shares expected to be issued immediately upon completion of the [**REDACTED**] (without taking into account H Shares that may be [**REDACTED**] upon the exercise of the [**REDACTED**]).

(2) The unaudited [**REDACTED**] adjusted net tangible assets per Share is arrived at after adjustments referred to in "Appendix II — Unaudited [**REDACTED**] Financial Information" in this document.

[REDACTED]

[**REDACTED**] represent professional fees, [**REDACTED**] and fees incurred in connection with the [**REDACTED**] and the [**REDACTED**]. During the Track Record Period, we did not incur any [**REDACTED**].

Our [**REDACTED**] are estimated to be approximately HK$[**REDACTED**] million (including [**REDACTED**]), accounting for [**REDACTED**]% of the gross [**REDACTED**] of the [**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the [**REDACTED**] range stated in this document, and no exercise of the [**REDACTED**]). Among our [**REDACTED**], approximately HK$[**REDACTED**] million is directly attributable to the issuance of H Shares and will be charged to equity upon completion of the [**REDACTED**], and approximately HK$[**REDACTED**] million has been or will be charged to our consolidated statements of profit or loss and other comprehensive income. The [**REDACTED**] we incurred during the Track Record Period and expect to incur would consist of approximately HK$[**REDACTED**] million [**REDACTED**] related expenses and fees (including but not limited to [**REDACTED**] and fees), approximately HK$[**REDACTED**] million [**REDACTED**] expenses and fees of the Joint Sponsors, legal advisors and reporting accountant and approximately HK$[**REDACTED**] million for other [**REDACTED**] fees and expenses. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

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.

"**Accountants' Report**"	the accountants' report of the Company, the text of which is set out in Appendix I to 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 Listing Rules
"**Audit Committee**"	the audit committee of the Board
"**Board**" or "**Board of Directors**"	the board of Directors of the Company
"**Board of Supervisors**"	the board of Supervisors 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
	[**REDACTED**]
"**China**", "**mainland China**" or "**the PRC**"	the People's Republic of China, unless the context requires otherwise, excluding, for the purposes of this Document only, the regions of Hong Kong, Macau and Taiwan of the People's Republic of China

"**Class A Ordinary Shares**"	Class A ordinary shares in the share capital of the Company with a par value of RMB1.00 each, conferring weighted voting rights in the Company such that a holder of a Class A ordinary share is entitled to ten votes per share on all matters subject to the vote at general meetings of the Company, subject to applicable laws and regulations, all of which shall be converted and re-designated as Shares without any weighted voting rights on an one-to-one basis upon the [**REDACTED**]
"**Class B Ordinary Shares**"	Class B ordinary shares in the share capital of the Company with a par value of RMB1.00 each, conferring a holder of a Class B ordinary share one vote per share on all matters subject to the vote at general meetings of the Company
"**close associate(s)**"	has the meaning ascribed thereto under the Listing Rules
"**Companies (Winding Up and Miscellaneous Provisions) Ordinance**"	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
"**Companies Ordinance**"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**Company**"	Viewtrix Technology Co., Ltd. (雲英谷科技股份有限公司), a limited liability company established in the PRC on May 30, 2012 which was converted into a joint stock company with limited liability on December 20, 2022, formerly known as Shenzhen Viewtrix Technology Company Limited* (深圳雲英谷科技有限公司)
"**Compliance Advisor**"	Gram Capital Limited
"**connected person(s)**"	has the meaning ascribed thereto under the Listing Rules
"**connected transaction(s)**"	has the meaning ascribed thereto under the Listing Rules
"**core connected person(s)**"	has the meaning ascribed thereto under the Listing Rules
"**Corporate Governance Code**"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules

"**CSDC**"	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"**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》)
	[**REDACTED**]
"**Extreme Conditions**"	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale serious affects the working public's ability to resume work or brings safely concern for a prolonged period
	[**REDACTED**]
"**Frost & Sullivan**"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research and consulting company
	[**REDACTED**]
"**Group**"	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)

"**Guide**" or "**Guide for New Listing Applicants**"	the Guide for New Listing Applicants issued by the 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 Stock Exchange
	[**REDACTED**]
"**Hefei Tianze**"	Hefei Tianze Qicheng No. 1 Enterprise Management Partnership Enterprise* (合肥天澤啟承壹號企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on March 14, 2018 and one of our Shareholders
	[**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

[**REDACTED**]

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

[**REDACTED**]

"**HSG**"	HSG Venture VIII Holdco G, Ltd., a limited liability company established under the laws of Cayman Islands and one of our Shareholders

"**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)
"**IIT Law**"	the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》)
"**Independent Third Party(ies)**"	any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the 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 21, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication

[**REDACTED**]

"**Listing Rules**" or "**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
"**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 Stock Exchange
"**MOF**"	Ministry of Finance of the PRC (中華人民共和國財政部)
"**MIIT**"	Ministry of Industry and Information Technology (中華人民共和國工業和信息化部)
"**MOFCOM**"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"**Nomination Committee**"	the nomination committee of the Board

"**Ningbo Yuhang**"	Ningbo Yuhang Equity Investment Center (Limited Partnership)* (寧波宇航股權投資中心(有限合夥)), a limited partnership established under the laws of the PRC on March 23, 2016 and one of our Shareholders
"**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**]

"**Overseas Listing Trial Measures**"	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及五項配套指引) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023
"**PBOC**"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"**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 GAAP**"	generally accepted accounting principles of the PRC
"**PRC Legal Advisor**"	Fangda Partners, 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**]

"[**REDACTED**] **Share Incentive Scheme**"	the [**REDACTED**] Share Incentive Scheme approved and adopted by the Company for the grant of awards to eligible participants, a summary of the principal terms of which is set forth in the section headed "Appendix IV — Statutory and General Information — Share Incentive Scheme"

[**REDACTED**]

"**Qicheng Zhiyuan**"	Ningbo Meishan Bonded Port Area Qicheng Zhiyuan Equity Investment Partnership (Limited Partnership)* (寧波梅山保稅港區啟承智源股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on August 8, 2018 and one of our Shareholders
"**Regulation S**"	Regulation S under the U.S. Securities Act
"**Remuneration Committee**"	the remuneration 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 (中華人民共和國國家外匯管理局)
"**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)
"**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 H Shares and Unlisted Shares
"**Shareholder(s)**"	holder(s) of the Share(s)
"**Shenzhen Yishi**"	Shenzhen Yishi No. 1 Enterprise Management Center (Limited Partnership)* (深圳翼勢一號企業管理中心(有限合夥)), a limited partnership established under the laws of the PRC on September 10, 2021 and one of our Shareholders
"**Single Largest Shareholder**"	Dr. Gu Jing

"**STA**"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
	[**REDACTED**]
"**State Council**"	the State Council of the PRC (中華人民共和國國務院)
"**subsidiary(ies)**"	has the meaning ascribed thereto under the Listing Rules
"**substantial shareholder(s)**"	has the meaning ascribed thereto under the Listing Rules
"**Supervisor(s)**"	the supervisor(s) 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 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
"**Unlisted Share(s)**"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
"**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
"**Viewtrix Chengdu**"	Chengdu Viewtrix Technology Company Limited* (成都雲英谷科技有限公司), a limited liability company established under the laws of the PRC on April 16, 2024 and a wholly-owned subsidiary of the Company
"**Viewtrix Hong Kong**"	Hong Kong Viewtrix Technology Limited (香港精優電子科技有限公司), a limited liability company established under the laws of Hong Kong on September 27, 2019 and a wholly-owned subsidiary of the Company
"**Viewtrix Kunshan**"	Kunshan Viewtrix Electronic Technology Company Limited* (昆山雲英谷電子科技有限公司), a limited liability company established under the laws of the PRC on June 22, 2018 and a wholly-owned subsidiary of the Company
	[**REDACTED**]
"**Xiamen Zhiyi**"	Xiamen Zhiyi Chuangzhi Investment Partnership Enterprise (Limited Partnership)* (廈門執一創智投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on May 27, 2021 and one of our Shareholders
"**Yisheng Hong Kong No. 1**"	Hong Kong E-Sheng Limited, a limited liability company established under the laws of Hong Kong on September 27, 2021 and one of the Company's employee shareholding platforms, details of which are set out in the section headed "History, Development and Corporate Structure — Employee Shareholding Platforms"

"**Yisheng Hong Kong No. 2**"	HongKong E-Sheng Two Limited, a limited liability company established under the laws of Hong Kong on December 15, 2021 and one of the Company's employee shareholding platforms, details of which are set out in the section headed "History, Development and Corporate Structure — Employee Shareholding Platforms"
"**Yisheng No. 1**"	Shenzhen Yisheng No. 1 Enterprise Management Center (Limited Partnership)* (深圳市翼升一號企業管理中心(有限合夥)), a limited partnership established under the laws of the PRC on September 16, 2021 and one of the Company's employee shareholding platforms, details of which are set out in the section headed "History, Development and Corporate Structure — Employee Shareholding Platforms"
"**Yisheng No. 2**"	Shenzhen Yisheng No. 2 Enterprise Management Center (Limited Partnership)* (深圳翼升二號企業管理中心(有限合夥)), a limited partnership established under the laws of the PRC on September 10, 2021 and one of the Company's employee shareholding platforms, details of which are set out in the section headed "History, Development and Corporate Structure — Employee Shareholding Platforms"
"**Yisheng No. 3**"	Shenzhen Yisheng No. 3 Enterprise Management Center (Limited Partnership)* (深圳翼升三號企業管理中心(有限合夥)), a limited partnership established under the laws of the PRC on September 15, 2021 and one of the Company's employee shareholding platforms, details of which are set out in the section headed "History, Development and Corporate Structure — Employee Shareholding Platforms"
"***%***"	per cent

For ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, nature 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.

* *For identification purpose only*

GLOSSARY OF TECHNICAL TERMS

"AI"	artificial intelligence
"AMOLED"	active matrix organic light emitting diode, a high-quality display technology known for being brighter, thinner, and more power-efficient
"AR"	augmented reality, a technology that overlays digital information, such as images, sounds and other data, onto the real-world environment in real-time, enhancing the user's perception and interaction with the surroundings
"Backplane"	a supporting substrate in a display panel that contains the driving circuitry to control each pixel
"brand company"	an electronics company that produces, markets, and sells end products like smartphones, wearables, and other display-based devices to consumers
"CAGR"	compound annual growth rate, representing the year over year growth rate for a multi-period of time, calculating by computing the n^{th} root of the ending value over beginning value then minus one, where n equals to the total number of periods minus one
"CMOS"	complementary metal-oxide-semiconductor, a widely used semiconductor technology for constructing integrated circuits, including microprocessors, microcontrollers, memory chips and image sensors
"CRT"	cathode ray tube
"DDIC"	display driver integrated circuit
"Driver compensation algorithm"	a set of embedded control algorithms implemented in DDICs that dynamically adjust signal output to correct for display inconsistencies
"dual RAM"	a system or device that utilizes two separate RAM modules or channels to improve performance and efficiency
"Fabless"	a business model in the semiconductor industry whereby a company designs and sells integrated circuits but outsources the manufacturing to specialized semiconductor foundries
"FAE"	field application engineer

"Fast LCD"	liquid crystal displays optimized for high refresh rates, low response times, and minimal motion blur
"FATP"	final assembly, testing and packaging
"functional module"	a set of parts and units that are integrated together to construct a more complex structure to perform a specific function
"GDS"	graphic data system
"HMI"	human-machine interface
"HUD"	Head-Up Display, a technology that projects information directly into the user's line of sight, allowing them to view critical data without having to look away from their primary focus area
"Integrated Circuit" or "IC"	integrated circuit, a type of miniature electronic device or component, manufactured using semiconductor techniques, integrating all the necessary transistors, resistors, capacitors, inductors and their connecting wires for a circuit onto a small semiconductor wafer (such as a silicon chip or substrate), which is then soldered and encapsulated within a casing to form an electronic device with the desired circuit functions
"LCD"	liquid crystal display, a flat-panel display technology that utilizes liquid crystals to create images
"LCOS"	liquid crystal on silicon, a micro-display technology that uses liquid crystals applied to a reflective silicon backplane
"LTPO"	low-temperature polycrystalline oxide
"Micro-OLED"	micro organic light emitting diode, a miniaturized OLED display technology featuring extremely small pixel pitches and high resolution
"Monocrystalline silicon"	a highly pure form of silicon in which the crystal lattice structure is continuous and unbroken throughout the material, with no grain boundaries. It is a critical material in the semiconductor and photovoltaic industries

"MR"	a technology that blends elements of both virtual reality and augmented reality, enabling real-time interaction between physical and virtual objects within a user's environment
"OLED"	organic light-emitting diode, a type of light-emitting diode in which the emissive electroluminescent layer is an organic compound film that emits light in response to an electric current
"OSAT"	outsourced semiconductor assembly and test, critical stages of the production process of semiconductor products outsourced to third-party services providers to handle the assembly, packaging and testing of semiconductor devices
"PPI"	pixels per inch, a measurement of pixel density in a digital display or image
"Pixel compensation circuit"	power a circuit design integrated within display panels or driver ICs that uses additional transistors or capacitors to maintain consistent pixel current or voltage
"TDDI"	touch and display driver integration
"TFT-LCD"	thin film transistor liquid crystal display
"RAM"	random access memory
"RAM-less"	or single RAM, a type of electronic device, system, or component that operates with one RAM
"Real-RGB"	a subpixel arrangement used in AMOLED displays where each pixel is composed of a full set of red, green, and blue subpixels
"R&D"	research and development
"Refresh rate"	the number of times per second a display updates its image, measured in hertz
"VR"	televirtual reality, a technology that creates a simulated, immersive environment, allowing users to interact with and experience a computer-generated world as if it were real, typically through the use of specialized headsets and sensors
"XR"	extended reality, typically include AR and VR

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.

An investment in our H Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the "Financial Information" section, before making an investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose all or part of your investment.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this document.

RISKS RELATING TO OUR BUSINESS OPERATIONS

If we fail to develop and introduce new or enhanced products on a timely basis, our ability to attract and retain customers could be impaired and our competitive position could be harmed.

In order to compete successfully, we must design, develop, market and sell new or enhanced products that provide higher levels of performance and reliability, offer and integrate new functionalities and meet the expectations of our customers. The intensive competition, introduction of new and upgraded products by our competitors, market acceptance of products based on new or alternative technologies, emergence of new industry standards, or new trends in consumer preferences could render our existing or future products obsolete. Specifically, the development of other display technologies such as LCD or other alternative technologies could render OLED products obsolete if they provide better display solutions in terms of cost, durability and performance.

Our failure to anticipate the next-generation technology roadmap or timely develop new or enhanced products in response to shifts in technology and consumer preferences, including our inability to offer new generation of AMOLED DDICs and Micro-OLED display backplanes/drivers or to transition to the latest technologies quickly, could result in decreased total revenue and our competitors gaining more market share. In particular, we may experience difficulties with product design, development, marketing or certification, which could delay or prevent our development, introduction or marketing of new or enhanced products. If we fail to introduce new or enhanced products that meet the needs of our customers or fail to penetrate new markets in a timely fashion, we will lose market share and our operating results will be adversely affected.

Our research and development efforts are not guaranteed to yield the results we anticipate.

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 downstream customers which include display panel manufacturers and brand companies in the consumer electronics industry. The markets of consumer electronics are characterized by continuous technological developments and innovation to address increasingly complex and diverse consumer needs. Accordingly, we emphasize 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 RMB187.8 million, RMB177.0 million and RMB242.2 million, representing 34.1%, 24.6% and 27.2% of our revenue in the respective years. However, we cannot assure you that these efforts will be successful or produce our anticipated results. 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. Any failure in successfully translating our R&D efforts to new products could have a material adverse impact on our business, results of operations and financial condition.

Our growth and profitability depend on general economic conditions and the level of consumer spending.

Our results of operations depend significantly on general economic conditions and consumer spending. Consumer spending is affected by a number of economic and other factors beyond our control, such as interest rates, conditions in the real estate and mortgage markets, unemployment rates, labor and healthcare costs, access to credit, consumer confidence, and other macroeconomic factors affecting the spending behavior of consumers. Economic uncertainty and other related factors may exacerbate negative trends in consumer spending and may cause consumers to postpone or refrain from purchasing consumer electronics, which in turn will negatively affect our customers' demands for our products and therefore adversely affect our business, results of operations and financial condition.

Similarly, our operating results are affected by cyclicality, either directly or indirectly, in the consumer electronics industry, which is highly competitive and to a large extent driven by end-user markets. Fluctuations in price and demand within the consumer electronics industry could lead to reduced sales and declining prices for the end products, which will in turn affect our revenue and profit margins. As a result of the foregoing factors, we may experience fluctuations in our results of operations and financial performance.

Specifically, many consumer electronics brand companies face intense competition and constant pressure to cut the selling prices of their end products. Accordingly, many of the brand companies using our products expect ongoing production cost reductions and increased production efficiencies. If we are not able to meet such expectations, our business, financial condition, results of operations and growth prospects will be adversely affected.

Our future growth depends in part on maintaining and building relationships and achieving additional design wins with leading brand companies.

Our products are ultimately applied in smartphones and AR/VR-enabled head mounted displays designed by brand companies, whom we consider our downstream customers. Even though these brand companies are not our customers since they generally do not purchase our products directly, we have strong relationships with leading brand companies, and we intend to maintain and further develop such relationships. These relationships have in the past required, and are expected to continue to require us to make modifications to our products that involve significant technological challenges, as well as participation in lengthy field trials and extensive qualification programs. We cannot assure you that these efforts will result in a design win, or that any such design win would lead to production orders. We also expect these brand companies to place considerable pressure on us to meet their tight development schedules. In addition, such brand companies may require extensive, localized technical support, which would require us to significantly expand our customer support capabilities. We may have to devote a substantial amount of our limited resources to these relationships, which could detract from or delay our completion of other important development projects. Such delays could impair our relationships with these brand companies and negatively impact sales of our products under development. If we cannot achieve design wins in the future, our ability to grow will be limited.

We work with a limited number of third-party foundries.

As a fabless IC design house, we do not own any IC fabrication facilities. Since 2018, TSMC has been our primary third-party foundry partner, and we began cooperation with other foundries, including some leading foundries based in mainland China in 2024. In 2022, 2023 and 2024, purchase from TSMC accounted for 59.5%, 65.8% and 74.5% of our total purchases, respectively.

The ability of our foundry partners to provide us with wafers is limited by its available capacity. We do not have a guaranteed level of production capacity from our foundry partners since we do not have long-term contracts with them, and we place our orders on a purchase order basis. As a result, if our foundry partners raise their prices or are unable to meet our required capacity for various reasons, including shortages, or delays in the shipment of semiconductor equipment or raw materials required to manufacture our DDICs, or if our business relationships with our foundry partners deteriorate, we may not be able to obtain the required capacity and would have to seek alternative foundries, which may not be available on commercially reasonable terms, or at all. In addition, display panel manufacturers and brand companies we work with all have stringent supply chain control procedures in place, which would limit our capability to work with alternative foundries in case of capacity shortage.

Moreover, it is possible that other customers of our foundry partners that are larger than we are, or that have long-term contracts with them, may receive preferential treatment in terms of capacity allocation. Reallocation of capacity by our foundry partners to their other preferred customers could impair our ability to secure our requisite supply of DDICs, which could

significantly delay the shipment of our products, causing a loss of revenue and damage to our customer relationships. In addition, if we do not accurately forecast our capacity needs, our foundry partners may not have available capacity to meet our immediate needs or we may be required to pay higher costs to fulfill those needs, either of which could materially and adversely affect our business, operating results or financial condition.

Testing and packaging of our DDICs are done by a limited number of third parties.

In addition to wafer fabrication, we rely on a limited number of OSAT providers for the testing and packaging of our DDICs. Reliance on these third parties for the testing and packaging of our DDICs presents significant risks to us, including the following:

- limited control over delivery schedules, quality assurance, manufacturing yields and production costs;
- potential failure to obtain, or delay in obtaining key process technologies;
- failure by us or our customers to qualify a selected supplier;
- capacity shortages during periods of high demand;
- shortages of materials;
- misappropriation of our IP;
- limited warranties on ICs or products supplied to us; and
- potential increases in prices.

The ability and willingness of our OSAT providers to adequately perform is largely outside our control. If one or more of these OSAT providers fails to perform its obligations in a timely manner or at satisfactory quality levels, our ability to bring products to market and our reputation could suffer. For example, in the event that capacity becomes constrained at one or more OSAT providers, we could face difficulties in fulfilling our customers' orders and our revenues could decline. In addition, if these OSAT providers fail to deliver quality products and components to us on time and at reasonable prices, we could face difficulties in fulfilling our customers' orders, our total revenue could decline and our business, financial condition and results of operations would be adversely affected.

We incurred net losses during the Track Record Period and may not be able to achieve or maintain profitability in the future.

We incurred net losses of RMB123.5 million, RMB232.1 million and RMB309.0 million in 2022, 2023 and 2024, respectively. Whether we would be able to achieve profitability in the future is affected by various factors, including our ability to increase the sales volume and price of our products, continually grow revenue and manage and control our cost of sales and other costs and expenses.

Our ability to increase the volume and price of our products depends in part upon the success of our R&D efforts and our relationship with our downstream customers. We cannot assure you that we will be able to increase the sales volume or price of our products, in which case our business, financial condition and results of operations may be materially and adversely affected. In addition, our ability to manage and control our cost of sales and other costs and expenses and improve operational efficiency depends on, among other things, our ability to negotiate favorable pricing with our suppliers, optimize our supply chain management and further achieve economies of scale. If we are unable to enhance our economies of scale or fail to leverage our scale to manage our cost of sales, our business, financial condition and results of operations may be materially and adversely affected. In addition, various uncontrollable factors may affect our ability to achieve profitability, which include general economic condition, consumer spending, competition and technological developments. Therefore, we cannot assure you that we can effectively control our costs and expenses and achieve or maintain profitability in the future.

Failure to achieve expected manufacturing yields for our products and solutions could negatively impact our operating results and damage our reputation.

Manufacturing yields for our products are a function of both product design, which is developed largely by us, and process technology, which is typically owned by a third-party foundry, and low yields can result from either a product design or process technology failure. As such, we are not able to identify yield problems until our designs are manufactured. Once a yield issue is identified, the product is analyzed and tested to determine the cause. As a result, underlying causes of yield problems may not be identified until well into the production process. In addition, resolution of yield problems requires cooperation among, and communication between, us, our foundry and assembly and test partners, and sometimes our customers. Because of our potentially limited access to a wafer foundry's production facility, decreases in manufacturing yields could result in an increase in our costs and force us to allocate our available product supply among end customers. Lower than expected yields could therefore potentially harm our customer relationships, reputation and operating results.

We engage distributors to sell our products, over whom we have limited control. Our business may be adversely affected due to risks relating to our distributors.

In 2022, 2023 and 2024, our revenue generated from sales to distributors amounted to RMB26.3 million, RMB506.1 million and RMB656.7 million, accounting for 4.8%, 70.3% and 73.7% of our total revenue in the respective years. See "Business — Sales and Marketing — Our Distributors" for further details.

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. Noncompliance 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.

A limited number of customers contribute to a substantial portion of our revenue.

Our AMOLED DDICs and Micro-OLED display backplanes/drivers are sold to OLED display panel manufacturers. In view of the intensive capital requirement and technological barriers, there are only a limited number of large-scale OLED display panel manufacturers. As such, revenue from our five largest customers accounted for 72.9%, 91.0% and 90.2% of our revenue in 2022, 2023 and 2024, and sales to our largest customer accounted for 20.5%, 48.2% and 54.1% of our revenue in the respective years. Considering the industry landscape, we expect these key customers to continue to contribute to a substantial portion of our sales. Furthermore, since our products are featured in end products such as smartphones and tablets, we also rely on the recognition of brand companies in the consumer electronics industry. As a result, we still need to pass the stringent certification requirements of leading consumer electronics brand companies. Therefore, our reputation among the brand companies also significantly affects our business operations and financial condition.

If our key customers do not continue to transact with us on scales or terms similar to historical levels, or if our reputation among the brand companies deteriorate, our business, financial condition and results of operations will be negatively affected. In particular, these key customers' products are characterized by rapidly evolving technologies that innovate product features or adoption of new or alternative technologies each time a new product is introduced or an existing product is upgraded. In addition, we enter into framework agreements with these customers, and the agreements do not specify the number of products these customers will

purchase from us in any given year or contain minimum purchase requirements. Product sales are confirmed with purchase orders rather than framework agreements. The loss of or reduction in any key customer's business as a result of our inability to meet the product specifications, to adopt new technologies, our exclusion from a key product development cycle or for any other reason may materially and adversely affect our results of operations.

If (i) there is any reduction, delay or cancelation of orders from one or more of our key customers due to a reduction in their product sales or for any other reason, (ii) one or more of our key customers select our competitors' products; (iii) we lose one or more of our key customers and are not able to obtain additional or alternative customers that can replace the lost sales volume and profit or (iv) any of our key customers fails to make timely payment for our products, our financial condition and results of operations may experience material fluctuations and our sales may decline.

Furthermore, consumer electronics brand companies typically impose strict supply chain control, and to enter into the supply chain of a new brand company can involve lengthy and costly certification process. In addition, there are only a limited number of large-scale OLED display panel manufacturers that we can potentially work with. As such, our capability in diversifying our customer base could be substantially limited.

If our products do not meet display panel manufacturers' and brand companies' quality standards, our business and financial condition may be negatively impacted.

If we are unable to provide products that meet display panel manufacturers' and brand companies' demands on a timely basis, our relationships with our customers and brand companies' will be negatively impacted, and, if we are unable to repair these relationships by increasing our customers' and brand companies' confidence in us, we may lose our customers and the relationship with the brand companies. Furthermore, our downstream customers conduct quality check and inspection of our products when they receive them, and they can return or exchange products that do not meet their quality standards. If we experience a high level of product returns or exchanges, our business and financial condition may be negatively impacted.

Our patents and other non-patented intellectual properties are valuable assets, and if we are unable to protect them from infringement, our business prospects may be harmed.

Our success depends in part on our ability to obtain and maintain trade secrets and patent protection for our technologies, processes and products as well as to successfully enforce our intellectual property rights and to defend our intellectual properties against third-party challenges. In the event that our issued patents and patent applications do not adequately provide coverage for our technologies, processes or products, we would not be able to exclude others from developing or utilizing these technologies, processes and products. Furthermore, the degree of future protection of our proprietary rights is uncertain because legal means may not adequately protect our rights or permit us to gain or keep our competitive advantage.

As our technologies involve unpatented, proprietary technologies, processes, know-how or data, we primarily rely on trade secret protection and agreements to safeguard our interests. However, trade secrets are difficult to protect. Our employees and suppliers who may have access to trade secrets to enter into confidentiality agreements or other agreements including confidentiality provisions with us, may unintentionally or willfully disclose our information to competitors. In addition, confidentiality agreements or other agreements including confidentiality provisions may not be enforceable or provide an adequate remedy in the event of unauthorized use or disclosure. It may be difficult to prove or enforce a claim that a third party had illegally obtained and used our trade secrets. In addition, our competitors may independently develop technologies that are equivalent to our trade secrets, in which case, we would not be entitled to enforce our trade secrets and our business could be harmed.

We may encounter future litigation by third parties based on claims that our technologies, processes or products infringe the intellectual property rights of others or that we have misappropriated the trade secrets of others. We may also initiate lawsuits to defend the ownership of our inventions and our trade secrets. It is difficult, if not impossible, to predict how such disputes would be resolved. Litigation relating to intellectual property rights is costly and diverts technical and management personnel from their normal responsibilities. Furthermore, we may not be able to prevail in any such litigation or proceeding. A determination in an intellectual property litigation or proceeding that results in a finding of non-infringement by others to our intellectual property or an invalidation of our patents may result in the use by competitors of our technologies or processes and sale by competitors of products that resemble our products.

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 our products. 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, labor 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.

We may not be able to maintain or enhance our brand recognition.

We believe our brand image has contributed significantly to the success of our business, and, therefore, maintaining and enhancing the recognition, image and acceptance of our brand are critical to our ability to differentiate our products from and to compete effectively with our peers. Our brand image, however, could be jeopardized if we fail to maintain high product quality, pioneer and keep pace with evolving technology trends, or timely fulfill the orders. If we fail to promote our brand or to maintain or enhance the brand recognition and awareness among our customers, or if we are subject to events or negative allegations affecting our brand image or publicly perceived position of our brand, our business, operating results and financial condition could be adversely affected.

Our business depends on the continuing efforts of our key personnel performing vital functions.

Our business operations depend on the continuing efforts of our management, particularly the members of our senior management team. If one or more members of our management are unable or unwilling to continue their employment with us, we may not be able to replace them in a timely manner, or at all. We may incur additional expenses to recruit and retain qualified replacements. In addition, members of our management may join a competitor or form a competing company. We may not be able to successfully enforce our contractual rights included in employment agreements with our management. As a result, our business may suffer the loss of services of one or more members of our management, which in turn could have a material and adverse impact on our future prospects, business, results of operations and financial condition.

Our business may be impacted by political events, war, terrorism, public health issues, natural disasters and other business interruptions.

War, terrorism, geopolitical uncertainties, public health issues and other business interruptions could cause damage or disruption to international commerce and the global economy, and thus could have a material adverse effect on us, our customers and suppliers. Our business operations are subject to interruption by, among others, natural disasters, whether as a result of climate change or otherwise, fire, power shortages and other industrial accidents, terrorist attacks and other hostile acts, labor disputes, public health issues, demonstrations or strikes, and other events beyond our control. Such events could decrease demand for our products, make it difficult or impossible for us to make and deliver products to our customers, or to receive materials from our suppliers, and create delays and inefficiencies in our supply chain. In the event of a natural disaster or major public health issue, we could incur significant losses, require substantial recovery time and experience significant expenditures in order to resume operations.

Our sales may be influenced by seasonality.

Our results of operations are affected by seasonal fluctuations in the demand for consumer electronics, which in turn influence our customers' demands for our products. We usually experience higher sales volume in the second half of the year due to increased shopping activities during the holiday season and the consumer electronics product launch cycle. Accordingly, various aspects of our operations, including sales, working capital and operating cash flows, are exposed to the risks associated with seasonal fluctuations in the demand for our products, and our quarterly or half year results may not reflect our full year results.

We face intense competition in the DDIC industry.

The DDIC industry in which we operate is highly competitive, and some our competitors currenly garners substantial market shares. General competition in our industry is characterized by price competition and rapid technological changes. We compete with different companies, depending upon the type of product. Some of our competitors may have longer operating histories, greater name recognition, larger customer bases and greater financial, sales and marketing, distribution, technical and other resources and experience than we do. Our competitors' greater size in some cases may provide them with a competitive advantage due to economies of scale. In addition, our competitors may be able to devote greater resources to the research and development of technologies and products that are more effective than ours. They may also adapt more quickly to new or emerging technologies and changes in customer demand and requirements. Our competitors may also intentionally cut their prices, even at the expense of their profit margins, to win greater market share. Our failure to maintain our competitive position with respect to technological advances, to adapt to changing market conditions or to otherwise compete successfully with existing or new competitors may have a material and adverse effect on our business, financial condition and results of operations.

We are subject to risks associated with foreign exchange fluctuations.

Certain of our trade receivables and trade payables, as well as a portion of our cash and cash equivalents and time deposits, are denominated in currencies other than the functional currency of our Group, being RMB, which exposes our Group to foreign exchange risks. Any significant fluctuations in the exchange rates between the U.S. dollar and RMB may materially and adversely affect our results of operations. We cannot predict the impact of future exchange rate fluctuations on our results of operations, and we cannot assure you that we will not incur any net exchange loss in the future. For further details on foreign currency risk exposures, see Note 2.3 of Appendix I to this document.

Failure to collect our trade receivables or other receivables in a timely manner may adversely affect our liquidity.

We may not be able to collect our trade receivables in a timely manner, and we may face difficulty collecting receivables for reasons beyond our control, such as customers delaying payment past the relevant credit periods granted or being unable to pay us when payments are due. We had trade receivables of RMB229.4 million, RMB64.7 million and RMB102.7 million as of December 31, 2022, 2023 and 2024. In addition, we had other receivables of RMB15.1 million, RMB13.7 million and RMB8.0 million as of December 31, 2022, 2023 and 2024. Our other receivables are also subject to potential impairment. Any significant delay or default in our collection of trade receivables or other receivables may impose pressure on our cash flow and working capital and reduce the pool of available financial resources relative to our expectations and expenditure plans, which in turn could have a material adverse effect on our business, financial condition and results of operations.

We may require additional funding to finance our operations, which may not be available on terms acceptable to us.

We believe that our current cash and cash equivalents and the anticipated cash flows from operations will be sufficient to meet our anticipated cash needs for the next 12 months. We may, however, require additional cash resources to finance our continued growth or other future developments, including any investments or acquisitions we may decide to pursue. To the extent that our funding requirements exceed our financial resources, we will be required to seek additional financing or to defer planned expenditures. We may not be able to obtain additional funds on terms acceptable to us, or at all. In addition, our ability to raise additional funds in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, general market conditions for capital raising and debt financing activities and economic, political and other conditions in the markets in which we operate. Furthermore, as an IC design house, our ability to raise fund from U.S. investors may be restricted in view of the outbound investment rule promulgated by the U.S. Treasury Department that came into effect in January 2025.

Furthermore, if we raise additional funds by incurring debt, we may be subject to various covenants under the relevant debt instruments that may, among other things, restrict our ability to pay dividends or obtain additional financing. Servicing such debt obligations could also be burdensome to our operations. If we fail to service our debt obligations or are unable to comply with any of these covenants, we could be in default under such debt obligations and our liquidity and financial condition could be adversely affected.

If we are unable to perform our contracts, our results of operations and financial condition may be adversely affected.

Contract liability is the obligation to transfer goods or services to a customer for which we have received a consideration (or an amount of consideration that is due) from the customer. As of December 31, 2022, 2023 and 2024, our contract liabilities amounted to RMB21.3 million, RMB7.0 million and RMB4.7 million. If we fail to honor our obligations under our contracts with our customers, we may not be able to convert such contract liabilities into revenue, and our customers may also require us to refund the prepayments they have made, which may in turn adversely affect our liquidity position and financial condition. In addition, if we fail to honor our obligations under our contracts with customers, it may also adversely affect our relationship with such customers, which may in turn affect our results of operations in the future.

Our insurance coverage may be insufficient to cover all of our potential losses.

We maintain insurance coverage over the shipment of our wafers and chips. We cannot assure you that our insurance will provide adequate coverage for all the risks in connection with our business operations. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we may be required to bear our losses to the extent that our insurance coverage is insufficient. As a result, we could suffer significant costs and diversion of our resources, which could have a material and adverse impact on our business, results of operations and financial condition.

Our information systems may experience system failures, interruptions or security breaches.

Our business operations rely on our information systems for various functions. These systems are critical for maintaining operational efficiency, data accuracy and timely decision-making. However, our information systems are subject to various risks, including system failures, cyber-attacks, data breaches and other security incidents. Any such event could disrupt our operations, compromise our data, and result in significant remediation costs, legal liabilities and reputational damage. Furthermore, our information systems need to be regularly updated and upgraded to keep pace with technological advancements and changing business needs. These updates and upgrades require significant investment and may cause system disruptions or compatibility issues.

We also engage certain third-party service providers for the development, upgrade and maintenance of certain information systems. Any failure of these third-party service providers to meet their service obligations could affect the performance of our information systems. Furthermore, any breach of contract or termination of services by these third-party service providers could result in disruptions to the operation of our information systems and we may incur additional costs and experience delays to find alternative service providers.

Our risk management and internal control systems may not be adequate or effective.

Due to the inherent limitations in the design and implementation of risk management and internal control systems, including the identification and evaluation of risks, internal control variables and the communication of information, we cannot assure you that such systems will be able to identify, mitigate and manage all our exposure to risks.

Our risk management and internal controls also depend on the proficiency of and implementation by our employees. We cannot assure you that such implementation will not involve any human error or mistakes, which may materially and adversely affect our business, financial condition and results of operations.

We face risks associated with the misconduct of our employees, business partners and their employees and other related individuals.

Our business operations and reputation are significantly influenced by the conduct of our employees, business partners, their employees and other related individuals. Despite our efforts to implement stringent oversight mechanisms and ethical guidelines, it may not always be possible to prevent or detect misconduct by these individuals. The misconduct by these parties, including fraudulent activities, non-compliance with laws and regulations, unethical business practices or any other actions that are inconsistent with our corporate policies and values, may subject us to potential liabilities and damage our reputation, leading to loss of consumers, decreased market share and potential difficulties in attracting and retaining business partners.

We may from time to time become a party to litigation, other legal and contractual disputes, claims and administrative proceedings.

We may from time to time be subject to various litigation, legal or contractual disputes, claims, or administrative proceedings in the ordinary course of our business, including, but not limited to, various disputes with or claims from our consumers, suppliers, customers, business partners and other third parties. Ongoing or threatened litigation, legal or contractual disputes, claims or administrative proceedings may divert our management's attention and other resources. Furthermore, any litigation, legal or contractual disputes, claims or administrative proceedings which are initially not of material importance may escalate and become important to us, due to a variety of factors such as the subject matter of the disputes, the likelihood of loss, the monetary amount at stake and the parties involved. If any adverse verdict, judgment or award is rendered against us or if we settle with any third parties, we may be required to pay significant monetary damages or assume other liabilities. In addition, negative publicity arising from litigation, legal or contractual disputes, claims or administrative proceedings may damage our reputation and have a material and adverse impact on our business, results of operations and financial condition.

We may make acquisitions, establish joint ventures and conduct other strategic investments, which may not be successful.

To further expand our business and strengthen our market-leading position, we may form strategic cooperation or make strategic investments and acquisitions to fuel business growth. Acquisitions involve numerous risks, including difficulties in integrating the operations and personnel of the acquired companies, distraction of management from overseeing our existing operations, difficulties in executing new business initiatives, entering markets or lines of business in which we have no or limited direct prior experience, the possible loss of key employees and customers and difficulties in achieving the synergies we anticipated or levels of revenue, profitability, productivity or other benefits we expected. These transactions may also cause us to (i) significantly increase our interest expense, leverage and debt service requirements if we incur additional debt to pay for an acquisition or investment, (ii) issue Shares that would dilute our current Shareholders' percentage ownership, or (iii) incur asset write-offs and restructuring costs and other related expenses. Acquisitions, joint ventures and strategic investments involve numerous other risks, including potential exposure to unknown liabilities of acquired or investee companies and restrictions under regulations relating to anti-monopoly. There can be no assurance that our acquisitions, joint ventures and other strategic investments will be successful and will not have a material and adverse impact on our business, results of operations and financial condition.

We face risks in relation to inability to obtain and maintain the approvals, licenses and permits required for our operations.

We are required to maintain various approvals, licenses and permits in order to operate our business. These approvals, licenses and permits are granted upon satisfactory compliance with, among other things, the applicable laws and regulations. Also, they may be valid only for a fixed period of time and subject to renewal and accreditation.

We may experience difficulties, delays, or failures in obtaining the necessary approvals, licenses and permits for our businesses. In addition, there can be no assurance that we will be able to obtain or renew all of the approvals, licenses and permits required for our existing business operations in a timely manner, or at all. If we fail to obtain and/or maintain required approvals, licenses, or permits, our ongoing business could be interrupted, and our expansion plan may be delayed.

Complying with government regulations may require substantial expenses, and any non-compliance may expose us to liability. In case of any non-compliance, we may have to incur significant expenses, and divert substantial management time and resources to resolving any deficiencies. We may also experience negative publicity arising from such deficiencies, which could have a material and adverse impact on our business, results of operations and financial condition.

Any failure or perceived failure to comply with data privacy and security laws could subject us to potential liabilities.

We collect and store business and transaction data generated during or in connection with our business operations, including our business and transactions with our customers, suppliers and business partners. The secure maintenance of such data is critical. We process data in compliance with the applicable legal requirements to ensure data security. Our operations are subject to a variety of laws and regulations concerning data privacy and security. Failure to comply with the evolving data protection laws in the PRC, as well as the data security and privacy laws in other jurisdictions where we operate, could result in significant reputational damage and adversely affect our business performance. To ensure compliance with evolving data privacy laws, regulations and standards, it will be necessary to maintain robust internal control and risk management policies, which will require substantial commitment of resources and efforts. The unauthorized access, loss, or misuse of data could lead to increased security costs, damage to our reputation, regulatory proceedings, litigation, fines, investigations, remediation efforts, indemnification expenditures, and disruptions to our business activities. Such incidents may also result in additional costs associated with defending against legal claims. Concerns from our customers, employees, and third parties, even if unfounded, may also have a detrimental impact on our reputation and operations.

We have awarded and may continue to award equity instruments under equity incentive plans, which may cause shareholding dilution to our Shareholders and result in increased share-based compensations.

We adopted a series of share incentive schemes since our incorporation. See "Appendix IV — Statutory and General Information — Share Incentive Scheme." In 2022, 2023 and 2024, we recorded share-based compensations of RMB124.2 million, RMB14.8 million and RMB84.8 million, respectively. To further incentivize our employees, we may adopt other equity incentive plans and award additional equity incentives in the future. Issuance of Shares with respect to our equity incentive plan may dilute the shareholding of our existing Shareholders and incur substantial share-based compensations that could have a material and adverse impact on our results of operations.

Fluctuations in exchange rates may adversely affect our results of operations.

The value of RMB against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates, is subject to changes resulting from the PRC government's policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future.

The [**REDACTED**] from the [**REDACTED**] will be received in Hong Kong dollars and we expect a substantial portion of which to be spent in RMB. As a result, any appreciation of the RMB against the Hong Kong dollar may result in the decrease in the value of our [**REDACTED**] from the [**REDACTED**]. Conversely, any depreciation of the RMB against the Hong Kong dollars may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these factors could have a material and adverse impact on our business, results of operations and financial condition.

We may be subject to the risks associated with international trade policies, export controls and economic sanctions, and geopolitical tension.

We operate within a global supply chain, and some of our suppliers are based outside of mainland China. As such, we face risks associated with international trade regulations and geopolitical developments. Recent trade tensions, such as the ongoing U.S.-China trade dispute, have led to high tariffs, export controls and other restrictive measures targeting high-technology goods, semiconductors and electronics.

Regarding U.S. export controls, in October 2022, the U.S. Bureau of Industry and Security ("**BIS**") issued an interim final rule (the "**BIS October 2022 IFR"**) to limit China's access to advanced computing integrated circuits, supercomputers and advanced semiconductor manufacturing. In October 2023, the BIS released another interim final rule (the "**BIS October 2023 IFR**") that updated and expanded the restrictions from the BIS October 2022 IFR (together with the BIS's April 2024 interim final rule, the "**BIS 2022/23 IFRs"**). Among other measures, the BIS 2022/23 IFRs added certain advanced and high-performance computing integrated circuits and related computer commodities to the Commerce Control List, imposing new or expanded license requirements for items subject to the U.S. Export Administration Regulations ("**EAR**") intended for use in developing or producing supercomputers, advanced node integrated circuits and advanced semiconductor manufacturing equipment in certain jurisdictions, including China. Most recently, in December 2024, the BIS issued an interim final rule (the "**BIS December 2024 IFR**") to further limit China's access to advanced computing integrated circuits and advanced semiconductor manufacturing equipment.

In addition to the restrictions introduced above, the BIS also maintains lists of individuals and entities subject to enhanced export control restrictions. One such list, the Entity List, includes foreign persons on whom specific trade restrictions are imposed, such as businesses, research institutions, government and private organizations, individuals, and other legal entities. In recent years, the United States has added an increasing number of entities, including several hundreds in China, to the Entity List and other restricted or prohibited parties' lists. Due to the sudden and unpredictable nature of these decisions, it is challenging to foresee developments in this area. The United States has recently strengthened export control and economic sanctions on China, including adding certain PRC entities or individuals onto Entity List and other sanctions lists that limit their access to certain U.S.-origin goods, software, and technologies, items that contain certain portions of U.S.-origin goods, software or technologies, and foreign direct products of certain U.S.-origin software, technologies or equipment.

These policies have introduced uncertainties to global supply chains, limited access to critical raw materials and components, and increased production and compliance costs for companies operating in affected industries. For instance, restrictions on the export of specific technologies or materials to certain regions could disrupt our ability to procure key inputs or supply solutions to customers in affected markets, causing operational delays or interruptions. If these trade restrictions or geopolitical tensions escalate, we may face additional risks such as strained customer relationships and loss of market opportunities.

As a fabless IC design house, we use softwares and commodities subject to the EAR, including certain electronic design automation ("**EDA**") softwares. As the U.S. continued to impede China's advanced semiconductor industry, several leading EDA software suppliers in the U.S. stated that they received notices from BIS to cease supplying EDA software to China recently. We understand that these developments introduced uncertainties to global supply chains, limited access to key software and increased production and compliance costs for companies operating in affected industries, If these trade restrictions or geopolitical tensions escalate, we may face additional risks, including reduced access to key software, which could negatively impact our design capabilities.

During the Track Record Period and as of the Latest Practicable Date, our internal policy and systems may not be sufficient to ascertain whether our products involved any items subject to the EAR. As such, we may inadvertently become subject to the restrictions mentioned above, which in turn may have an adverse effect to our business, results of operations and financial position.

Increased compliance costs and operational challenges arising from adhering to complex export control regulations and sanctions could still strain our resources. Tariffs, quotas and local content rules may further raise production costs that could be passed onto us by our suppliers, impacting the profitability and competitiveness of our solutions.

We are exposed to risks associated with U.S. Executive Order 14105 and its implementing regulations that prohibit and require notification by on U.S. persons for certain investments.

On October 28, 2024, the U.S. Department of the Treasury ("**Treasury**") issued a final rule, codified in the United States Code of Federal Regulations at 31 C.F.R. part 850, to implement the Executive Order 14105 of August 9, 2023 (the "**Final Rule**"), which became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as "Covered Foreign Persons." U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as "Covered Transactions," and include certain acquisitions of an equity interest, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Final Rule contains

exceptions for certain investments, including those in publicly traded securities, except when the U.S. person investor secures rights that go beyond standard minority shareholder protections. The Final Rule may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers including us. On February 21, 2025, U.S. President issued a memo entitled the "America First Investment Policy" (the "**America First Memo**"), indicating that Executive Order 14105 is under review and the Trump Administration will consider new or expanded restrictions, such as broadening the sectors.

We believe that we are deemed to be a covered foreign person engaged in one of the "covered activities" (each as defined in the Final Rule) as we design integrated circuits as described in the definition of "notifiable transactions" in 31 C.F.R. §850.217. We are not directly or indirectly engaged in any "covered activities" as described in the definition of "prohibited transactions" (each as defined in the Final Rule) as we do not design, fabricate or package any integrated circuit described in 31 C.F.R. §850.224(c), (d) or (e) and activities described in the other sections of 31 C.F.R. §850.224. However, there is no assurance that the Treasury will take the same view as ours. U.S. persons engaged in a "covered transaction" (as defined under the Final Rule) that involves the acquisition of our equity interests (including the subscription of our H Shares in the [**REDACTED**] may need to make a notification to Treasury pursuant to the Final Rule, which could limit our ability to raise capital or contingent equity capital from U.S. investors. In addition, even though U.S. persons' investment of certain publicly traded securities (such as purchasing our H Share in the open market) falls under an exception in the Final Rule could still limit our ability to raise capital or contingent equity capital from U.S. investors after this [**REDACTED**] given that the relevant laws, regulations and policies continue to evolve. The application and implication of the Final Rule, the America First Memo and any related policies, laws and regulations are complex, which may be changed and updated from time to time. Future changes in the Final Rule, the America First Memo and any related policies, laws and regulations or their interpretations, or any similar or more expansive restrictions imposed by the U.S. or other jurisdictions, may result in additional costs on our business and/or limit our ability to raise capital or contingent equity capital from U.S. investors and other sources that may otherwise be beneficial to us, which could adversely affect our performance, financial condition and prospects.

RISKS RELATING TO THE JURISDICTION IN WHICH WE OPERATE

Changes in economic, political and social conditions could have a material and adverse impact on our future prospects, business, results of operations and financial condition.

All our revenue is derived from our businesses in mainland China, Hong Kong and Taiwan, China during the Track Record Period. Accordingly, our future prospects, business, results of operations, and financial condition are, to a material extent, subject to economic, political and legal developments in the PRC. If the macroeconomic condition in China experiences significant adverse changes, demand for our products and our ability to maintain our operations may suffer, which could consequently lead to a material and adverse impact on our business, 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 Shares, our business prospects, results of operations, financial conditions and future capital raising may be adversely affected.

China's economy has experienced significant growth over the past decades. In recent years, the PRC government has implemented measures emphasizing the utilization of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of the country. Changes in China's business environment could have a material and adverse impact on our business, results of operations and financial condition.

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. Under the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of Mainland and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by 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》) (the "Arrangement"), where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case pursuant to a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment.

On January 14, 2019, the Supreme People's Court 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. 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 Arrangement will remain applicable to a "choice of court agreement in writing" within the meaning of the Arrangement which is made before the effective date of 2019 Arrangement.

We may be subject to additional regulatory requirements under new laws and regulations on overseas offerings and listings issued by PRC government authorities.

On July 6, 2021, the relevant PRC government authorities issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. See "Regulatory Overview — Regulations Related to Overseas Securities Offering and Listing and Full Circulation" for details.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《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》) (the "Archives Rules"), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may keep evolving, failure to comply with which may materially affect our business, results of operations or financial conditions.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities.

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the proceeds from such future financing activities into the PRC or take other actions to restrict our financing activities, which could have a material and adverse effect on our financial conditions and business prospects.

We are subject to the currency exchange regulatory system.

The conversion of Renminbi is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the [**REDACTED**], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to pay dividend to shareholders or to satisfy any other foreign exchange requirements, capitalize our capital expenditure plans, and even our results of operations, financial performance and business prospects may be affected.

The preferential tax treatments granted by the PRC government may become unavailable.

The Company and our PRC subsidiaries are subject to the PRC corporate income tax at a standard rate of 25% on their taxable income, but one of our subsidiaries was accredited as "High and New Technology Enterprises" and was entitled to a preferential income tax rate of 15% during the Track Record Period. 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 the Company and our PRC subsidiaries will be able to renew the same preferential tax treatments upon expiration. If any such change, cancellation 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.

Social insurance contributions and housing provident funds for some of our employees were paid by a third party human resources agency.

During the Track Record Period, we engaged a third party human resources agency to arrange the payment of social insurance contributions and housing provident funds for some of our employees, all of which were paid in full. If the relevant local competent government authority is of the view that this third party agency arrangement does not satisfy the requirements under the relevant PRC laws and regulations, we may be deemed to have violated applicable regulations by the relevant authorities and be subject to corresponding fine. The PRC Legal Advisor has further advised us that the risk of us being imposed of fine is relatively

remote provided that we complete the rectification in a timely manner. Therefore, we believe that such arrangement will not materially affect our business, results of operations or financial condition.

We have not completed registration procedures for some of our leased properties, and we have not received valid title certificates for some of our leased properties.

As of the Latest Practicable Date, we had not completed registration procedures for some of our leased properties in mainland China. We use these leased properties primarily as our offices. With respect to the unregistered leases in mainland China, the PRC Legal Advisor has advised that if an entity fails to conduct proper lease registration in mainland China and fails to rectify within the stipulated period, we may be subject to a fine ranging from RMB1,000 to RMB10,000 per unregistered lease agreement.

Furthermore, with respect to our leased properties with a gross floor area of approximately 1,365 sq.m., the owners are yet to provide valid title certificates or other ownership documents. We use these properties as our offices. Any dispute or claim in relation to these properties, including lessors' alleged unauthorized leasing of these properties, could force us to relocate our offices. If any of our leases are terminated or become unenforceable as a result of challenges from third parties, we would need to seek alternative properties and incur relocation costs.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares.

Prior to the completion of the [**REDACTED**], there has been no public market for our H Shares. There can be no guarantee that an active trading market for our H Shares will develop or be sustained after the completion of the [**REDACTED**]. The [**REDACTED**] is the result of negotiations between our Company and the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), which may not be indicative of the price at which our Shares will be traded following the completion of the [**REDACTED**]. The market price of our H Shares may drop below the [**REDACTED**] at any time after completion of the [**REDACTED**].

The trading volume and market price of our H Shares may be volatile, which may result in substantial losses for investors subscribing for or purchasing our H Shares pursuant to the [REDACTED].

The trading price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in mainland China that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our H Shares. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment toward mainland China-based

companies listed in Hong Kong and consequently may impact the trading performance of our Shares. These factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

Future sales or perceived sales of substantial amounts of our Shares in the public market could negatively affect the price of our Shares and our ability to raise additional capital in the future.

The market price of our H Shares could decline as a result of future sales of a substantial number of our Shares or other securities relating to our H Shares in the public market, the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. Equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the Shares.

You will incur immediate and significant dilution and may face further dilution if we issue additional Shares in the future.

The [**REDACTED**] of the [**REDACTED**] is higher than the net tangible asset value per Share immediately prior to the [**REDACTED**]. Therefore, purchasers of the [**REDACTED**] in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] consolidated net tangible asset value. To expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the [**REDACTED**] may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price that is lower than the net tangible asset value per Share at that time.

Dr. Gu has significant influence over us and his interests may not always be aligned with the interest of our other Shareholders.

Upon the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), Dr. Gu, our chairman and executive Director, will be interested in and control an aggregate of approximately [**REDACTED**]% of our enlarged issued share capital. Dr. Gu will, through his voting power at the Shareholders' meetings and his position on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional H Shares or other equity securities, timing and amount of dividend payments, and our management. Dr. Gu may not act in the best interests of our minority Shareholders.

We have significant discretion as to how we will use the net [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the net [**REDACTED**] from the [**REDACTED**] in ways you may not agree with or that do not yield a favorable return to our shareholders. We plan to use the net [**REDACTED**] from the [**REDACTED**] to, among other things, invest in the research

and development of new products. See "Future Plans and Use of [**REDACTED**]" for further details. However, our management will have discretion as to the actual application of our net [**REDACTED**]. You are entrusting your funds to our management, whose judgment you must depend on, for the specific uses we will make of the net [**REDACTED**] from this [**REDACTED**].

There can be no assurance that we will declare and distribute any amount of dividend in the future.

No dividend has been paid or declared by our Company during the Track Record Period. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations. The calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS. As a result, we may not be able to pay a dividend in a given year even if we were profitable as determined under IFRS. Our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the PRC laws and regulations and requires approval at our shareholders' meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

The dividends payable to investors and gains on the sale of our H Shares by our investors are subject to PRC tax.

Under applicable PRC tax laws, regulations and statutory documents, non-PRC resident individuals and enterprises are subject to different tax obligations with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares. Non-PRC individuals are generally subject to PRC individual income tax under the IIT Law (《中華人民共和國個人所得税法》) with respect to PRC source income or gains at a rate of 20% unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. We are required to withhold related tax from dividend payments. However, pursuant to applicable regulations, the income gained by individual foreigners from dividends and bonuses of enterprise with foreign investment are exempted from individual income tax for the time being. There is uncertainty as to whether gains realized upon disposition of H shares by non-PRC individuals are subject to PRC individual income tax.

Non-PRC resident enterprises that do not have establishments or premises in the PRC, or that have establishments or premises in the PRC but their income is not related to such establishments or premises are subject to PRC EIT at the rate of 10% on dividends received from PRC companies and gains realized upon disposition of equity interests in the PRC companies pursuant to the EIT Law and other applicable PRC tax regulations and statutory documents, which may be reduced or eliminated under special arrangements or applicable treaties between the PRC and the jurisdiction where the non-resident enterprise resides.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' verification. As of the Latest Practicable Date, there were no specific rules on how to levy tax on gains realized by non-resident enterprise holders of H shares through the sale or transfer by other means of H shares.

There remains significant uncertainty as to the interpretation and application of the relevant PRC tax laws by the PRC tax authorities, including whether and how individual income tax or EIT on gains derived by holders of our H Shares from their disposition of our H Shares may be collected. If any such tax is collected, the value of our H Shares may be materially and adversely affected.

Certain statistics contained in this document are derived from publicly available official sources.

This Document, particularly the section headed "Industry Overview," contains information and statistics relating to the DDIC industry in China and internationally. Such information and statistics have been derived from various official governments and other publications. We believe that the sources of such information are appropriate, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. The information and statistics from official government sources have not been independently verified by the Company, the Joint Sponsors, [**REDACTED**], any of our or their respective Directors, executive officers or representatives or any other person involved in the [**REDACTED**] and no representation is given as to their accuracy. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up-to-date. In any event, you should consider carefully the importance placed on such information or statistics.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

There have been, prior to the publication of this document, and there may be, subsequent to the date of this document but prior to the completion of the [**REDACTED**], press and media coverage regarding us, our business, our industry and the [**REDACTED**]. 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. None of us, the Joint Sponsors, [**REDACTED**] or any other person

involved in the [**REDACTED**] has authorized the disclosure of any such information in the press or media coverage, or accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication.

Accordingly, prospective investors should not rely on any such information or publication in making their decision whether to invest in our H Shares. Prospective investors are reminded that, in making their investment decisions as to whether to purchase our Shares, they should rely only on the financial, operational, 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.

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

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Rule 8.12 of the Hong Kong Listing Rules provides that a new applicant for listing on the 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 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 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 Rule 8.12 of the Listing Rules for sufficient management presence in Hong Kong.

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

(i) the Company has appointed Dr. Gu Jing and Ms. Chu Cheuk Ting as the authorized representatives of the Company (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will serve as the Company's principal channel of communication with the Stock Exchange. They can be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange and will also be available to meet with the Stock Exchange to discuss any matters on short notice. The contact details of the Authorized Representatives have been provided to the 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 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 Stock Exchange, so that each of the Authorized Representatives and the Stock Exchange would be able to contact all the Directors (including the independent non-executive Directors) promptly at all times if and when the Stock Exchange wishes to contact the Directors;

(iii) the Company has appointed Gram 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 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 Stock Exchange, and its representatives will be readily available to answer enquiries from the 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 Stock Exchange and report to the executive Directors, streamlining communication between the Stock Exchange and the Company following the [**REDACTED**].

[**REDACTED**]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Gu Jing (顧晶博士)	Room 203, Building 17 Huichengyuan Fifth Village Xuhui District Shanghai PRC	Chinese
Mr. Han Zhiyong (韓志勇先生)	No. 253 800 Gaojing Road Xujing Town Qingpu District Shanghai PRC	Singaporean
Non-Executive Directors		
Ms. Zhan Jing (詹靜女士)	2-1801 18 Kaibin Road Xuhui District Shanghai PRC	Chinese
Mr. Zhou Zhifeng (周志峰先生)	Room 901, Unit 2 Building 6, No. 76 Yard Baiziwan Nan'er Road Chaoyang District Beijing PRC	Chinese

Name	Address	Nationality
Independent Non-Executive Directors		
Dr. Jiang Yimin (蔣毅敏博士)	1-1-1003 No. 12 Yard, Xindong Road Chaoyang District Beijing PRC	Chinese
Ms. Zhou Xinru (周欣如女士)	12-2-419 West Zone, Hopson Xiangyue Siji Mapo Town Shunyi District Beijing PRC	Chinese
Mr. Chang Eric Jackson (張世澤先生)	Room C, Floor 3 Shouson Garden 6A Shouson Hill Wong Chuk Hang Hong Kong	Canadian

SUPERVISORS

Name	Address	Nationality
Mr. Liu Xiaoqiang (劉小強先生)	Room 1808, Building 2 Ruihong Xincheng 333 Linping Road Hongkou District Shanghai PRC	Chinese
Mr. Xu Haining (徐海寧先生)	Room 201, 19/F Zhongzhou Huating 1333 Xinhuan North Road Xinchang Town Pudong New Area Shanghai PRC	Chinese
Ms. Gao Xiaoqing (高曉慶女士)	Room 2203, Building 16 Baitang Jingyuan Suzhou Industrial Park Jiangsu Province PRC	Chinese

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

Joint Sponsors

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
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Hong Kong

CITIC Securities (Hong Kong) Limited
18/F One Pacific Place
88 Queensway
Hong Kong

[**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:* **Fangda Partners** 24/F, HKRI Centre Two HKRI Taikoo Hui 288 Shi Men Yi Road Shanghai 200041 PRC
Legal Advisors to the Joint Sponsors and the [REDACTED]	*As to Hong Kong and U.S. laws:* **Clifford Chance** 27/F, Jardine House One Connaught Place Hong Kong *As to PRC law:* **Han Kun Law Offices** 20/F, Kerry Plaza Tower 3 1-1 Zhongxinsi Road Futian District Shenzhen 518048 Guangdong PRC
Auditor and Reporting Accountants	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504 Wheelock Square No. 1717 West Nanjing Road Shanghai PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office	Rooms A1603, 1604 and 1605 Shenzhen National Engineering Laboratory Building 20 Gaoxinnanqi Road Gaoxin District Community, Yuehai Avenue Nanshan District Shenzhen, Guangdong Province PRC
Headquarters and Principal Place of Business in the PRC	Rooms A1603, 1604 and 1605 Shenzhen National Engineering Laboratory Building 20 Gaoxinnanqi Road Gaoxin District Community, Yuehai Avenue Nanshan District Shenzhen, Guangdong Province PRC
Place of Business in Hong Kong	31/F, Tower Two, Times Square 1 Matheson Street Causeway Bay Hong Kong
Company's Website	**www.viewtrixtech.com** *(The information contained in this website does not form part of this document)*
Company Secretary	**Ms. Chu Cheuk Ting** *(ACG HKACG)* 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Authorized Representatives	**Dr. Gu Jing** Room 203, Building 17 Huichengyuan Fifth Village Xuhui District Shanghai PRC **Ms. Chu Cheuk Ting** 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong

Audit Committee	Mr. Chang Eric Jackson *(Chairperson)* Dr. Jiang Yimin Ms. Zhan Jing
Remuneration Committee	Dr. Jiang Yimin *(Chairperson)* Ms. Zhou Xinru Dr. Gu Jing
Nomination Committee	Dr. Jiang Yimin *(Chairperson)* Ms. Zhou Xinru Dr. Gu Jing
Compliance Advisor	**Gram Capital Limited** Room 1209 12/F, Nan Fung Tower 88 Connaught Road Central/ 173 Des Voeux Road Central Central Hong Kong
	[**REDACTED**]
Principal Bank	**DBS Bank (China) Ltd. Shanghai Branch** 17th Floor, DNS Bank Tower 1318 Lujiazui Ring Road Pudong, Shanghai PRC

Certain information and statistics set out in this section have been extracted from various official government publications, market data providers and a report commissioned by us and prepared by an independent third party, Frost & Sullivan. The information from official government sources has not been independently verified by us, the Joint Sponsors,* [REDACTED] *or any of their respective directors, officers, employees, agents, advisers or representatives or any other parties involved in the* [REDACTED]*, and no representation is given as to its accuracy, fairness and completeness.

FROST & SULLIVAN REPORT

We commissioned Frost & Sullivan to conduct market research on the semiconductor industry and prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB420,000 to Frost & Sullivan for compiling the Frost & Sullivan Report. In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed primary research which involved discussing the status of the industry with certain leading industry participants and conducting interviews with relevant parties. Frost & Sullivan also conducted secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Frost & Sullivan obtained the figures for the estimated total market size from historical data analysis plotted against macroeconomic data as well as considered the above-mentioned industry key drivers. Its market engineering forecasting methodology integrates several forecasting techniques with the market engineering measurement-based system and relies on the expertise of the analyst team in integrating the critical market elements investigated during the research phase of the project. These elements primarily include expert-opinion forecasting methodology, integration of market drivers and restraints, integration with the market challenges, integration of the market engineering measurement trends and integration of econometric variables.

The Frost & Sullivan Report is compiled based on the following assumptions: (i) the social, economic and political environment of the globe and the PRC is likely to remain stable in the forecast period; and (ii) related industry key drivers are likely to drive the market in the forecast period.

THE GLOBAL AND MAINLAND CHINA DDIC MARKET

Overview of Display Technology Development

Display technology serves as the primary interface for human-computer interaction in the era of artificial intelligence, and its strategic importance continues to grow alongside advances in AI. Display technology is not only a medium for presenting information but also a crucial

interface through which AI perceives user intent, understands the environment, and makes intelligent decisions — continuously pushing the evolution of AI devices towards more immersive and intelligent experiences.

The mainstream display technologies have evolved from CRT to LCD. With the development of technology and the increasing market demands for displays in terms of image quality, power consumption and form factors, CRTs were rapidly phased out due to their bulky size and glass-packaged structure, which was ill-suited for portable devices. LCDs, in turn, began to be replaced by AMOLED, which offered significantly higher contrast ratios and thinner display modules. The new generation of display technology represented by AMOLED has made breakthroughs with flexible substrate materials, allowing screens to be foldable and rollable while further reducing thickness, gradually replacing LCD technology in applications such as smartphones, tablets, wearable devices, and automotive applications, and becoming the mainstream in the market.

Introduction and Classification of DDIC

The DDIC is a key control component of the display panel, integrating the display panel's control circuit into a single chip. It sends signals to the display panel, thereby controlling the brightness and color of the screen and allowing image information, such as letters and graphics to be displayed.

The mainstream DDICs primarily include LCD DDICs and AMOLED DDICs. In addition, there have been significant technological breakthroughs in Micro-OLED display backplanes/drivers through deep integration with CMOS technology, making them the fastest-growing segment in recent years. The table below sets out a comparison among LCD DDICs, AMOLED DDICs, and Micro-OLED display backplanes/drivers:

	LCD DDIC	AMOLED DDIC	Micro-OLED Display Backplane/Driver
Driving Method	Voltage drive, low precision requirements	Current drive, high precision requirements	Current drive, extremely high precision requirements
Driving Complexity	Low	High	Very High
Display Principle	Backlight adjusts light through liquid crystal	Each pixel emits light by itself	Micro-OLED pixels emit light by themselves
Technology Maturity	Very Mature	Rapidly Developing	Early Development Stage
Cost	Low	Medium and is continuously reduction	Higher
Power consumption	High	Medium	Low
Screen size support range	3" ~ >100"	1" ~ 80", PPI<500	< 1.4", PPI >2,000

Based on the type of end customers, DDICs can be categorized into the pre-installation brand market and the post-installed non-brand repair market. The pre-installed brand market refers to the DDICs that are required to undergo certification by brand companies and are ultimately integrated into display modules sold to such brand companies or their OEM partners, before being installed as original components in the branded products. The post-installed non-brand repair market refers to DDICs used in aftermarket repair or sold to third-party display repair suppliers, and ultimately applied as third-party replacement parts for original display panels.

The pre-installed brand market for DDICs has the following features:

- **High technical requirements**: Smart device brand companies imposes stringent performance, power efficiency and compatibility requirements on DDICs, which need to be highly aligned with the overall design and functionality of smart devices.

- **High supply stability requirements**: Due to the clear planning and batch-based procurement in the smart device manufacturing process, the supply of DDICs must be stable and reliable to prevent production interruptions.

- **High certification thresholds**: DDICs suppliers need to pass the strict certification procedure conducted by smart device brand companies, which typically include evaluations of product quality, production processes, after-sales service, among others.

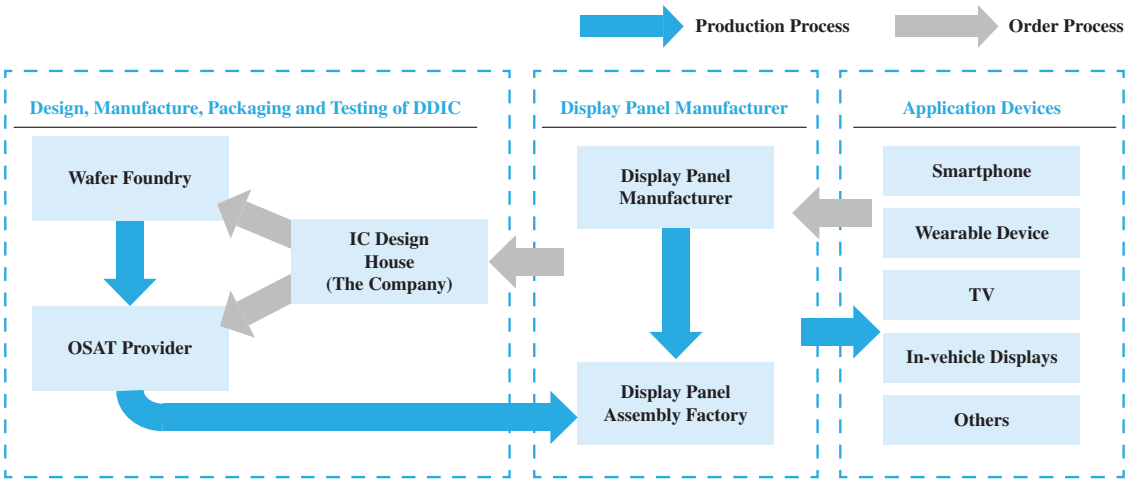
Set forth below is a comparison between the pre-installed brand market and the post-installed non-brand repair market:

	Pre-Installation Brand Market	Post-Installed Non-Brand Repair Market
Customers	Smart device brand companies and their collaborating panel manufacturers	Various repair institutions and others
Technical requirements	High, requiring a high degree of compatibility with the overall design of smart devices	Low
Supply stability requirements	High	Low
Certification threshold	High	Low

The global and mainland China DDIC markets are predominantly driven by the pre-installed brand market, which represents a significantly larger market share than the post-installed non-brand repair market. Globally, the shipment share of the pre-installed brand market increased from approximately 94% in 2020 to 96% in 2024; in mainland China, it increased from approximately 93% in 2020 to 95% in 2024. This trends also demonstrates the ongoing decline in the post-installed non-brand repair market, which has been adversely affected by the increasing display module integration, such as chip-on-film (COF) and chip-on-glass (COG) packaging. The aftermarket share in mainland China was slightly higher in 2020, at approximately 7%, driven by a more active third-party repair market. However, this share deceased to approximately 5% in 2024. Overall, DDIC sales volume are primarily driven by demand from brand companies, while aftermarket demand remains limited and continues to shrink.

DDIC Industry Chain

In the DDIC industry chain, display panel manufacturers typically provide design requirements to DDIC design houses. Upon completion of the IC design, the DDIC design houses place production orders with wafer foundries and OSAT providers. The wafer foundries deliver the finished wafers to the providers who conduct packaging and final testing processes. The completed DDICs are then shipped directly to display panel or module manufacturers. Subsequently, these panel manufacturers provide the assembled display panels to various end applications.



Global and Mainland China DDIC Market Size

The global sales volume of DDICs recorded a slight decrease from approximately 8,285.9 million units in 2020 to 8,266.9 million units in 2024. The fluctuations in the global DDIC market between 2020 and 2023 were primarily driven by a combination of macroeconomic, technological and supply chain factors. The global economic slowdown, especially the impact of the COVID-19 pandemic, resulted in reduced consumer spending and weakened demand for electronic products, thereby negatively affecting DDIC sales. In addition, supply chain

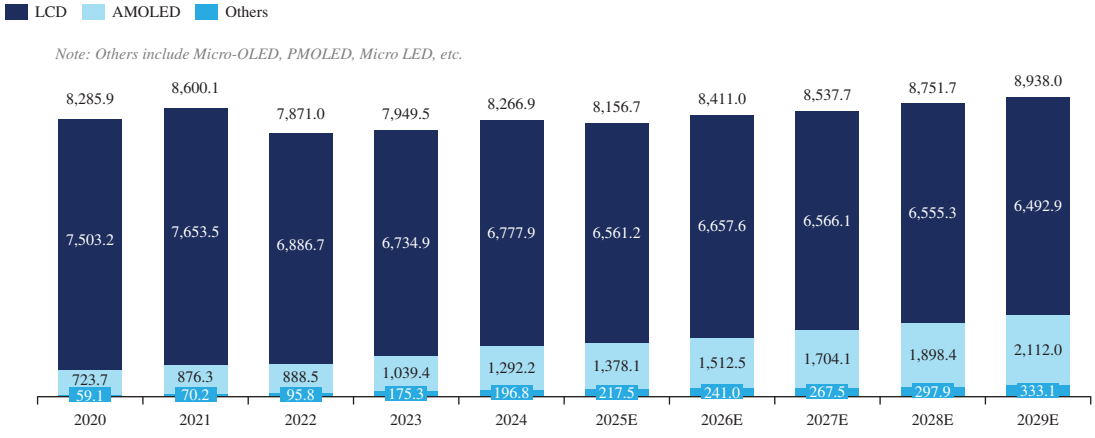
disruptions and capacity constraints in the wafer foundry sector further limited production and sales volume. The decrease in smartphone and other terminal device markets further contributed to the overall reduction in DDIC demand.

Furthermore, the industry's ongoing shift toward advanced display technologies, such as AMOLED, coupled with the increasing adoption of circuit solutions that are more integrated, has led to a reduction in demand for LCD DDICs. In terms of product segmentation, LCD DDICs remained the dominant type in the global market in 2024, with sales volume approximately 6,777.9 million units accounting for 82.0% of total DDIC sales volume. As the penetration rate of AMOLED in downstream applications gradually increases, AMOLED DDICs are expected to become the key growth driver in the coming years, with their global market share projected to expand from 15.6% in 2024 to 23.6% in 2029.

Sales Volume of DDIC, Globally

Million, 2020-2029

CAGR	2020-2024	2024-2029E
Total	**(0.1)%**	**1.6%**
LCD	(2.5)%	(0.9)%
AMOLED	15.6%	10.3%
Others	35.1%	11.1%



Source: Omdia, Expert Interview, Frost & Sullivan

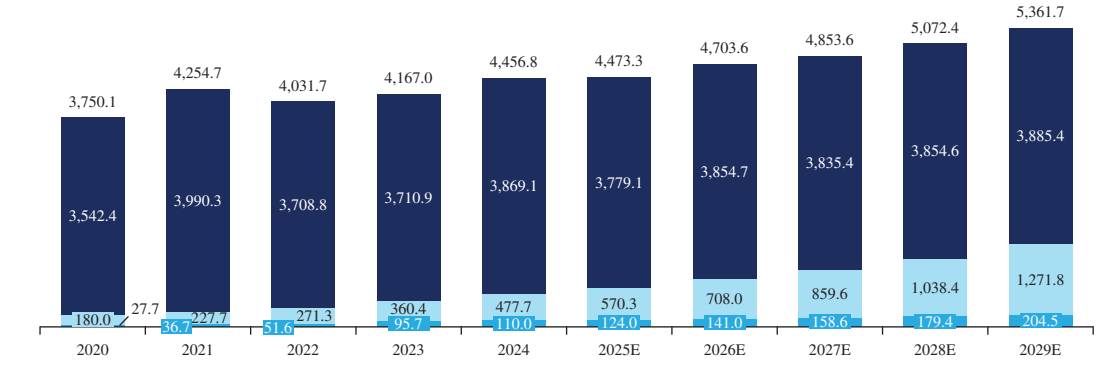
In recent years, global panel manufacturing capacity has increasingly shifted to mainland China, which has gradually emerged as the global manufacturing hub for display panels. Mainland China's share of global display panel production capacity increased from 50.0% in 2020 to 70.0% in 2024, and is expected to reach 80.0% by 2029. As this industrial shift continues, the growth rate of mainland China DDIC market has significantly outpaced the global market. The sales volume of DDICs in mainland China increased from approximately 3,750.1 million units in 2020 to 4,456.8 million units in 2024, representing a CAGR of 4.4%. Mainland China's share of the global market rose from 45.3% in 2020 to 53.9% in 2024.

In the future, with further acceleration of supply chain localization, mainland China's DDIC market is expected to continue expanding, reaching approximately 5,361.7 million units by 2029, and its share of the global market is projected to be 60.0%. In terms of product types, the mainland China's market structure remains broadly consistent with the global market, with LCD DDICs still accounting for the majority of sales. As the penetration rate of AMOLED in downstream applications gradually increases, AMOLED DDICs are expected to become the principal growth driver, with market share projected to grow from 10.7% in 2024 to 23.7% by 2029.

Sales Volume of DDIC in Mainland China

CAGR	2020-2024	2024-2029E
Total	**4.4%**	**3.8%**
LCD	2.2%	0.1%
AMOLED	27.6%	21.6%
Others	41.2%	13.2%

Note: Others include Micro-OLED, PMOLED, Micro LED, etc.



Source: Omdia, Expert Interview, Frost & Sullivan

OVERVIEW OF GLOBAL AND MAINLAND CHINA AMOLED DDIC MARKET

AMOLED DDIC

AMOLED display technology offers various advantages, including ultra-high contrast, low power consumption, flexible panel structures, wide viewing angles and high response speeds. Its main advantage lies in the high degree of pixel-level control, which allows individual pixels to be turned off completely when not in use, thereby producing deeper blacks and higher contrast, as well as improved viewing angles and color reproduction capabilities. Additionally, turning off unused pixels while displaying images helps reduce overall power consumption.

Unlike LCDs, AMOLED panels utilize self-emissive technology and do not require components such as backlight, liquid crystal modules or color filters. As a result, AMOLED modules are thinner and lighter, making them particularly suitable for mobile devices such as smartphones, where space is constrained and compact module dimensions are critical. Furthermore, due to the absence of a rigid backlight layer and the commercialization of flexible substrates, AMOLED panels offer significant advantages in the application of flexible displays, supporting innovations such as foldable and wearable devices.

AMOLED DDICs are integrated circuits specifically designed to drive AMOLED panels. Functioning as a signal conversion "bridge" within the panel, they convert image data signals from the main control chip such as an application processor or graphics processor into the voltage and current signals required to activate each pixel, thereby controlling the brightness and color output of the display.

Major Downstream Applications of AMOLED DDIC

- **Smartphones:** The AMOLED panel aligns with the prevailing trends of lightweight and foldable smartphones. Smartphones represent the largest downstream application for AMOLED DDIC. From 2020 to 2029, the penetration rate of smartphones with AMOLED panels has been steadily increasing. In terms of sales volume, the penetration rate increased from 37.0% in 2020 to 60.1% in 2024 and is projected to reach 69.9% by 2029. Leading global smartphone brands are driving the adoption of AMOLED panels, with the penetration rate among the top three smartphone brands by sales volume reaching 70.2% in 2024.

- **Wearable Devices:** AMOLED technology, with its lightweight, flexible structure, high contrast and low power consumption, has seen increasing adoption in wearable devices such as smartwatches. It has become a mainstream display option for mid-to-high-end products in this segment.

- **Televisions:** AMOLED is primarily used in the premium TV segment and is favored by high-end consumers and professional imaging users due to its superior display quality.

- **In-Vehicle Displays:** The rapid expansion of the electric vehicle sector and the trend toward intelligent and multi-screen automotive interiors have driven demand for high-definition, large-format displays, providing a broad application opportunities for AMOLED panels.

- **Others:** With the iteration of technology and the reduction of costs, AMOLED display panels are gradually penetrating other applications, including laptops and tablet, etc.

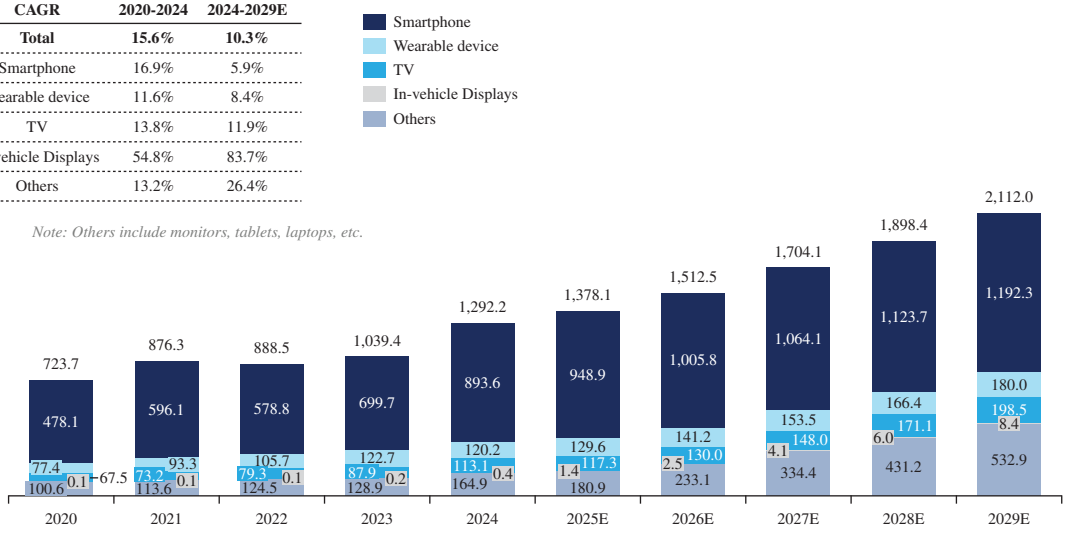
Global and Mainland China AMOLED DDIC Market Size

From 2020 to 2024, the global AMOLED DDIC market experienced robust growth, with sales volume increasing from approximately 723.7 million units in 2020 to 1,292.2 million units in 2024, representing a CAGR of 15.6%. The market is expected to continue expanding, reaching approximately 2,112.0 million units by 2029, with a projected CAGR of 10.3%. In terms of downstream applications, the smartphone market is the primary application for AMOLED DDIC, accounting for 69.2% of the global market in 2024. It is anticipated that future new applications, particularly TV and in-vehicle displays, will become the main growth drivers, with CAGRs projected to be 11.9% and 83.7%, respectively, from 2024 to 2029.

Sales Volume of AMOLED DDIC, Globally

Million, 2020-2029

CAGR	2020-2024	2024-2029E
Total	**15.6%**	**10.3%**
Smartphone	16.9%	5.9%
Wearable device	11.6%	8.4%
TV	13.8%	11.9%
In-vehicle Displays	54.8%	83.7%
Others	13.2%	26.4%



Source: Omdia, Expert Interview, Frost & Sullivan

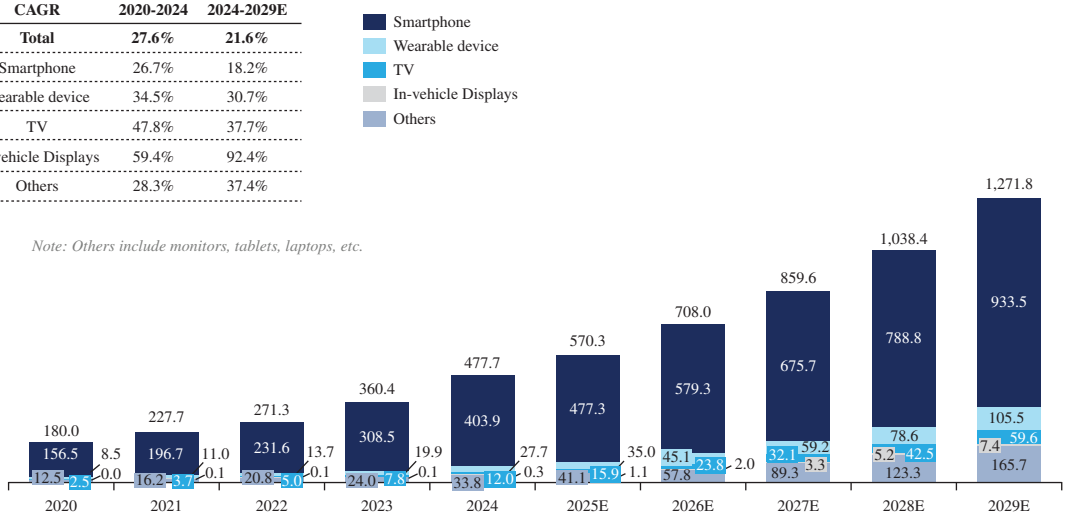
Chinese display panel manufacturers are gradually capturing a larger share of the global AMOLED display panel market. In 2024, the top five Chinese panel manufacturers accounted for 51.3% of the total AMOLED display panel sales globally, creating significant market opportunities for upstream AMOLED DDIC manufacturers in China. The sales volume of AMOLED DDIC in mainland China has grown substantially, increasing from 180.0 million units in 2019 to 477.7 million units in 2024, with a CAGR of 27.6%. During this period, mainland China's share of the global AMOLED DDIC market increased from 24.9% in 2020 to 37.0% in 2024. By 2029, the market size in mainland China is projected to reach 1,271.8 million, with its global market share further increasing from 37.0% to 60.2%.

In terms of downstream applications, smartphones remain the dominant driver of AMOLED DDIC demand, accounting for 84.6% of the mainland Chinese market with a market share of 45.2% of the global market in 2024. The sales volume of smartphone AMOLED displays in mainland China is projected to increase at a CAGR of 18.2%, capturing 78.3% of the global market share by 2029.

Sales Volume of AMOLED DDIC in Mainland China

Million, 2020-2029

CAGR	2020-2024	2024-2029E
Total	**27.6%**	**21.6%**
Smartphone	26.7%	18.2%
Wearable device	34.5%	30.7%
TV	47.8%	37.7%
In-vehicle Displays	59.4%	92.4%
Others	28.3%	37.4%



Source: Omdia, Expert Interview, Frost & Sullivan

Growth Drivers for Global and Mainland China AMOLED DDIC Market

- **The PRC government has issued favorable policies to support the development of the industry.** In May 2024, the National Integrated Circuit Industry Investment Fund launched its third phase, with an investment exceeding RMB150.0 billion. AMOLED, as a core area of next-generation display technology, has received comprehensive support spanning material research and development to manufacturing processes. Policy initiatives extend beyond traditional measures such as tax reductions and equipment procurement subsidies, encompassing dedicated projects under the "National Key Research and Development Program." These projects foster collaboration among universities, research institutes, and enterprises to drive advancements in next-generation display technologies.

- **AMOLED is a favor choice as downstream applications focusing on enhancing user experience.** AMOLED, with its self-emitting feature, has emerged as a critical enabler of smartphone form factor evolution. Its flexible and ultra-thin module design aligns seamlessly with the structural demands of foldable smartphones. Additionally, AMOLED's high contrast and low latency characteristics significantly enhance AI-driven visual interactions. For example, real-time image quality optimization in AI image processing leverages AMOLED's pixel-level light control capabilities to deliver upgraded visual feedback, redefining the user experience.

- **Advancements in semiconductor manufacturing processes have brought AMOLED DDIC into a highly integrated stage.** A single chip now incorporates multifunctional modules such as power management, timing control, and temperature compensation. This system-level integration reduces chip size by over 40% and significantly lowers screen power consumption by eliminating signal transmission losses between modules. These technological advancements are also extending into broader Internet of Things (IoT) applications. For instance, smartwatches benefit from AMOLED DDIC's microsecond-level response capabilities, achieving a 30% reduction in power consumption in always-on display mode. Similarly, smart home central control screens maximize display area through ultra-narrow bezels enabled by chip integration. These evolving demands are fueling the growth of the AMOLED DDIC market.

Development Trends of Global and Mainland China AMOLED DDIC Market

- **Industry entry barrier remains exceptionally high:** Mainland China's AMOLED DDIC development began later than in other regions due to high technical barriers. Early suppliers that entered the supply chains of domestic smart device brand companies underwent rigorous assessments, with most originating from South Korea, Taiwan, China and other established regions. So far, among DDIC suppliers based in mainland China, only the Company has made significant technological breakthroughs and penetrated into the high-barrier industry as a major supplier and establish strong partnerships with both panel manufacturers and brand companies. Owing to the high risk aversion of brand companies, once a DDIC supplier secures a position in their supply chain, it becomes exceptionally difficult to be replaced, providing a significant competitive advantage for early entrants.

- **The integration of DDIC and TDDI:** The integrated design of DDIC and TDDI not only simplifies the internal structure of electronic devices but also effectively reduces costs, offering significant advantages to terminal device manufacturers. As TDDI chip technology continues to mature and improve, the demand for TDDI chips is expected to keep increasing. The development of this technology not only enhances the overall performance of devices but also provides consumers with superior visual and touch experiences. In 2024, the global sales volume of TDDI chips increased to 1040.0 million units. It is expected to reach 1,431 million, with a CAGR of 6.6% by 2029.

- **The rapid expansion of the electric vehicle market and the acceleration of automotive intelligence driving the growing demand for multi-screen, large-screen and high-definition in-vehicle displays:** With the global emphasis on environmental protection and sustainable development, the electric vehicle market is experiencing rapid growth. Simultaneously, advancements in automotive intelligence are "smartening" the vehicles. This shift has significantly reshaped the demand for in-vehicle display systems. Consumers now expect more from in-vehicle displays, moving beyond a single instrument panel to richer, more intuitive interactive information. As a result, multi-screen, large-screen and high-definition displays have become inevitable trends in the evolution of automotive displays. In 2020, global sales volume of in-vehicle AMOLED DDICs amounted to 0.07 million units, increasing to 0.4 million by 2024, representing a CAGR of 54.8%. By 2029, global sales volume of in-vehicle AMOLED DDICs is projected to increase to 8.4 million units, with a CAGR of 83.7%. AMOLED panels, with their superior display quality, ultra-thin profile, and flexible bendability, are ideally positioned to meet these demands, offering automotive manufacturers innovative and attractive display solutions.

COMPETITIVE LANDSCAPE OF GLOBAL AND MAINLAND CHINA'S SMARTPHONE AMOLED DDIC MARKET

Overview of the competitive landscape of global and mainland China's smartphone AMOLED DDIC market

The global smartphone AMOLED DDIC market is relatively concentrated, with the top five players accounting for approximately 72.8% of total sales volume in 2024. The market can be divided into two main types of participants: captive DDIC suppliers (affiliated with panel manufacturers) and independent DDIC suppliers. Independent DDIC suppliers, unlike their captive counterparts, lack the technical support and established business ties with panel manufacturers. As a result, they must possess stronger R&D capabilities and the ability to develop broader downstream customer channels to remain competitive in the market. This distinction highlights the higher operational and innovation demands placed on independent manufacturers.

Ranking of the Global Smartphone AMOLED DDIC

In terms of sales volume for smartphone AMOLED DDIC in 2024, the Company ranks fifth among all market participants in the global smartphone AMOLED DDIC market, with a market share of 3.8%; additionally, the Company is the third largest independent supplier in the global smartphone AMOLED DDIC market. The Company is also the largest mainland China-based supplier in global smartphone AMOLED DDIC market.

Ranking	Manufacturer	Manufacturer type	Headquarters address	Smartphone AMOLED DDIC sales volume in 2024 (million units)	Market share
					(%)
1	Company A[(1)]	Captive	South Korea	380	42.5%
2	Company B[(2)]	Independent	Taiwan, China	120	13.4%
3	Company C[(3)]	Captive	South Korea	100	7.4%
4	Company D[(4)]	Independent	Taiwan, China	75	5.6%
5	The Company	Independent	Mainland China	51	3.8%

Source: Expert Interview, Frost & Sullivan

Notes:

(1) A core division within a South Korean electronics giant, which was established in 1938 and engages in the business of offering a wide range of products including image sensors, and display drivers for various applications like mobile devices, automotive, and IoT. The shares of its parent company are listed on the Korea Exchange ("**KRX**").

(2) Established in 1997, it engages in the business of offering DDIC and multimedia system-on-chips, with key products including display drivers for smartphones, tablets, and TVs, and multimedia solutions for consumer electronics. Its shares are listed on the Taiwan Stock Exchange ("**TWSE**").

(3) A core devision of a South Korean electronics giant which was established in 1999 and engages in the business of the design and sales of DDIC and power management ICs. The shares of its parent company are listed on the KRX.

(4) Established in 2003, it engages in the business of offering high-performance, low-power display and touch solutions for various display technologies and application scenarios, with customers including major panel manufacturers and device vendors. Its shares are listed on the TWSE.

Ranking of Sales Volume of Smartphone AMOLED DDIC in mainland China

In terms of the sales volume of smartphone AMOLED DDIC in mainland China in 2024, the Company ranked third among all market participants in mainland China's smartphone AMOLED DDIC market, with a market share of 12.4%; In additional, the Company is also the largest mainland China-based supplier in mainland China's smartphone AMOLED DDIC market.

Ranking	Manufacturer	Manufacturer type	Headquarters address	Smartphone AMOLED DDIC sales volume (million units)	Market share
					(%)
1	Company B	Independent	Taiwan, China	105	26.0%
2	Company D	Independent	Taiwan, China	75	18.6%
3	The Company	Independent	Mainland China	50	12.4%
4	Company E[(1)]	Independent	Taiwan, China	48	11.9%
5	Company C	Captive	South Korea	45	11.1%

Source: Expert Interview, Frost & Sullivan

Note:

(1) Established in 2004, it engages in the business of the development and sales of DDIC, with products mainly applied in smartphones, digital cameras, GPS devices, automotive displays, tablets, laptops, and LCD monitors. Its shares are listed on the TWSE.

Key Success Factors and Entry Barriers in Global and China's AMOLED DDIC Market

- **Collaboration with brand companies:** The pre-installed brand market for AMOLED in the smartphone sector requires maintaining good yield rates and gaining recognition from smartphone and panel manufacturers, making it more challenging for new players to enter, with higher barriers. In the field of AMOLED DDIC, certification by brand companies not only reflects technical capability but also serves as a testament of the ability to coordinate within the industry chain. This system leads to long certification cycles, deep supply chain binding and high customer stickiness, resulting in new players lacking historical cooperation track records and mass production experience, making it difficult to break through the "certification barriers" established by leading brand companies.

- **Industry know-how:** The AMOLED DDIC market is developing rapidly, and the industry know-how is constantly changing. This requires participants to continuously update their industry knowledge, technology and understanding to respond to changes at any time. For example, the technical accumulation that requires repeated calibration between the laboratory and the production line can only occur through years of joint development with downstream customers and a review of mass production issues. New entrants who cannot establish technical expertise in the collaborative iteration of chip process will find it difficult to break through from sample validation to mass delivery, making it challenging to meet strict downstream customer requirements.

- **Accumulation of technology and talent:** The research and development and production of DDIC require a profound understanding of advanced semiconductor processes, display technologies and system integration. Therefore, the industry has a high demand for specialized talent, requiring high-quality professionals who are proficient in hardware and familiar with software. Attracting and retaining such talent is extremely challenging, as these professionals are currently concentrated overseas, and there is a limited number of top technical talents in mainland China. Companies that possess a large number of such talents create a talent barrier. New entrants face the daunting task of acquiring the necessary technology and recruiting experienced professionals, which undoubtedly becomes a significant obstacle to entering the market and competing effectively.

THE MICRO-OLED DISPLAY BACKPLANES/DRIVERS MARKET

Introduction of Micro-OLED Display Backplanes/Drivers

Micro-OLED technology represents a significant advancement in display technology by combining the strengths of semiconductor manufacturing processes, such as monocrystalline silicon CMOS, with the attributes of OLED display technology. This integration results in distinct advantages, including high pixel density, rapid response times, high contrast ratios, and rich color saturation. Additionally, Micro-OLED displays are known for their slim profiles, low power consumption, integration capabilities, and multifunctionality. They also help reduce visual fatigue and offer a high degree of customizability. These benefits make Micro-OLED displays an ideal choice for high-precision, small-size display applications such as XR devices. The use of Micro-OLED technology can significantly enhance user experience and drive the evolution and adoption of display technologies.

Micro-OLED display backplane/driver is one of the core components of the Micro-OLED display system, tasked with controlling and driving the pixel illumination of the Micro-OLED screen. Typically, Micro-OLED displays utilize monocrystalline silicon (CMOS) as the substrate material. Through further manufacturing processes, OLED pixels are integrated onto the monocrystalline silicon chip, achieving high pixel density and high-resolution display capabilities. This approach not only ensures the display's performance but also supports the miniaturization and integration of the entire display system, which is essential for modern, compact electronic devices that require high-quality visual output in a small form factor.

Downstream Analysis of Micro-OLED Display Backplanes/Drivers

- **XR Devices:** Micro-OLED technology is becoming the mainstream development direction of display technology for VR and AR devices due to its excellent display performance. Compared to Fast LCD, Micro-OLED achieves higher pixel density, fast response speed, thin and lightweight design, and high contrast and color saturation.

- **Thermal Imaging & Night Vision:** Micro-OLED can operate over a wide temperature range, which is important for thermal imaging equipment used in extreme temperature conditions. At the same time, the high brightness and high contrast of Micro-OLEDs allow them to provide clear vision at night or in low light environments, which is critical for night vision equipment.

- **Electronic Viewfinder (EVF):** Micro-OLED has a high pixel density and high contrast ratio, which makes it better at displaying details and color levels for professional photography. At the same time, the thinness and lightness of Micro-OLED make them more suitable for integration into high-end cameras, helping to reduce the overall weight of the camera and improve portability.

- **Other downstream applications:** such as in-vehicle HUDs, digital scopes and flight helmets.

Global Market Size of Micro-OLED Display Backplanes/Drivers

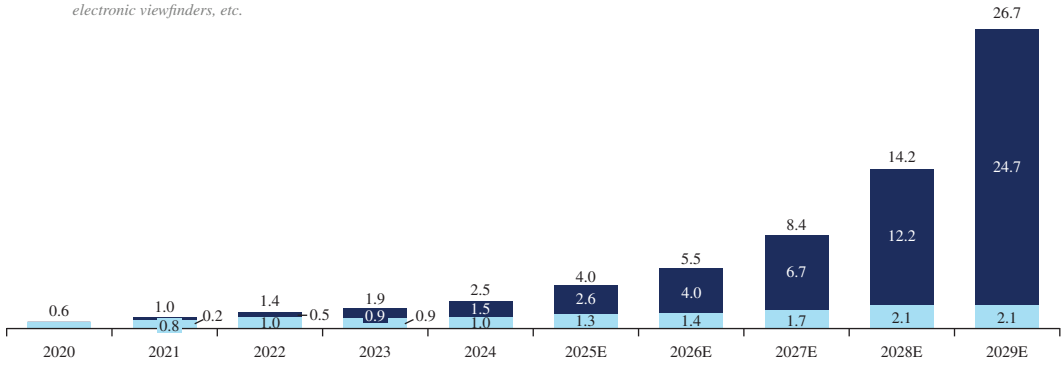
Driven by the demand for downstream XR devices, the sales volume of global Micro-OLED display backplane/driver has shown significant growth, increasing from 0.6 million units in 2020 to 2.5 million units in 2024, at a CAGR of 41.1%. The global Micro-OLED display backplane/driver market is expected to continue to show an upward trend in sales volume to 26.7 million units by 2029, at a CAGR of 60.6%. In terms of downstream applications, XR devices are the most dominant application of Micro-OLED display backplane/driver with a market share of 58.6% in 2024. It is expected that future sales volume of Micro-OLED display backplane/driver in the field of XR devices will reach 24.7 million units in 2029, with a CAGR of 75.9%.

Sales Volume of Micro-OLED Display Backplane/Driver, Globally

Million, 2020-2029E

CAGR	2020-2024	2024-2029E
Total	**41.1%**	**60.6%**
XR devices	N/A	75.9%
others	13.2%	14.7%

Note: Others application include Thermal Imaging & Night Vision, electronic viewfinders, etc.



Source: Expert Interview, Frost & Sullivan

Key Drivers of Global Micro-OLED Display Backplane/Driver Market

Growing shipments of XR devices and increasing penetration of Micro-OLED in XR devices applications.

The growth in shipments of XR devices, coupled with the increasing penetration of Micro-OLED technology in these applications, is a significant driver for the demand of Micro-OLED display backplanes/drivers XR devices, such as VR and AR, are becoming more prevalent as the technology advances and applications expand into gaming, education, healthcare, and professional training. These devices require high-resolution and high refresh rate displays to provide immersive and responsive experiences, which Micro-OLED technology is particularly adept at delivering. As a result, the adoption of Micro-OLED displays in XR devices is on the rise, leading to a corresponding increase in the need for specialized Micro-OLED display backplanes/drivers that can effectively control and drive these advanced displays. The high pixel density, fast response times, and low power consumption of Micro-OLED displays make them ideal for the compact and power-sensitive environments of XR devices, further driving the demand for Micro-OLED display backplanes/drivers to support the growing XR market.

Improvements in semiconductor manufacturing processes.

The continuous advancements in semiconductor manufacturing processes are significantly driving the Micro-OLED display backplane/driver market by enhancing the integration and performance of these chips. As the technology evolves, the ability to integrate more functions and components onto a single chip improves, leading to more efficient and

powerful display drivers. This progress not only boosts the performance of Micro-OLED displays in terms of resolution, color accuracy and power consumption, but also supports the development of innovative features. The emergence of new display technologies such as quantum dot OLED, which can offer improved color gamut and brightness, along with new driver architectures that integrate touch functionality, are creating additional opportunities for the Micro-OLED display backplane/driver market. These innovations are not only expanding the capabilities of Micro-OLED displays but also broadening their application scope across various high-end devices, thereby increasing the demand for sophisticated and advanced Micro-OLED display backplanes/drivers.

Key Trends of Global Micro-OLED Display Backplane/Driver Market

Micro-OLED display backplane/driver will support 4K+ resolutions and higher pixel densities.

In the coming years, Micro-OLED display backplane/driver is expected to support higher resolutions, such as 4K and beyond, along with increased pixel density. This evolution will meet the stringent display precision requirements of XR devices. Additionally, advancements in stacked technology will further enhance brightness levels. As XR devices. demand more detailed and immersive visual experiences, the need for high-resolution and high-pixel-density displays becomes critical. Micro-OLED technology, with its inherent capabilities to provide sharp images and vibrant colors, is well-suited for these applications. The support for 4K and higher resolutions will enable more detailed and lifelike visuals, while increased pixel density will ensure clarity and smoothness even at closer viewing distances. Moreover, stacked technology, which involves layering different components to improve performance, will allow for brighter displays. This is particularly important for XR devices, which often operate in various lighting conditions, including outdoor environments. Brighter displays ensure that the content remains visible and engaging regardless of the ambient light.

Micro-OLED display backplane/driver will integrate more functional modules.

Micro-OLED display backplane/driver will incorporate more features such as touch control, power management, and AI image enhancement. This integration aims to achieve more compact designs and higher levels of system integration. By combining multiple functions into a single chip, manufacturers can reduce the overall size and complexity of electronic devices, making them more portable and efficient. Additionally, the inclusion of advanced features like AI image enhancement will improve the visual quality and user experience of Micro-OLED displays.

Micro-OLED will likely replace Fast LCD as the dominant XR display technology.

Currently, the display technology for XR devices is predominantly based on Fast LCD. However, the future is likely to see a shift towards Micro-OLED displays. As production costs for Micro-OLEDs are expected to decrease, their inherent advantages will become more prominent. Micro-OLEDs offer high brightness, low power consumption, and low latency,

which are critical for providing immersive and responsive XR experiences. These characteristics make Micro-OLED an ideal choice for the next generation of XR devices. The anticipated reduction in production costs will make Micro-OLEDs more accessible and competitive in the market, driving their adoption as the mainstream display technology for XR applications.

Competitive Landscape of Global Micro-OLED Display Backplane/Driver Market

Due to significant technological barriers, the number of participants in the global Micro-OLED display backplane/driver market is relatively limited, resulting in a high level of market concentration. In terms of sales volume in 2024, the top two major market participants collectively accounted for 94.7% of the market share.

Ranking and Market Share

In terms of the sales volume of Micro-OLED display backplane/driver in 2024, the Company ranked second among all participants in the global Micro-OLED display backplane/driver market, holding a market share of 40.7%. The Company is also the largest independent and Chinese manufacture in global Micro-OLED display backplane/driver market.

Ranking	Manufacturer	Manufacturer type	headquarter	Sales volume of Micro-OLED display backplane/driver (million units)	Market share
					(%)
1	Company F[(1)]	Captive	Japan	1.4	54.0
2	The Company	Independent	Mainland China	1.0[(2)]	40.7

Source: Expert Interview, Frost & Sullivan

Note:

(1) A core devision of a Japanese electronics giant which was established in 1946 and engages in the business of high-end display. The shares of its parent company are listed on the Tokyo Stock Exchange and New York Stock Exchange.

(2) For the convenience of comparison, different shipping forms are ranked as a unified unit on a as-converted basis.

REGULATIONS AND POLICIES RELATING TO INTEGRATED CIRCUIT AND INFORMATION INDUSTRY

The Outline for Promoting the Development of the National Integrated Circuit Industry (《國家集成電路產業發展推進綱要》), promulgated by the State Council on June 24, 2014 and came into effect on the same date, states that the development goal of the integrated circuit industry is to reach an advanced international standard in the major links of the integrated circuit industry chain by 2030, with a number of enterprises entering the international first tier and achieving leapfrog development. The main tasks and development priorities are to focus on the development of the integrated circuit design industry, accelerate the development of the integrated circuit manufacturing industry, enhance the development level of the advanced packaging and testing industry, and make breakthroughs in the key equipment and materials for integrated circuits.

The Guiding Catalogue of Key Products and Services in Strategic Emerging Industries (2016 Edition) (《戰略性新興產業重點產品和服務指導目錄(2016版)》) promulgated by the National Development and Reform Commission (the "**NDRC**") on January 25, 2017, clarifies eight industries in five major areas, which are further subdivided into 174 sub-directions under 40 key directions and nearly 4,000 subdivided products and services. Among them are integrated circuit chip products, new-type display devices, virtual reality head-mounted display devices and augmented reality glasses.

The Catalogue for Guidance on Industrial Restructuring (2024 Version) (《產業結構調整指導目錄(2024年本)》), promulgated by the NDRC which was most recently amended on December 27, 2023 and came into effect on February 1, 2024, categorizes the integrated circuit design and the manufacturing of display panel components and specialized production equipment under the encouraged category.

The Outline of the Plan for the Integrated Development of the Yangtze River Delta Region (《長江三角洲區域一體化發展規劃綱要》), which was issued by the Central Committee of the Chinese Communist Party and the State Council on December 1, 2019 and became effective on the same date, focuses on the ten key areas, among which is the integrated circuits, and calls for accelerating the development of the integrated circuits industry chain, and the cultivation a number of leading enterprises with international competitiveness.

To conscientiously implement the Outline of the Plan for the Integrated Development of the Yangtze River Delta Region, the Ministry of Science and Technology and other six ministries and commissions jointly promulgated the Program for the Construction of the G60 Science and Technology Corridor in the Yangtze River Delta (《長三角G60科創走廊建設方案》) (the "**G60 Program**") on October 27, 2020. According to the G60 Program, the construction of Science and Technology Corridor in the Yangtze River Delt should adhere to the combination of market mechanism-led and industrial policy guidance, which shall jointly prepare the development plan of advanced manufacturing industry, the strengthen of the synergistic and staggered development of regional advantageous industries around several industries, among which is the integrated circuits, the advancement of the upgrading of the

industrial structure, the construction of a number of national strategic emerging industry bases with global competitiveness, and the cultivation of a number of leading enterprises with international competitiveness in the key fields.

The Several Policies to Promote the High-quality Development of the IC Industry and the Software Sectors in the New Era (《新時期促進集成電路產業和軟件產業高質量發展的若干政策》), promulgated by the State Council on July 27, 2020 and came into effect on the same date, launches a series of supporting policies in aspects of fiscal and taxation, investment and financing, research and development, import and export, talents, intellectual property rights, market application and international cooperation, to optimize the development environment of the integrated circuit industry and software sectors, deepen international cooperation in the industry, and enhance the industrial innovation capability and development quality.

The Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and Outlines of Objectives in Perspective of the Year 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), promulgated by the National People's Congress on March 11, 2021 and came into effect on the same date, points out the focus of key areas including high-end chips, operating systems, key artificial intelligence algorithms, sensors, and the PRC shall speed up technology R&D, and make breakthroughs in basic theories, basic algorithms, and equipment materials.

The Guiding Opinions on Accelerating the Cultivation and Development of High-Quality Enterprises in the Manufacturing Industry (《關於加快培育發展製造業優質企業的指導意見》, promulgated by the MIIT, the Ministry of Science and Technology, the MOF and other departments on June 1, 2021 and came into effect on the same date, states that innovation consortiums or strategic alliances for technological innovation shall be established through high-quality enterprises, on the basis of which collaborative innovation shall be conducted and efforts shall be doubled to make breakthroughs to key and core technologies, products and equipment in the fields such as integrated circuits and demonstrate the applications in the aforesaid field.

The Notice of "14th Five-Year Plan" for the Development of Digital Economy (《"十四五"數字經濟發展規劃的通知》) promulgated by the State Council on December 12, 2021 and came into effect on the same date, specifies that during the "14th Five-Year Plan" period, the promotion of digital industrialization should be accelerated. Strategic and forward-looking fields such as integrated circuits, key software, and artificial intelligence should be focused on, the basic research and development capabilities of digital technology should be improved, and the engineering and industrialization of innovative technologies should be accelerated. Key and core technologies in the fields of high-end chips, operating systems, industrial software, core algorithms and frameworks should be broken through, and the integrated research and development of general-purpose processors, cloud computing systems, and key software technologies should be strengthened. In addition, the competitiveness of key links in the industrial chain should be improved, and the supply chain systems of key industries such as 5G, integrated circuits, new energy vehicles, artificial intelligence, and industrial internet should be improved.

REGULATIONS AND POLICIES RELATING TO NEW DISPLAY TECHNOLOGY

The Notice regarding Accelerating the Development of the Industrial Internet (《關於推動工業互聯網加快發展的通知》) promulgated by the General Office of the MIIT on March 6, 2020, which became effective on the same date, states that industrial internet platforms shall be encouraged to enhance the support capacity of new technologies such as 5G, artificial intelligence (AI), blockchain and augmented reality (AR)/virtual reality (VR), and strengthen the integration of digital functions throughout the whole process of design, production, operation, maintenance and management.

The Notice of Issuing the Action Plan for the Integrated Development of Virtual Reality and Industry Application (2022-2026) (《虛擬現實與行業應用融合發展行動計劃(2022-2026年)》) promulgated by the MIIT and other departments on October 28, 2022, which became effective on the same date, states that by 2026, crucial breakthroughs in 3D, virtual-real integrated, immersive audio-visual key technologies will be achieved; the next-generation humanoid virtual reality terminal products will be continuously diversified, and the industrial ecosystem will be further improved, so that the large-scale application of virtual reality will be realized in important industries and fields; several key enterprises and industrial clusters with strong international competitiveness will be established, thereby creating an industrial development pattern in which technology, products, services, and applications all prosper.

The Notice of Issuing the Guiding Opinions for Accelerating the High-Quality Development of the Audio-Visual Electronic Industry (《關於加快推進視聽電子產業高質量發展的指導意見》) promulgated by the MIIT and other departments on December 15, 2023, which became effective on the same date, states that new audio-visual electronic consumption scenarios shall be created. By relying on new display, ultra high-definition video, virtual reality, immersive audio, naked-eye 3D and other emerging technical fields, enterprises shall be encouraged to participate in the construction of smart city and other innovation scenarios and shall be supported in participating in tackling of key problems in innovation application scenarios.

The Implementation Opinions on Promoting the Innovative Development of Industries of the Future (《關於推動未來產業創新發展的實施意見》) promulgated by the MIIT and other seven departments on January 18, 2024, which became effective on the same date, states that the research on, among other things, quantum dot displays and holographic displays shall be accelerated; breakthroughs shall be made in developing Micro-LED, laser, printing, and other display technologies; large-scale application and barrier-free, fully flexible, and 3D display effects shall be achieved; the adoption of these technologies in scenarios such as smart devices, intelligent connected vehicles, remote connectivity, and cultural content presentation shall be expedited.

Notice of Issuing the Upgraded Plan for the "Sailing" Initiative to Scale Up 5G Applications (《5G規模化應用"揚帆"行動升級方案》) promulgated by the MIIT and other twelve departments on November 22, 2024, which became effective on the same date, states that terminal manufacturers shall accelerate the advancement of mobile phones to support

ultra-high-definition video display, and the integration of 5G with artificial intelligence, virtual reality, and other technologies shall be promoted to explore new methods of content production, distribution, and experience.

REGULATIONS ON FOREIGN INVESTMENT

The establishment, operation and management of companies in the PRC are mainly governed by the Company Law of the PRC (《中華人民共和國公司法》) (the "**PRC Company Law**"), which was promulgated by the Standing Committee of the NPC (the "**SCNPC**") on December 29, 1993 and came into effect on July 1, 1994. The PRC Company Law was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018, and December 29, 2023 respectively. The latest revised PRC Company Law came into effect on July 1. 2024. The currently effective PRC Company Law applies to both PRC domestic companies and foreign-invested companies. The investment activities in the PRC conducted by foreign investors are also governed by the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), which was approved by the National People's Congress on March 15, 2019, along with the Implementing Rules of the PRC Foreign Investment Law (《中華人民共和國外商投資法實施條例》) (the "**Implementing Rules of Foreign Investment Law**") promulgated by the State Council on December 26, 2019, and the Interpretations 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》) (the "**Foreign Investment Law Interpretation**") promulgated by the Supreme People's Court on December 26, 2019, all of which took effect on January 1, 2020. The Foreign Investment Law and its implementing rules replaced three major previous laws on foreign investments in the PRC, namely, the PRC Sino-foreign Equity Joint Venture Law (《中華人民共和國中外合資經營企業法》), the PRC Sino-foreign Cooperative Joint Venture Law (《中華人民共和國中外合作經營企業法》) and the PRC Wholly Foreign-owned Enterprise Law (《中華人民共和國外資企業法》), together with their respective implementing rules.

Pursuant to the Foreign Investment Law, "foreign investments" refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organizations) directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors, (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC, (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors, and (iv) investment in other methods as specified in laws, administrative regulations, or as stipulated by the State Council. The Implementing Rules of Foreign Investment Law introduce a see-through principle and further provide that foreign-invested enterprises that invest in the PRC shall also be governed by the Foreign Investment Law and its implementing rules.

The Foreign Investment Law and the Implementing Rules of Foreign Investment Law provide that a system of pre-entry national treatment and negative list shall be applied to the administration of foreign investment, where "pre-entry national treatment" means that the treatment given to foreign investors and their investments at market access stage shall be no less favorable than that given to domestic investors and their investments except for the foreign investments in the "restricted" or "prohibited" fields or industries, and "negative list" means the special administrative measures for foreign investment's access to the foregoing "restricted" or "prohibited" fields or industries, which will be proposed by the competent investment department of the State Council in conjunction with the competent commerce department of the State Council and other relevant departments, and be reported to the State Council for promulgation, or be promulgated by the competent investment department or competent commerce department of the State Council after being reported to the State Council for approval. Foreign investment beyond the negative list will be granted national treatment. Foreign investors shall not invest in the prohibited fields as specified in the negative list, and foreign investors who invest in the restricted fields shall comply with the special requirements on the shareholding, senior management personnel or other requirements. In the meantime, relevant competent government departments have formulated a catalog of industries for which foreign investments are encouraged according to the needs for national economic and social development, to list the specific industries, fields and regions in which foreign investors are encouraged and guided to invest. The current industry entry clearance requirements governing investment activities in the PRC conducted by foreign investors are set out in two catalogues, namely the Special Management Measures for the Entry of Foreign Investment (Negative List) (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》), as promulgated on September 6, 2024 by the NDRC and MOFCOM and became effective on November 1, 2024, and the Encouraged Industry Catalogue for Foreign Investment (2022 version) (《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 and became effective on January 1, 2023. These two catalogues lay out the basic framework for foreign investment in the PRC, classifying businesses into three categories with regard to foreign investment: "encouraged", "restricted", and "prohibited." Industries not listed in the three catalogues are generally deemed as falling into a fourth category, "permitted" for foreign investment unless specifically restricted by other PRC laws and regulations. According to the Encouraged Industry Catalogue for Foreign Investment (2022 version), industry of integrated circuit design is categorized under the encouraged category.

In addition to the two catalogues mentioned above, the Notice by the MOFCOM of Issuing the Plan for Development by Utilizing Foreign Investment during the "14th Five-Year Plan" Period (《商務部關於印發<"十四五"利用外資發展規劃>的通知》) promulgated by the MOFCOM on October 12, 2021 and came into effect on the same date, proposes to optimize the domestic reinvestment support policies of foreign-invested enterprises during the "14th Five-Year Plan" period, encourage the reinvestment of profits of foreign-invested enterprises, and support foreign invested enterprises to further improve the layout of the industrial chain through domestic reinvestment and invest in key links of high-end and high-tech industries such as artificial intelligence, advanced materials, integrated circuits and biomedicine. The notice further proposes to guide foreign investment in industries such as integrated circuits, digital economy, new materials and R&D, and to promote the agglomeration and development

of foreign investment in high-end and high-tech industries. The Action Plan for Steadily Advancing High-level Opening up and Making Greater Efforts to Attract and Utilize Foreign Investment (《扎實推進高水平對外開放更大力度吸引和利用外資行動方案》), promulgated by the General Office of the State Council on February 28, 2024 and came into effect on the same date, states that all restrictions on foreign investment in the manufacturing industry will be removed comprehensively, and opening-up of the telecommunications, medical care and other fields will be continuously promoted. Foreign investment projects in the fields of integrated circuits, biomedicine, and high-end equipment will be actively supported in being included in the list of major and key foreign investment projects, and are allowed to enjoy corresponding supporting policies.

According to the Foreign Investment Law and the Implementing Rules of Foreign Investment Law, the registration of foreign-invested enterprises shall be handled by the SAMR or its authorized local counterparts. Where a foreign investor invests in an industry or field subject to licensing in accordance with laws, the relevant competent government department responsible for granting such license shall review the license application by the foreign investor in accordance with the same conditions and procedures applicable to PRC domestic investors unless it is stipulated otherwise by the laws and administrative regulations, and the competent government department shall not impose discriminatory requirements on the foreign investor in terms of licensing conditions, application materials, reviewing steps and deadlines, etc. However, the relevant competent government departments shall not grant any license or permit enterprise registration if the foreign investor intends to invest in the industries or fields as specified in the negative list without satisfying the relevant requirements. In the event that a foreign investor invests in a prohibited field or industry as specified in the negative list, the relevant competent government department shall order the foreign investor to stop the investment activities, dispose of the shares or assets or take other necessary measures within a specified time limit, and restore to the status prior to the occurrence of the aforesaid investment, and the illegal gains, if any, shall be confiscated. If the investment activities conducted by a foreign investor violate the special administration measures for access restrictions on foreign investments as stipulated in the negative list, the relevant competent government department shall order the investor to make corrections within the specified time limit and take necessary measures to meet the relevant requirements. If the foreign investor fails to make such corrections within the specified time limit, the aforesaid legal consequences regarding the circumstance that a foreign investor invests in the prohibited field or industry shall also apply to such violation.

The Foreign Investment Law Interpretation provides guidance on questions relating to the effectiveness and enforceability of foreign investment related agreements, such as shareholder agreements, share transfer agreements, and project contracts that may arise under the negative list system for administration of foreign investment, according to which, investment agreements relating to foreign investment in violation of the negative list management system may be void.

Pursuant to the Foreign Investment Law and the Implementing Rules of Foreign Investment Law, and the Information Reporting Measures for Foreign Investment (《外商投資信息報告辦法》) jointly promulgated by the MOFCOM and the SAMR, which took effect on January 1, 2020, a foreign investment information reporting system shall be established and foreign investors or foreign-invested enterprises shall report investment information to competent commerce departments of the government through the enterprise registration system and the enterprise credit information publicity system, and the administration for market regulation shall forward the above investment information to the competent commerce departments in a timely manner. In addition, the MOFCOM shall set up a foreign investment information reporting system to receive and handle the investment information and inter-departmentally share information forwarded by the administration for market regulation in a timely manner. The foreign investors or foreign-invested enterprises shall report the investment information by submitting initial reports, change reports, deregistration reports and annual reports, etc.

On December 19, 2020, the NDRC and the MOFCOM promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), which came into effect on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, the scopes of review and procedures to review, among others.

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 fall 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 making an outbound investment shall obtain approval or conduct record-filing for outbound investment projects, report relevant information, and cooperate with the supervision and inspection. Sensitive projects carried out by domestic enterprises directly or through overseas enterprises controlled by them shall be subject to approval, specifically, including projects involving sensitive countries and regions and sensitive industries. Non-sensitive projects directly carried out by domestic enterprises, namely, non-sensitive projects involving domestic enterprises' direct contribution of assets or rights and interests or provision of financing or guarantee shall be subject to record-filing.

REGULATIONS ON HOUSE LEASING

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994 and last revised on August 26, 2019, in case of house leasing, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, usage, rental and repair liabilities, as well as other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department.

On December 1, 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), which became effective on February 1, 2011. According to such measures, 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.

According to the Interpretation of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Cases about Disputes Over Lease Contracts on Urban Buildings (2020 version) (《最高人民法院關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋(2020修正)》), which became effective on January 1, 2021, where the ownership of a leased property changes during the period when the lessee is in possession in accordance with the leasing contract, and the lessee claims continued performance of the original leasing contract by the transferee of the property, the people's court shall support the claim, unless the leased property falls under certain circumstances, or the parties agree otherwise.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Patent

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) (the "**Patent Law**") promulgated by the SCNPC on March 12, 1984, which was most recently amended on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) (the "**Implementation Rules of the Patent Law**") promulgated by the State Council on June 15, 2001, which was most recently amended on December 11, 2023 and came into effect on January 20, 2024, the patent administrative department of the State Council, namely China National Intellectual Property Administration (國家知識產權局) is responsible for administering patents in the PRC. The patent administration departments of provincial or autonomous regions or municipal governments are responsible for administering patents within their respective jurisdictions. The Patent Law and the Implementation Rules of the Patent Law provide three types of patents, "invention", "utility model" and "design". Invention patents are valid for twenty years, while design patents are

valid for fifteen years and utility model patents are valid for ten years, from the date of filling application. In accordance with the Measures for the Filing of Patent Licensing Agreement (《專利實施許可合同備案辦法》), which was issued by on June 27, 2011, and came into effect on August 1, 2011, China National Intellectual Property Administration is responsible for the filing of patent licensing agreements nationwide. The parties concerned shall complete filing within three months from the effective date of such patent licensing agreement. The PRC patent system follows "first come, first file" principle, which means that where more than one person file patent applications for the same invention, the patent will be granted to the person who files the application first. To be patentable, invention or utility models must meet three criteria: novelty, non-obviousness and utility. A third party must procure consent or proper licensing from the patent owner to use the patent. Otherwise, the use constitutes infringement of the patent.

Trademark

In accordance with the Trademark Law of the PRC (《中華人民共和國商標法》) (the "**Trademark Law**") which was promulgated by the SCNPC on August 23, 1982, and was most recently amended on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Regulations for 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 was amended on April 29, 2014 and came into effect on May 1, 2014, registered trademarks in the PRC include commodity trademarks, service trademarks, collective trademarks and certification trademarks.

The Trademark Office of China National Intellectual Property Administration (the "**Trademark Office**") is responsible for the registration and administration of trademarks throughout the PRC and grants a term of ten years to registered trademarks. Trademarks are renewable every ten years where a registered trademark needs to be used after the expiration of its validity term. A registration renewal application shall be filed within twelve months prior to the expiration of the term. A trademark registrant may license its registered trademark to another party by entering into a trademark licensing agreement. Trademark licensing agreements must be filed with the Trademark Office. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of such commodities. The Trademark Law follows a "first come, first file" principle with respect to trademark registration. Where trademark for which a registration application has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use.

Copyright

In accordance with 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 was most recently amended on November 11, 2020 and came into effect on June 1, 2021, and the Implementation Regulations of the PRC Copyright Law (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002, last amended on January 30, 2013 and came into effect on March 1, 2013, Chinese citizens, legal persons, or other organizations shall, whether published or not, be entitled to copyrights in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software.

Designs of Integrated Circuits Layout

According to the Regulations on the Protection of Integrated Circuit Layout Designs (《集成電路布圖設計保護條例》) (the "**Regulations on the Protection**") promulgated by the State Council on April 2, 2001 and came into effect on October 1, 2001, the owner of an integrated circuit layout design has exclusive rights to the design in accordance with the provisions of the Regulations on the Protection. The exclusive rights to the layout designs arise upon registration with the intellectual property administration department of the State Council, and layout designs that have not been registered are not protected by the Regulations on the Protection. The protection period for the exclusive rights of a layout design is 10 years, starting from the date of application for registration of the design or from the date of putting it into commercial exploitation anywhere in the world for the first time, whichever is earlier. However, regardless of whether or not a layout design is registered or commercially used, it is no longer protected by the Regulations on the Protection 15 years after the date of completion of the layout design.

Computer Software

The Regulations on the Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on December 20, 2001, which was most recently amended on January 30, 2013 and came into effect on March 1, 2013, provide that the PRC citizen, legal person or other organization is entitled to the copyright of the software that such person, entity or organization develops, whether the software is released publicly or not. A software copyright holder is entitled to right of publication, right of acknowledgment, right of alteration, right of reproduction, right of distribution, right of leasing, right of dissemination, right of translation, and other rights to which a software copyright holder is entitled.

The Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》), promulgated by the National Copyright Administration (國家版權局) on February 20, 2002 and last amended on June 18, 2004, regulate registrations of software copyrights, exclusive licensing contracts for software copyrights and assignment agreements. The National Copyright Administration administers software copyrights registration, and China Copyright Protection Center (中國版權保護中心) is designated as the software registration authority. China Copyright Protection Center grants registration certificates to the computer software copyrights applicants which meet the relevant requirements.

Domain Name

In accordance with the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) which was 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. Domain name registration follows a "first come, first file" principle as well. The Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》), which was promulgated by the MIIT on November 27, 2017 and came into effect on January 1, 2018, stipulates the obligations of internet information service providers and other entities to combat terrorism and maintain network security.

REGULATIONS ON PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993 and last amended on December 29, 2018, the market supervision and administration department under the State Council is in charge of the national supervision of product quality, a manufacturer is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring human and property safety. Products must be free from unreasonable dangers threatening human and property safety. Where a defective product causes physical injury to a person or property damage, the aggrieved party may make a claim for compensation from the producer or the seller of the product. Producers and sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products and/or fines. Earnings from sales in contravention of such standards or requirements may also be confiscated, and in severe cases, an offender's business license may be revoked.

REGULATIONS ON IMPORT AND EXPORT

The Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) was promulgated by the SCNPC on May 12, 1994, which was most recently amended on December 30, 2022 and came into effect on the same date. Before December 30, 2022, any foreign trade business operator engaged in the import and export of goods or technologies must go through the record filing and registration formalities with the MOFCOM (formerly known as the Ministry of Foreign Trade and Commerce) or the agency entrusted by the MOFCOM, however, according to the latest amendment, such record filing and registration formalities are no longer required from December 30, 2022.

Pursuant to the Customs Law of the PRC (《中華人民共和國海關法》) adopted by the SCNPC on January 22, 1987, which was most recently amended on April 29, 2021 and came into effect on the same date, the General Administration of Customs of the PRC (the "**GACC**") is the state's entry and exit customs supervision and administration authority. According to the relevant laws and administrative regulations, the Customs supervises the transportation vehicles, goods, luggage, postal articles and other articles entering and leaving the country, collects customs duties and other taxes and fees, prevents and counters smuggling, compiles customs statistics and handles other customs operations. Customs declaration entities refer to the consignees and consignors of import and export goods and customs declaration enterprises recorded with the customs. The consignee or the consignor of imports or exports may complete the declaration formalities for inspection on its own or by entrusting a declaration agency enterprise to complete the declaration formalities for inspection and complete the filing formalities with the immigration inspection and quarantine authorities in accordance with the law.

According to the Provisions on the Administration of Recordation 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 GACC on November 19, 2021 and came into effect on January 1, 2022, customs declaration entities mean consignees or consignors of imports and exports and customs declaration enterprises which have filed record 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 business operators. According to the Notice by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs of Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods, promulgated on January 3, 2023 and took effect on the same day, a consignee or consignor of imported or exported goods who applies for recordation shall be qualified as a market entity and is not required to complete such filing formalities for foreign trade business operators.

According to Regulations on Administration of Technology Import and Export of the PRC (《中華人民共和國技術進出口管理條例》) promulgated by the State Council on December 10, 2001, which was most recently amended on November 29, 2020 and came into effect on the same date, technology import and export is defined to include patent assignment, transfer of patent application rights, patent licensing, transfer of tech secrets, technical services and other forms of technology transfer. Technology falling under the catalog of prohibited import or export technology shall not be imported or exported. Technology falling under the catalog of restricted import or export technology shall be subject to licensing administration and shall not be imported without obtaining the license from competent foreign economic and trade authority. Technology which does not fall under the above two catalogs can be freely imported or exported but shall be subject to contract registration administration by foreign economic and trade authority.

According 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 1 May 2024, trade activities that import goods into or export goods from China's customs territory shall comply with these regulations. 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 can be freely imported and exported 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.

On October 17, 2020, the SCNPC promulgated the Export Control Law of the PRC (《中華人民共和國出口管制法》) (the "Export Control Law"), which came into effect on December 1, 2020. The Export Control Law provides comprehensive rules on the State's export control on dual-use items, military products, nuclear and other goods, technologies, services and other items related to the protection of national security and interests or the fulfillment of international obligations, such as nonproliferation. Such comprehensive rules include, among others, that the State's export control authorities shall, together with other related departments, formulate and adjust the list of items subject to export control, pursuant to the provisions of the Export Control Law and other relevant laws and administrative regulations, export control policies and specified procedures, and promptly release the same, and the State's export control authorities may, in light of the needs of protecting national security and interests and fulfilling non-proliferation and other international obligations, with the approval of the State Council or both the State Council and the Central Military Commission, impose temporary export control over goods, technologies and services which are not on the export control list, and make announcements thereof.

REGULATIONS ON TAXATION

Taxation of Security Holders

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective PRC laws and practices and no predictions are made about changes or adjustments to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion does not deal with all possible tax consequences relating to an investment in the H Shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulations. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon current PRC laws and relevant interpretations in effect as of the date of this document, all of which are subject to change or adjustment. Prospective investors are urged to consult their financial advisor regarding the PRC and other tax consequences of owning and disposing of H Shares.

Taxation on dividends

Individual investors

Pursuant to the IIT Law (《中華人民共和國個人所得税法》), which was last amended on August 31, 2018 by the SCNPC and came into effect on January 1, 2019, and the Regulations on Implementation of the IIT Law (《中華人民共和國個人所得税法實施條例》), which were last amended on December 18, 2018 by the State Council and came into effect on January 1, 2019, dividends paid by PRC enterprises are subject to an individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to an individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by an applicable tax treaty. In accordance with the Circular on Certain Issues Concerning the Policies of Individual Income Tax (Cai Shui Zi [1994] No. 020) (《關於個人所得税若干政策問題的通知》(財税字[1994]020號)) promulgated by the Ministry of Finance and the STA on May 13, 1994 and effective from the same day, overseas individuals are, as an interim measure, exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises. According to the Notice of the State Council on Approving and Relaying the Several Opinions of the National Development and Reform Commission and Other Departments on Deepening Reform of the Income Distribution System (《國務院批轉發展改革委等部門關於深化收入分配制度改革若干意見的通知》) issued by the State Council on February 3, 2013, overseas individuals are no longer exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises, which is, however, not specified in the subsequent IIT Law and relevant tax regulations.

Enterprise investors

According to the EIT Law, and the Implementation Rule for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) enacted on December 6, 2007 by the State Council and became effective on January 1, 2008, and last amended on December 6, 2024, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong (China)), if such non-resident enterprise does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise on each payment or when it is payable on due date. The withholding tax may be reduced pursuant to applicable treaties or agreements on avoidance of double taxation.

The Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-Share Holders Which Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), which was issued and implemented by the STA on November 6, 2008, further clarifies that a PRC-resident enterprise must withhold enterprise income tax at a rate of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B Shares (Guo Shui Han [2009] No. 394) (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》(國稅函[2009]394號)), which was issued by the STA and came into effect on July 24, 2009, further provides that any PRC-resident enterprise whose shares are listed on overseas stock exchanges must withhold and remit enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that the PRC has entered into with a relevant jurisdiction, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the "**Arrangement**"), which was signed between the STA and the Hong Kong Special Administrative Region Government on August 21, 2006, the PRC Government may levy taxes on the dividends paid by a PRC company to Hong Kong (China) residents (including resident individual and resident entities) in an amount not exceeding 10% of the total dividends payable by the PRC company unless a Hong Kong (China) resident directly holds 25% or more of the equity interest in the PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), which came into effect on December 6, 2019, provided a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax laws and regulations, such as the Notice of the STA on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (Guo Shui Han [2009] No. 81) (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》(國稅函[2009]81號)).

Tax Treaties

Non-PRC resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the PRC enterprise income tax imposed on the dividends received from PRC enterprises. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong (China), Macau (China), Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the PRC tax authorities for a refund of the enterprise income tax in excess of the agreed tax rate, and the refund application is subject to approval by the PRC tax authorities.

Taxation on share transfer

Income Tax

Individual investor

According to the IIT Law and its implementation rules, the proceeds from the sale of equity interests in PRC-resident enterprise are subject to income tax at a tax rate of 20%.

According to the Notice Concerning Continuing Temporary Exemption From Individual Income Tax on The Income From Stocks Transfer (Cai Shui Zi [1998] No. 61) (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》(財税字[1998]61號)) promulgated by the MOF and the STA and became effective on March 30, 1998, since January 1, 1997, the individual income tax levied on the individual income from transfer of stocks of listed companies will continue to be temporarily exempted. In the newly revised IIT Law, the STA did not clearly stipulate whether to continue to exempt individuals from tax on the income from transfer of stocks of listed companies.

Furthermore, the Notice of the STA on Issues Concerning the Levy of Individual Income Tax on Incomes from the Transfer of Restricted Shares of Listed Companies (Cai Shui [2009] No. 167) (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》(財税[2009]167號)) jointly issued by the MOF, the STA and the CSRC and implemented on January 1, 2010 stipulates that individuals' income from the transfer of listed shares obtained from the public offering of listed companies and transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from the individual income tax, except for the relevant restricted shares as defined in the Supplementary Notice Concerning the Levy of Individual Income Tax on Incomes from the Transfer of Restricted Shares of Listed Companies (Cai Shui [2010] No. 70) (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》(財税[2010]70號)) jointly issued by these departments and implemented on November 10, 2010. As of the Latest Practicable Date, the aforementioned provisions did not specify whether to impose the individual income tax on the income from the transfer of shares of PRC-resident enterprise listed on overseas stock exchanges (such as the Hong Kong Stock Exchange) by non-PRC resident individuals.

Enterprise investors

In accordance with the EIT Law and its implementation rules, a non-resident enterprise that has not established an establishment or premises in the PRC or it has established an establishment and premises but the income received has no actual connection with the establishment and premises, it shall pay an enterprise income tax at a rate of 10% for the income arising within the PRC (including the income from sale of equity interests of PRC-resident enterprise). The aforesaid income tax payable for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise on each payment or when it is payable on due date. The withholding tax may be reduced pursuant to applicable treaties or agreements on avoidance of double taxation.

Value-Added Tax

Pursuant to the Notice on the Full Implementation of Pilot Program for Transition from Business Tax to Value-added Tax (Cai Shui [2016] No. 36) (《關於全面推開營業税改徵增值税試點的通知》 (財税[2016]36號)), effective from May 1, 2016, entities and individuals engaged in sales of services within the PRC shall be subject to VAT and sales of services within the PRC refers to the situation where either the seller or the buyer of a taxable service is located within the PRC. The notice also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable income (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals are exempted from VAT upon transfer of financial products provided in the third appendix of the notice, namely Provisions on the Transitional Policies for the Pilot Collection of Value-added Tax in Lieu of Business Tax (《營業税改徵增值税試點過渡政策的規定》).

Stamp Duty

In accordance with the Stamp Tax Law of the People's Republic of China (《中華人民共和國印花税法》) promulgated by the SCNPC on June 10, 2021 and came into effect on July 1, 2022, entities and individuals that issue taxable certificates and conduct securities transactions within the territory of PRC, or entities and individuals who issue taxable certificates and conduct securities transactions outside the territory of PRC to be used within the territory of the PRC shall subject to stamp duty.

Estate Duty

As at the Latest Practicable Date, no estate duty is levied within the PRC.

PRINCIPAL TAXATION OF OUR COMPANY IN THE PRC

Enterprise Income Tax

The EIT Law and its implementation rules are the principal law and regulation governing enterprise income tax in the PRC. According to the EIT Law and its implementation rules, enterprises are classified into resident enterprises and non-resident enterprises. Resident enterprises refer to enterprises that are legally established in the PRC, or are established under foreign laws but whose actual management bodies are located in the PRC. Non-resident enterprises refer to enterprises that are legally established under foreign laws and have set up institutions or sites in the PRC but with no actual management body in the PRC, or enterprises that have not set up institutions or sites in the PRC but have derived incomes from the PRC. A uniform income tax rate of 25% applies to all resident enterprises and non-resident enterprises that have set up institutions or sites in the PRC to the extent that such incomes are derived from their set-up institutions or sites in the PRC, or such income is obtained outside the PRC but have an actual connection with the set-up institutions or sites. And non-resident enterprises that have not set up institutions or sites in the PRC or have set up institutions or sites but the incomes obtained by the said enterprises have no actual connection with the set-up institutions or sites, shall pay enterprise income tax at the rate of 10% in relation to their income sources from the PRC.

Value-Added Tax

The major PRC Law governing VAT are the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例》) issued on December 13, 1993 by the State Council, and last revised and became effective on November 19, 2017, as well as the Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值税暫行條例實施細則》) issued on December 25, 1993 by the MOF, last revised on October 28, 2011, and became effective on November 1, 2011, which provides that any entities and individuals engaged in the sale of goods, supply of processing, repair and replacement services, and import of goods within the territory of the PRC are taxpayers of VAT and shall pay the VAT in accordance with the law and regulation. The rate of VAT for sale of goods is 17% unless otherwise specified. With the VAT reforms in the PRC, the rate of VAT has been changed several times. The MOF and the STA issued the Notice of on Adjusting VAT Rates (Cai Shui [2018] No. 32) (《關於調整增值税税率的通知》(財税[2018]32號)) on April 4, 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods to 16% and 10%, respectively, and this adjustment became effect on May 1, 2018. Subsequently, the MOF, the STA and the General Administration of Customs jointly issued the Announcement on Relevant Policies for Deepening the VAT Reform (《關於深化增值税改革有關政策的公告》) on March 20, 2019 to make a further adjustment, which came into effect on April 1, 2019. The tax rate of 16% applicable to the VAT taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%. On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值税法》), which will become effective on January 1, 2026, and the Interim Regulations on Value-added Tax of the PRC will be abolished.

The Notice of the Additional Value-Added Tax Credit Policy for Integrated Circuit Enterprises (Cai Shui [2023] No. 17) (《關於集成電路企業增值税加計抵減政策的通知》(財税[2023]17號)), which was promulgated by the MOF and the STA on April 20, 2023, states that from January 1, 2023 to December 31, 2027, enterprises engaged in the design, production, closed beta test, equipment or materials of integrated circuits are allowed to credit the amount of input tax creditable in the current period plus 15% thereof against the amount of tax payable.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, which was most recently amended and came into effect on December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, which was last amended on December 28, 2012 and came into effect on July 1, 2013, and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008 and came into effect on the same date. Pursuant to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written forms. These series of laws and regulations set out specific provisions concerning the execution, the terms and the termination of a labor contract, and the rights and obligations of the employees and employers, respectively. Wages may not be lower than the local minimum wage level. Employers must establish a system for labor safety and sanitation, strictly abide by state standards and provide relevant training to their employees. At the time of hiring, the employers shall truthfully inform the employees of the scope of work, working conditions, working place, occupational hazards, work safety, salary, and other matters which the employees request to be informed about.

According to the Notice on Issues relating to Confirmation of Labor Relationship (《關於確立勞動關係有關事項的通知》) promulgated by the Ministry of Labor and Social Security (劳動和社會保障部), which is the predecessor of the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) (the "**MOHRSS**") on May 25, 2005 and came into effect on the same day, a labor relationship shall be deemed to be concluded under the following circumstances, even if the employer does not enter into a written contract with the worker, (i) the employer and the worker satisfy the requirements on eligibility prescribed by the laws and regulations, (ii) the employer has, in accordance with the law, formulated such labor regulations and requirements which apply to the worker; the worker is subject to labor management by the employer and engages in remunerated labor work arranged by the employer, and (iii) the labor provided by the worker is a component of the employer's business.

Employment of Foreigners and Hong Kong, Macao and Taiwan Residents

According to the Exit-Entry Administration Law of the PRC (《中華人民共和國出境入境管理法》), which was promulgated by the SCNPC on November 22, 1985, and was most recently amended by on June 30, 2012 and became effective on July 1, 2013, foreigners who work in the PRC shall obtain the work permit and the work-type residence permit in accordance with regulations. Foreigners who have not obtained the work permit and the work-type residence permit shall not be employed. Foreigners who have been employed in violation of the regulations may be subject to fines of RMB5,000 to RMB20,000 and may be further subject to detention for 5 to 15 days in severe circumstances. Employers who employs foreigners in violation of the regulations may be subject to fines of RMB10,000 for each such foreigner employed, but no more than RMB100,000 in aggregation, and may be further subject to confiscation of illegal gains.

According to the Administrative Provisions on Employment of Foreigners in the PRC (《外國人在中國就業管理規定》), which was promulgated by the Department of Labor on January 22, 1996, and was most recently amended by the MOHRSS and became effective on March 13, 2017, to employee a foreigner, an employer shall apply for the work permit for the foreigner, and the foreigner shall not be employed unless the employment is approved and the foreigner obtains the work permit. According to the Notice of the Ministry of Human Resources and Social Security on Matters concerning the Employment of Hong Kong, Macao and Taiwan Residents in the Mainland (《人力資源社會保障部關於香港澳門台灣居民在內地(大陸)就業有關事項的通知》), which was promulgated by the MOHRSS on August 23, 2018, and became effective on the same date, from July 28, 2018, Hong Kong, Macao and Taiwan personnel no longer need to apply for the work permit for such person's employment in the mainland China.

Social Insurance and Housing Fund

Employers in the PRC are required to contribute, for and on behalf of their employees, to a series of social insurance funds, including funds for pension, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance, and housing fund. These payments are made to local administrative authorities and employers who fail to contribute may be fined and be ordered to make up for the outstanding contributions. The various laws and regulations that govern the employers' obligations to contribute to the social insurance funds include 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, and was amended with immediate effect on December 29, 2018, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which was promulgated by the State Council on January 22, 1999, and was amended with immediate effect on March 24, 2019, the Regulations on Work-related Injury Insurance (《工傷保險條例》), which was promulgated by the State Council on April 27, 2003, and was amended on December 20, 2010, and the Regulations on Management of the Housing Fund (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999, and was most recently amended with immediate effect on March 24, 2019. According to the Notice Concerning the

Safe and Orderly Collection and Administration of Social Insurance Premiums (《關於穩妥有序做好社會保險費徵管有關工作的通知》) issued by the General Office of the STA on September 13, 2018, the tax authorities will collect all social insurance premiums uniformly from January 1, 2019. Before the completion of the reform of the social insurance collection agency, the relevant local authorities shall continuously optimize the payment service and ensure the continuous improvement of the business environment and shall not organize and carry out the previous year's arrears check without permission.

According to the Interim Measures for Participation in the Social Insurance System by Foreigners Working within the Territory of the PRC (《在中國境內就業的外國人參加社會保險暫行辦法》), which was promulgated by the MOHRSS on September 6, 2011, and was most recently amended on December 23, 2024 and became effective on the same date, and the Interim Measures for Participation in Social Insurance System by Hong Kong, Macao and Taiwan Residents in the Mainland (《香港澳門台灣居民在內地(大陸)參加社會保險暫行辦法》), which was promulgated by the MOHRSS and the National Healthcare Security Administration on November 29, 2019 and became effective on January 1, 2020, employers shall participate in the basic pension insurance for employees, basic medical insurance for employees, work injury insurance, unemployment insurance, maternity insurance for foreigners and Hong Kong, Macao and Taiwan residents employed by them.

REGULATIONS ON FOREIGN EXCHANGE ADMINISTRATION

The legal currency of the PRC is Renminbi, which is currently subject to foreign exchange regulation and cannot be freely converted into foreign currency. The SAFE with the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

On January 29, 1996, the State Council promulgated the Regulations of the PRC Foreign Exchange Administration (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Regulations**") which became effective on April 1, 1996. The Foreign Exchange Regulations classify all international payments and transfers into current items and capital items. Most of the current items are no longer subject to SAFE's approval, while capital items remain unchanged. The Foreign Exchange Regulations were subsequently amended on January 14, 1997 and August 5, 2008. The latest amendment to the Foreign Exchange Regulations clearly states that no restriction will be imposed on international current payments and transfers.

On June 20, 1996, the PBOC promulgated the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (Yin Fa [1996] No. 210) (《結匯、售匯及付匯管理規定》(銀發[1996]210號)), which abolished the then-remaining restrictions on convertibility of foreign exchange under current items, while retaining the existing restrictions on foreign exchange transactions under capital items.

According to the Announcement on Improving the Reform of the Renminbi (the PBOC Announcement [2005] No. 16) (《關於完善人民幣匯率形成機制改革的公告》(中國人民銀行公告[2005]第16號)), issued by the PBOC on July 21, 2005 and became effective on the same date, the PRC began to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies. As a result, the Renminbi exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

On August 5, 2008, the State Council promulgated the revised Foreign Exchange Regulations, which have made substantial changes to the foreign exchange supervision system of the PRC. First, the regulations have adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities; second, the regulations have improved the RMB exchange rate floating system based on market supply and demand under management; third, in the event that international balance of payment suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard or control measures against international balance of payment; fourth, the regulations have enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to SAFE to enhance its supervisory and administrative powers.

According to the relevant laws and regulations in the PRC, PRC enterprises which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at designated banks that carry foreign exchange business, on the strength of valid receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, after paying taxes in according to the law, on the strength of resolutions of the board of directors or resolutions of shareholders on the distribution of profits, effect payment from foreign exchange accounts opened at designated banks that carry foreign exchange business, or effect exchange and payment at designated banks.

The Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (Guo Fa [2014] No. 50) (《關於取消和調整一批行政審批項目等事項的決定》(國發[2014]50號)) promulgated by the State Council and came into effect on October 23, 2014 provide to cancel the approval requirement of SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into Renminbi domestic accounts.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration of Overseas Listing (Hui Fa [2014] No. 54) (《關於境外上市外匯管理有關問題的通知》(匯發[2014]54號)) issued by SAFE and became effective on December 26, 2014, a domestic company shall, within 15 business days of the date of the end of its overseas listing issuance, register the overseas listing with the branch office of SAFE located at its registered address; the proceeds from an overseas listing of a domestic company may be repatriated to China or deposited overseas, provided that the intended use of the proceeds shall be consistent with the content of the prospectus document or other public disclosure documents. A domestic company (except for bank financial institutions) shall present its certificate of overseas listing to open a dedicated foreign exchange account at a domestic bank for its initial public offering (or follow-on offering) and repurchase business to handle the exchange, remittance and transfer of funds for the business concerned.

According to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (Hui Fa [2015] No. 13) (《關於進一步簡化和改進直接投資外匯管理政策的通知》(匯發[2015]13號)) promulgated by SAFE on February 13, 2015 and became effective on June 1, 2015, and partially repealed on December 30, 2019, the foreign exchange registration under domestic direct investment and the foreign exchange registration under overseas direct investment shall be directly examined and handled by banks. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice on Policies for Reforming and Regulating the Administration of Foreign Exchange Settlement of Capital Accounts (Hui Fa [2016] No. 16) (《關於改革和規範資本項目結匯管理政策的通知》(匯發[2016]16號)), which was promulgated by SAFE and became effective on June 9, 2016 and was last amended on December 4, 2023, the settlement of foreign exchange proceeds under the capital account (including foreign exchange capital funds, foreign debt funds, funds transferred back from overseas listings, etc.) that are subject to discretionary settlement as already specified by relevant policies may be handled at banks based on the actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency proceeds in capital account of domestic institutions is 100%, subject to adjustment of SAFE in due time in accordance with international revenue and expenditure situations.

According to the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (Hui Fa [2017] No. 3) (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》 (匯發[2017]3號)) issued by the SAFE on January 26, 2017 and implemented on the same date, several measures are introduced, including (a) further expanding the scope of domestic foreign exchange loan settlement, allowing domestic foreign exchange loans with the background of commodity trade and exports to be settled, (b) allowing funds under domestic guarantee and foreign loans to be transferred back, (c) allowing foreign exchange settlement via the foreign exchange accounts of foreign institutions in pilot free trade zones, and (d) implementing full-coverage administration of overseas lending in both Renminbi and foreign currencies, where a domestic institution engages in overseas lending, the combined balance of foreign exchange lending in Renminbi and foreign currencies shall not exceed a maximum of 30% of the owner's equity in the audited financial statements of the preceding year.

According to the Notice on Further Facilitating Cross-border Trade and Investment (Hui Fa [2019] No. 28) (《關於進一步促進跨境貿易投資便利化的通知》 (匯發[2019]28號)) issued by the SAFE on October 23, 2019 and implemented on the same date, which was last amended on December 4, 2023, restrictions have been removed on the use of capital funds by non-investment foreign-invested enterprises for domestic equity investment. In addition, restrictions have also been removed on the use of funds in domestic asset realization accounts for foreign exchange settlement and the use of security deposits for foreign exchange settlement by foreign investors. Eligible enterprises in pilot areas are allowed to use capital funds, foreign debt, overseas listings and other income under capital items for domestic payments without providing the banks with proofs of authenticity in advance, provided that their use of funds shall be genuine and in compliance with the current regulations governing the use of income from capital items.

According to the Notice on Optimising Administration of Foreign Exchange to Support the Development of Foreign-related Business (Hui Fa [2020] No. 8) (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》(匯發[2020]8號)) issued by SAFE and became effective on June 1, 2020, eligible enterprises are allowed to make domestic payments by using their capital, foreign credits and the income under capital accounts of overseas listing, without providing materials to the bank in advance for authenticity verification on an item-by-item basis, provided that their utilized capital shall be authentic and in line with provisions, and conform to the prevailing administrative regulations related to the use of income under capital accounts. The concerned bank shall manage and control the relevant business risks under the principle of prudent business development and conduct spot checks afterwards in accordance with the relevant requirements. Local foreign exchange authorities shall strengthen monitoring and analysis and interim and ex-post supervision.

According to the Notice on Further Deepening Reforms to Promote the Convenience of Cross-border Trade and Investment (Hui Fa [2023] No. 28) (《關於進一步深化改革促進跨境貿易投資便利化的通知》 (匯發[2023]28號)) issued by the SAFE on December 4, 2023 and implemented on the same date, qualified high-tech, "professional, sophisticated, unique and new" and technology-based small and medium-sized enterprises in Guangdong (including Shenzhen) and certain other areas can borrow foreign debt on their own within an amount not exceeding the equivalent of US$10 million. The restriction that the cumulative remittance amount of up-front expenses of overseas direct investment by a domestic enterprise shall not exceed the equivalent of US$3 million was abolished, provided that the cumulative remittance amount shall not exceed 15% of the total proposed investment amount by the PRC entity. Additionally, the asset realization account of capital accounts to the settlement account of capital accounts was restructured. The equity transfer consideration funds in foreign currency received by a domestic equity transferor (including institutions and individuals) from domestic parties, as well as the foreign exchange funds raised by domestic enterprises through overseas listing may be directly remitted to the settlement account of capital accounts. Funds in the settlement account of capital accounts may be settled and used at discretion. The equity transfer consideration funds received by a domestic equity transferor from FIEs which are paid with RMB funds derived from the settlement of foreign exchange (i.e. RMB funds derived from direct settlement of foreign exchange or from settlement account for pending payment) may be transferred directly to the RMB account of the domestic equity transferor.

REGULATIONS RELATED TO CYBER SECURITY AND DATA SECURITY

The PRC government has proposed or promulgated a number of new measures and regulations in recent years regarding cybersecurity and data security.

On July 1, 2015, the SCNPC issued the National Security Law of the PRC (《中華人民共和國國家安全法》), (the "**National Security Law**") which came into effect on the same day. The National Security Law provides that the PRC shall build a network and information security guarantee system and improve network and information security protection capability to realize the controllable security of the network information key technologies and critical infrastructure and the information systems and data in important fields. In addition, a national security review and supervision system is required to be established to review, among other things, foreign investment, key technologies and network information technology products and services and other important activities that impact or are likely to impact the national security of the PRC.

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**"), which came into effect on 1 June 2017. The Cybersecurity Law applies to the construction, operation, maintenance, and use of networks as well as the supervision and administration of cybersecurity in China. Network service providers who do not comply with the Cybersecurity Law may be subject to corrective orders, warnings, fines, suspension of their businesses, shutdown of their websites, and revocation of their business licenses.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**"), which took effect on September 1, 2021. The Data Security Law provides for data security on entities and individuals carrying out data processing activities. The Data Security Law also introduces a data classification and layered protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken for each respective category of data. Violation of the Data Security Law may be subject to an order to cease illegal activities, warnings, fines, suspension of business and revocation of business licenses or operating permits, and the personnel directly in charge or other directly responsible personnel may be imposed with fines.

On July 30, 2021, the State Council promulgated the Regulations on the Protection of the Security of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which became effective on September 1, 2021. According to the regulations, a "critical information infrastructure" refers to an important network facility and information system in important industries such as, among others, public communications, and information services, as well as other important network facilities and information systems that may seriously endanger national security, the national economy, the people's livelihood, or the public interests in the event of damage, loss of function, or data leakage. The competent authorities shall inform the relevant operators in a timely manner if such operators are determined as the critical information infrastructure operators.

On December 28, 2021, the Cyberspace Administration of China (the "**CAC**"), together with certain other PRC governmental authorities, promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》) that replaced the previous version and took effect from February 15, 2022. Pursuant to these measures, the purchase of network products and services by a critical information infrastructure operator or the data processing activities of a network platform operator that affect or may affect national security will be subject to a cybersecurity review. In addition, network platform operators with personal information of over one million users shall be subject to cybersecurity review before listing abroad (國外上市). The competent governmental authorities may also initiate a cybersecurity review against the operators if the authorities believe that the network product or service or data processing activities of such operators affect or may affect national security. The Cybersecurity Review Measures provide that the relevant violators shall be subject to legal consequences in accordance with the Cybersecurity Law and the Data Security Law.

On December 8, 2022, the MIIT issued the Administrative Measures for Data Security in the Industrial and Information Technology Field (Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》), which became effective on January 1, 2023. These measures state that the data in the industrial and information technology sector shall be divided into three grades: general data, important data, and core data. Meanwhile, the data processor in the field of industry and information technology shall file the catalog of its important and core data with the local industry regulatory authority for the record. Moreover, these measures clarify the processing requirements during the data life cycle per the classification of the data. In the case of any violation of these measures, the data processors shall burden the relative responsibilities per such measures and other relevant laws and administrative regulations.

On September 24, 2024, the CAC promulgated The Regulation on Network Data Security Management (《網絡數據安全管理條例》), which became effective on January 1, 2025. The regulation aims to regulate network data processing activities, ensure the security of network data, promote the reasonable and effective use of network data in accordance with the law, protect the legitimate rights and interests of individuals and organizations, and safeguard national security and public interests. This regulation puts forward general requirements and provisions for network data security, further specifies rules concerning personal information protection, and fine-tunes mechanisms for the management of important data.

In the meantime, the PRC regulatory authorities have also enhanced the supervision and regulation on cross-border data transfer.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-Border Data Transfer (《數據出境安全評估辦法》), which took effect on September 1, 2022. These measures require that to provide data abroad, a data processor falling under any of the following circumstances shall, through the local cyberspace administration at the provincial level, apply to the CAC for security assessment of outbound data: (i) where a data processor provides critical data abroad; (ii) where a critical infrastructure operator or a data processor processing the personal information of more than one million people provides personal information abroad; (iii) where a data processor has provided personal information of

100,000 individuals or sensitive personal information of 10,000 individuals in total abroad since January 1 of the previous year; and (iv) other circumstances prescribed by the CAC for which declaration for security assessment for outbound data transfers is required. In addition, on March 22, 2024, the CAC released the Provisions on Promoting and Standardising Cross-Border Data Transfer (《促進和規範數據跨境流動規定》), which provide several exemptions from undergoing security assessment, obtaining personal information protection certification or entering into prescribed agreement for cross-border transfer of personal information for businesses. These exemptions include, among others, scenarios where a data processor transfers personal information abroad for the necessity of implementing cross-border HR management in accordance with labor rules and regulations established by law and collective contracts signed in accordance with law and where a data processor, other than a critical information infrastructure operator, has cumulatively transferred overseas the personal information (excluding sensitive personal information) of fewer than 100,000 individuals since January 1 of the current year. The provisions also explicitly state that data processors are not required to conduct data security assessment for cross-border data transfers if the concerning data has not been notified or published as important data by relevant departments or regions.

REGULATIONS ON ANTI-UNFAIR COMPETITION AND ANTI-MONOPOLY

Anti-unfair Competition

Pursuant to the Anti-unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), promulgated by the SCNPC on September 2, 1993, which was most recently amended with immediate effect on April 23, 2019, unfair competition refers to that the operator disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the provisions set forth therein in its production and operating activities. Operators shall abide by the principle of voluntariness, equality, impartiality, integrity, as well as laws and business ethics during production and operating activities.

Anti-Monopoly

Pursuant to the Anti-monopoly Law of the PRC (《中華人民共和國反壟斷法》) (the "**Anti-monopoly Law**") promulgated by the SCNPC on August 30, 2007, which was most recently amended on June 24, 2022 and became effective on August 1, 2022, the monopolistic practices include any monopoly agreement reached by any operators, abuse of market-dominating position by any operators and any concentration of operators which has eliminated or limited or may eliminate or limit the market competition. Specifically, competing business operators may not enter into monopoly agreements that eliminate or restrict competition, such as by boycotting transactions, fixing or changing the price of commodities, limiting the output of commodities, dividing the sales markets or the raw material supply markets, unless the agreement will satisfy the exemptions under the Anti-Monopoly Law, such as improving technologies, increasing the efficiency and competitiveness of small and medium-sized enterprises, or safeguarding legitimate interests in cross-border trade and economic cooperation with foreign counterparts.

REGULATIONS RELATED TO OVERSEAS SECURITIES OFFERING AND LISTING AND FULL CIRCULATION

On February 17, 2023, the CSRC promulgated the Trial Measures. The Trial Measures reformed the regulatory regime for overseas securities offering and listing by domestic companies, into a filing-based system. Pursuant to the Trial Measures, no overseas offering and listing shall be made under any of the following circumstances: (i) where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) where 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) where the domestic company intending to make the securities offering and listing, or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or have undermined the order of socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is currently under investigation for suspicion of criminal offenses or major violations of laws and regulations, 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(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

Initial public offerings or listings in overseas markets shall be filed with the CSRC within three business days after the relevant application is submitted overseas. The Trial Measures also require subsequent reports to be filed with the CSRC upon the occurrence of any of the material events after an issuer has offered and listed securities in an overseas market, such as (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. Where an issuer's main business undergoes material changes after overseas offering and listing and is therefore beyond the scope of business stated in the filing documents, such issuer shall submit to the CSRC an ad hoc report and a relevant legal opinion issued by a domestic law firm within three business days after occurrence of the changes.

Furthermore, according to the Trial Measures and their related guidelines, "Full circulation" represents the shareholders of domestic unlisted shares of domestic companies, which directly offer and list securities in overseas markets, converting its domestic unlisted shares into shares listed and traded on an overseas trading venue. The term "domestic unlisted shares" refers to shares offered by a domestic company but not listed or quoted for trading on any domestic trading venues. "Full circulation" shall comply with relevant regulations of the CSRC and the shareholders of domestic unlisted shares shall entrust the domestic company to report the "Full circulation" with CSRC by filing materials on certain key issues, including whether the "Full circulation" has fulfilled adequate internal decision-making procedures, necessary internal approvals and authorizations, and whether the "Full circulation" involves approval or filing procedures set out in the laws, regulations and policies for state-owned asset administration, industry supervision and foreign investment, and if so, whether such approval or filing procedures have been performed.

Failure to fulfill filing procedures or offering and listing securities in an overseas market in violation of the forgoing prohibitive provisions may subject PRC domestic companies to order rectification, warnings and a fine of RMB1 million to RMB10 million. Controlling shareholders and actual controllers of the domestic company that organize or instruct the aforementioned violations shall be imposed a fine of RMB1 million to RMB10 million. Directly liable persons-in-charge and other directly liable persons shall be each imposed a fine of RMB0.5 million to RMB5 million.

Pursuant to the Trial Measures and their related guidelines, this [**REDACTED**] is subject to the filing requirements of the CSRC. We are also required to fulfill the filing procedure with the CSRC in accordance with the Trial Measures for the conversion of certain domestic [**REDACTED**] shares into H Shares and the [**REDACTED**] of the H Shares on the Stock Exchange. We will submit the initial filing application to the CSRC with respect to the submission of our application for the [**REDACTED**] and the conversion of certain domestic unlisted shares into H Shares and the [**REDACTED**] of the H Shares on the Stock Exchange.

Furthermore, according to the Archives Rules, PRC domestic companies that directly or indirectly conduct overseas offerings and listings, shall strictly abide by applicable PRC laws and regulations on confidentiality when providing or publicly disclosing, either directly or through their overseas listed entities, documents and materials to securities services providers such as securities companies and accounting firms or overseas regulators in the process of their overseas offering and listing. In the event such documents or materials contain state secrets or working secrets of government agencies, the PRC domestic companies shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level; in the event that such documents or materials, if leaked, will jeopardize national security or public interest, the PRC domestic companies shall strictly fulfill relevant procedures stipulated by applicable national regulations. The PRC domestic companies shall also provide a written statement of the specific state secrets and sensitive information provided when providing documents and materials to securities companies and securities service providers, and the securities companies and securities service providers shall properly retain such written statements for inspection. Furthermore, the Archives Rules also provide where overseas securities regulators and relevant competent overseas authorities request to inspect, investigate or collect evidence from PRC domestic companies concerning their overseas offering and listing or their securities firms and securities service providers that undertake securities business for such PRC domestic companies, such inspection, investigation and evidence collection must be conducted under a cross-border regulatory cooperation mechanism, and the CSRC or other competent authorities of the PRC government will provide necessary assistance pursuant to bilateral and multilateral cooperation mechanism. Domestic companies, securities firms and securities service providers shall first obtain approval from the CSRC or other competent PRC authorities before cooperating with the inspection and investigation by the overseas securities regulators or competent overseas authority or providing documents and materials requested in such inspection and investigation.

OVERVIEW

We are a world-leading AMOLED DDIC design house. Our focus is on delivering reliable and high-performance display driver solutions to consumer electronics brand companies. According to Frost & Sullivan, we are the largest AMOLED DDIC provider based in mainland China and the fifth-largest AMOLED DDIC provider globally, both in terms of sales volume in 2024.

MILESTONES

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

Year	Milestone
2012	The Company was established with its headquarters in Shenzhen.
	The Company launched its first image algorithm integrated circuit.
2015	The Company started to offer image algorithm IPs to customers.
2016	The Company launched an algorithm IP powering the world's first display featuring a 4K resolution.
2018	The Company introduced its first silicon-based 0.39-inch Micro-OLED display backplane, with a pixel density of up to 5,644 ppi.
2019	The Company launched its first AMOLED DDIC with a resolution of WQHD+.
	The Company launched its first AMOLED DDIC, supporting an FHD+ resolution and a 60Hz refresh rate.
2020	The application of the silicon-based Micro-OLED display backplane has expanded to 0.71-inch and 1.03-inch modules, offering a refresh rate of up to 90Hz.
	The Company launched a high-end AMOLED DDIC supporting a WFHD+ resolution and an ultra-high refresh rate of 168Hz.
2021	The size of the silicon-based Micro-OLED display backplane application products has increased to 0.49 inches, with the maximum refresh rate boosted to 120Hz.
	The AMOLED DDIC has completed brand terminal validation and officially entered the brand market.

Year	Milestone
	The Company's silicon-based Micro-OLED display backplane has officially achieved mass production and application in consumer-grade VR/AR products.
2022	The Company achieved mass delivery in the brand market.
2023	The high-frame-rate AMOLED DDIC supporting LTPO has achieved exclusive supply for the smartphones of a leading brand.
	The Company launched its first AMOLED driver chip supporting LTPO panels.
2024	The Company deepened cooperation with Chinese production partners for the IC fabrication, who have achieved mass production of our products.

MAJOR SUBSIDIARIES

The following sets out the principal business activities, place of establishment and date of establishment 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	Date of establishment	Equity interest attributable to the Company	Principal business activities
Viewtrix Kunshan . . .	PRC	June 22, 2018	100%	R&D, procurement and sales of chips
Viewtrix Hong Kong .	Hong Kong	September 27, 2019	100%	R&D and sales of chips

MAJOR SHAREHOLDING CHANGES OF THE COMPANY

Establishment, Early Development of the Company and Historical Nominee Shareholding Arrangements

On May 30, 2012, the Company was established as a limited liability company under the laws of the PRC under the name of Shenzhen Viewtrix Technology Company Limited* (深圳雲英谷科技有限公司) with a registered capital of RMB10,000,000. Upon establishment, the Company was held as to 58.65% by Beijing Jiaping Investment Management Company Limited* (北京嘉平投資管理有限公司) ("**Beijing Jiaping**"), who was a then nominee shareholder on behalf of an individual, being an Independent Third Party (the "**2012 Underlying Shareholder**"), 35.85% by Shanghai Qianyang Packing Design Company

Limited* (上海乾洋包裝設計有限公司) ("**Shanghai Qianyang**," a company controlled by the 2012 Underlying Shareholder, then known as Shanghai Qianyang Investment Management Consulting Company Limited* (上海乾洋投資管理諮詢有限公司)) and 5.50% by an individual, being an Independent Third Party (the "**2012 Independent Investor**"), respectively.

On October 25, 2012, Beijing Jiaping, Shanghai Qianyang entered into an equity transfer agreement with Dr. Gu Jing, pursuant to which (i) Beijing Jiaping agreed to transfer its 25.15% equity interest in the Company and (ii) Shanghai Qianyang agreed to transfer its 5.85% equity interest in the Company to Dr. Gu Jing, in each case for a nominal consideration of RMB1, as the registered capital of the Company had not been paid at the time of such transfer. Such equity transfers were completed and duly settled on November 21, 2012.

Immediately after the completion of the equity transfers, the Company was held by Beijing Jiaping, Dr. Gu Jing, Shanghai Qianyang and the 2012 Independent Investor as to 33.5%, 31.0%, 30.0% and 5.5%, respectively, with a registered capital of RMB10,000,000, which was fully paid up by the then shareholders in November 2012.

Beijing Jiaping Nominee Shareholding Arrangements

On December 1, 2012, Beijing Jiaping, Dr. Gu Jing and four then employees of the Company entered into a nominee shareholding agreement, pursuant to which Dr. Gu Jing and the four then employees became the beneficial owners of the equity interests held by Beijing Jiaping in the Company (the "**Beijing Jiaping Nominee Shareholding Arrangements**"). At the same time, the nominee shareholding arrangement between the 2012 Underlying Shareholder and Beijing Jiaping was terminated, and the 2012 Underlying Shareholder was no longer interested in the Company through Beijing Jiaping. The Beijing Jiaping Nominee Shareholding Arrangements served as an equity incentive for key employees of the Company, and there was no monetary consideration paid in this regard. As advised by our PRC Legal Advisor, the Beijing Jiaping Nominee Shareholding Arrangements did not violate any applicable mandatory PRC laws and regulations.

From December 2012 to April 2020, there were rounds of equity transfers among and by the beneficial owners of the Beijing Jiaping Nominee Shareholding Arrangements.

On April 10, 2020, to streamline and optimize the Company's shareholding structure, Beijing Jiaping and Shanghai Yizhen Enterprise Management Center (Limited Partnership)* (上海翼臻企業管理中心(有限合夥)) ("**Shanghai Yizhen**," a shareholding platform whose general partner was Dr. Gu Jing) entered into an equity transfer agreement, pursuant to which (i) Beijing Jiaping agreed to transfer all of its then equity interest, being 6.34% in the Company, to Shanghai Yizhen and (ii) each of the then beneficial owners underlying the Beijing Jiaping Nominee Shareholding Arrangements made a capital increase to Shanghai Yizhen in proportion to their respective beneficial interest in the Company through Beijing Jiaping. The consideration of such equity transfer was nil. Such equity transfer and capital contribution were completed and duly settled on April 14, 2020. Accordingly, the Beijing Jiaping Nominee Shareholding Arrangement were terminated.

On November 29, 2021, to streamline and optimize the Company's shareholding structure, Shanghai Yizhen and Shenzhen Yizhen No. 1 Enterprise Management Center (Limited Partnership)* (深圳翼臻一號企業管理中心(有限合夥)) ("**Shenzhen Yizhen**," a shareholding platform whose general partner was Dr. Gu Jing until September 2022) entered into an equity transfer agreement, pursuant to which Shanghai Yizhen agreed to transfer all of its then RMB2,350,000 registered capital in the Company to Shenzhen Yizhen at nil consideration. Such equity transfer was duly settled and completed on December 24, 2021.

Historical Acting-in-Concert Agreement among Dr. Gu Jing, Hefei Tianze and Ningbo Yuhang

On November 17, 2020, in order to ensure the continuality and stability of the Company's business operations and strengthen the control of Dr. Gu Jing, Dr. Gu Jing, Hefei Tianze and Ningbo Yuhang entered into an acting-in-concert agreement (the "**Historical Acting-in-Concert Agreement**"), pursuant to which Hefei Tianze and Ningbo Yuhang agreed to act in concert with Dr. Gu Jing and his controlled entities in board meetings and general meetings of the Company from November 17, 2020 to November 17, 2022.

The Historical Acting-in-Concert Agreement was terminated on July 29, 2022 as a result of the weighted voting rights structure coming into effect in July 2022 as set out below.

Weighted Voting Rights Structure

Considering the introduction of external financings (see below "— [**REDACTED**] Investments"), and in order to ensure the control of Dr. Gu Jing and his leadership in the Company's development pathway, the Company adopted a weighted voting rights structure in July 2022, pursuant to which, each Class A Ordinary Share entitles its holder to ten votes at the Company's general meetings (subject to applicable PRC laws and regulations) whereas each Class B Ordinary Share entitles its holder to one vote at the Company's general meetings. The holders of the Class A Ordinary Shares shall be parties which had made significant contributions to the Company's development or business growth, and who expected to continuously serve as directors of the Company (the "**Weighed Voting Rights Structure**").

Under the Weighed Voting Rights Structure, Dr. Gu Jing held an aggregate of 48,840,956 Class A Ordinary Shares, comprising 36,204,584 Class A Ordinary Shares and 12,636,372 Class A Ordinary Shares through Shenzhen Yishi and Yisheng No. 2, both being his controlled entities, respectively, as of the Latest Practicable Date.

The Weighed Voting Rights Structure will be unwound upon the [**REDACTED**]. See "Share Capital — Our Voting Structure before and after the [**REDACTED**]."

Major Shareholding Changes and [REDACTED] Investments Prior to the Conversion into a Joint Stock Company

Series Angel Financing

On March 28, 2013, the Company, its then shareholders, Vertex Asia Fund Pte. Ltd. ("**Vertex Asia**") and White Cloud Valley (HK) Investment Limited ("**White Cloud Valley**") entered into a capital increase agreement, pursuant to which each of Vertex Asia and White Cloud Valley agreed to subscribe for the increased registered capital of RMB12,500,000 of the Company at a consideration of RMB10 million, respectively (the "**Series Angel Financing**"). The consideration was determined based on arm's length negotiation with reference to the Company's then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series Angel Financing had been duly settled and completed as of the Latest Practicable Date. See "— [**REDACTED**] Investments" for further details.

Series A Financing

On October 12, 2015, the Company, its then shareholders and Boe Technology Group Co., Ltd. (京東方科技集團股份有限公司) ("**Boe Technology**") entered into a capital increase agreement, pursuant to which Boe Technology agreed to subscribe for the increased registered capital of RMB4,166,666 of the Company at a consideration of RMB50 million (the "**Series A Financing**"). The consideration was determined based on arm's length negotiation with reference to the then valuation of the Company.

The Series A Financing had been duly settled and completed as of the Latest Practicable Date. See "— [**REDACTED**] Investments" for further details.

Series A+ Financing and Series B Financing

On December 28, 2017, the Company, its then shareholders, Shenzhen Wanchuang Shidai Venture Capital Enterprise (Limited Partnership)* (深圳市萬創時代創業投資企業(有限合夥)) ("**Wanchuang Shidai**"), Shanghai Fuzhishuo Venture Capital Partnership Enterprise (Limited Partnership)* (上海復之碩創業投資合夥企業(有限合夥)) ("**Shanghai Fuzhishuo**"), Shanghai Juyuan Qitai Investment Center (Limited Partnership)* (上海聚源啟泰投資中心(有限合夥)) ("**Juyuan Qitai**") and Shanghai Jiutangjin Investment Management Partnership Enterprise (Limited Partnership)* (上海玖堂金投資管理合夥企業(有限合夥)) ("**Shanghai Jiutangjin**," collectively with Wanchuang Shidai, Shanghai Fuzhishuo and Juyuan Qitai, the "**Series A+ Investors**"), Qualcomm (China) Holding Company Limited* (高通(中國)控股有限公司) ("**Qualcomm China**"), Chongqing Jichuang Yuyuan Equity Investment Fund Partnership Enterprise (Limited Partnership)* (重慶極創渝源股權投資基金合夥企業(有限合夥)) ("**Jichuang Yuyuan**"), Shenzhen Nanshan Hongtai Equity Investment Fund Partnership Enterprise (Limited Partnership)* (深圳南山鴻泰股權投資基金合夥企業(有限合夥)) ("**Nanshan Hongtai**"), Suzhou Bangsheng Yingxin Venture Capital Enterprise (Limited Partnership)* (蘇州邦盛贏新創業投資企業(有限合夥)) ("**Bangsheng Yingxin**"), Suzhou

Qingyue Optoelectronics Technology Co., Ltd.* (蘇州清越光電科技股份有限公司) ("**Qingyue Optoelectronics**", then known as Kunshan Weixinnuo Technology Company Limited* (昆山維信諾科技有限公司)), Hangzhou Kunwei Investment Partnership Enterprise (Limited Partnership)* (杭州崑巍投資合夥企業(有限合夥)) ("**Hangzhou Kunwei**"), Shanghai Jiutangjin, Shanghai Suishuo Venture Capital Partnership Enterprise (Limited Partnership)* (上海隋碩創業投資合夥企業(有限合夥)) ("**Shanghai Suishuo**") and Tianjin Jinmi Investment Partnership Enterprise (Limited Partnership)* (天津金米投資合夥企業(有限合夥)) ("**Tianjin Jinmi**", collectively with Qualcomm China, Jichuang Yuyuan, Nanshan Hongtai, Bangsheng Yingxin, Qingyue Optoelectronics, Hangzhou Kunwei, Shanghai Jiutangjin and Shanghai Suishuo, the "**Series B Investors**") entered into a capital increase agreement (the "**Series A+ and Series B Financings Agreement**," for the financing by Series A+ Investor, the "**Series A+ Financing**," for the financing by Series B Investors, the "**Series B Financing**"). The table below sets out the registered capital subscribed and consideration paid by each of the Series A+ Investors and Series B Investors.

Name	Subscribed registered capital	Consideration Paid
	(RMB)	*(RMB)*
Series A+ Investors		
Wanchuang Shidai	396,000	7,692,307.69
Shanghai Fuzhishuo	356,400	6,923,076.92
Juyuan Qitai	237,600	4,615,384.62
Shanghai Jiutangjin	39,600	769,230.77
Subtotal	1,029,600	20,000,000
Series B Investors		
Qualcomm China	772,201	15,000,000
Jichuang Yuyuan	772,201	15,000,000
Nanshan Hongtai	1,287,001	25,000,000
Bangsheng Yingxin	257,400	5,000,000
Qingyue Optoelectronics	128,700	2,500,000
Hangzhou Kunwei	257,400	5,000,000
Shanghai Jiutangjin	25,740	500,000
Shanghai Suishuo	231,660	4,500,000
Tianjin Jinmi	128,700	25,000,000
Subtotal	3,861,003	97,500,000
Total	**4,890,606**	**117,500,000**

The considerations were determined based on arm's length negotiations with reference to the Company's then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series A+ Financing and the Series B Financing had been duly settled and completed as of the Latest Practicable Date. See "— [**REDACTED**] Investments" for further details.

2018 Capital Increase

On December 18, 2018, pursuant to the Series A+ and Series B Financings Agreement, Dr. Gu Jing and Series B Investors made an additional capital increase to the Company (the "**2018 Capital Increase**") at the same consideration as that of the Series B Financing. The table below sets out the registered capital subscribed and consideration paid by each of Dr. Gu Jing and the Series B Investors.

Name	Subscribed registered capital	Consideration Paid
	(RMB)	*(RMB)*
Dr. Gu Jing	648,385.73	12,533,296.16
Series B Investors		
Qualcomm China	772,200.74	15,000,000
Jichuang Yuyuan	772,200.74	15,000,000
Nanshan Hongtai	1,287,001.23	25,000,000
Bangsheng Yingxin	257,400.24	5,000,000
Qingyue Optoelectronics	128,700.12	2,500,000
Hangzhou Kunwei	257,400.24	5,000,000
Shanghai Jiutangjin	25,740.03	500,000
Shanghai Suishuo	231,660.25	4,500,000
Tianjin Jinmi	128,700.12	2,500,000
Total	**4,509,389.44**	**87,533,296.16**

The 2018 Capital Increase had been duly settled and completed as of the Latest Practicable Date.

Series C Financing

On September 23, 2019, the Company, its then shareholders, Suzhou Industrial Park Qiming Rongke Equity Investment Partnership (Limited Partnership)* (蘇州工業園區啟明融科股權投資合夥企業(有限合夥)) ("**Qiming Rongke**"), Suzhou Qiming Rongying Venture Capital Partnership (Limited Partnership)* (蘇州啟明融盈創業投資合夥企業(有限合夥)) ("**Qiming Rongying**"), QM119 Limited, Qualcomm China, Shenzhen Nanshan Zhonghang Unmanned System Equity Investment Fund Partnership Enterprise (Limited Partnership)* (深圳南山中航無人系統股權投資基金合夥企業(有限合夥)) ("**Nanshan Zhonghang**"), Shenzhen Hongtai Zhiyun Venture Capital Partnership Enterprise (Limited Partnership)* (深圳鴻泰智雲創投合夥企業(有限合夥)) ("**Hongtai Zhiyun**"), Jichuang Yuyuan and Shanghai Suishuo (collectively, the "**Series C Investors**") entered into a capital increase agreement (the "**Series C Financing**"). The table below sets out the registered capital subscribed and consideration paid by Dr. Gu Jing and each of the Series C Investors.

Name	Subscribed registered capital	Consideration Paid
	(RMB)	*(RMB)*
Dr. Gu Jing	524,596	10,140,441
Series C Investors		
Qiming Rongke	529,536	16,107,000
Qiming Rongying	285,135	8,673,000
QM119 Limited	2,721,079	82,767,600 (US$12 million)
Qualcomm China	272,108	8,276,800 (US$1.2 million)
Nanshan Zhonghang	347,665	10,575,000
Hongtai Zhiyun	328,761	10,000,000
Jichuang Yuyuan	23,013	700,000
Shanghai Suishuo	146,019	4,441,500
Total	**5,177,912**	**151,681,341**

The considerations were determined based on arm's length negotiations with reference to the Company's then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series C Financing had been duly settled and completed as of the Latest Practicable Date. See "— [**REDACTED**] Investments" for further details.

Series C+ Financing

On April 10, 2020, the Company, its then shareholders and Hubei Xiaomi Changjiang Industry Fund Partnership (Limited Partnership)* (湖北小米長江產業基金合夥企業(有限合夥)) ("**Xiaomi Changjiang**," collectively with Nanshan Zhonghang, the "**Series C+ Investors**") entered into a capital increase agreement (the "**Series C+ Financing**"). The table below sets out the registered capital subscribed and consideration paid by each of Dr. Gu Jing and the Series C+ Investors.

Name	Subscribed registered capital	Consideration Paid
	(RMB)	*(RMB)*
Dr. Gu Jing	331,296	6,403,952
Series C+ Investors		
Xiaomi Changjiang	1,315,045	40,000,000
Nanshan Zhonghang	657,523	20,000,000
Total	**2,303,864**	**66,403,952**

The considerations were determined based on arm's length negotiations with reference to the Company's then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series C+ Financing had been duly settled and completed as of the Latest Practicable Date. See "— [**REDACTED**] Investments" for further details.

Series D Financing

On November 17, 2020, the Company, its then shareholders, HSG, CICC Pucheng Investment Company Limited* (中金浦成投資有限公司) ("**CICC Pucheng**") and Qilu (Xiamen) Equity Investment Partnership (Limited Partnership)* (啟鷺(廈門)股權投資合夥企業(有限合夥)) ("**Xiamen Qilu**") and Zhuhai Zhiyi Chuangzhi Investment Enterprise (Limited Partnership)* (珠海執一創智投資企業(有限合夥)) ("**Zhuhai Zhiyi**," collectively with HSG, CICC Pucheng, Xiamen Qilu, Hangzhou Kunwei, Jichuang Yuyuan, Qualcomm China, QM119 Limited, Qiming Rongke and Qiming Rongying, the "**Series D Investors**") entered into a capital increase agreement (the "**Series D Financing**"). The table below sets out the registered capital subscribed and consideration paid by each of Dr. Gu Jing and the Series D Investors.

Name	Subscribed registered capital	Consideration Paid
	(RMB)	*(RMB)*
Dr. Gu Jing	836,799	16,175,325
Series D Investors		
HSG	3,089,191	150,000,000
CICC Pucheng	205,946	10,000,000
Xiamen Qilu	361,981	17,576,512
Zhuhai Zhiyi	617,838	30,000,000
Hangzhou Kunwei	65,903	3,200,000
Jichuang Yuyuan	14,416	700,000
Qualcomm China	72,081	3,500,000
QM119 Limited	427,147	20,740,726
Qiming Rongke	25,577	1,241,924
Qiming Rongying	102,308	4,967,696
Total	**5,819,187**	**258,102,183**

The considerations were determined based on arm's length negotiations with reference to the Company's then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series D Financing had been duly settled and completed as of the Latest Practicable Date. See "— [**REDACTED**] Investments" for further details.

Series D+ Financing

On May 8, 2021, the Company, Shanghai Yishi Enterprise Management Center (Limited Partnership)* (上海翼勢企業管理中心(有限合夥)) ("**Shanghai Yishi**", a limited partnership established under the laws of the PRC where Dr. Gu Jing was the general partner, through which Dr. Gu Jing held his equity interest in the Company), its then shareholders, Shenzhen Hubble Technology Investment Partnership Enterprise (Limited Partnership)* (深圳哈勃科技投資合夥企業(有限合夥)) ("**Hubble Technology**," collectively with Xiaomi Changjiang, the "**Series D+ Investors**") entered into a capital increase agreement ("**Series D+ Financing**"). The table below sets out the registered capital subscribed and consideration paid by each of the Series D+ Investors.

Name	Subscribed registered capital	Consideration Paid
	(RMB)	*(RMB)*
Shanghai Yishi	487,983	9,432,711.39
Series D+ Investors		
Hubble Technology	2,336,801	113,466,637.39
Xiaomi Changjiang	1,021,756	49,612,790.12
Total	**3,846,540**	**172,512,138.9**

The considerations were determined based on arm's length negotiations with reference to the Company's then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series D+ Financing had been duly settled and completed as of the Latest Practicable Date. See "— [**REDACTED**] Investments" for further details.

Series D++ Financing

On July 8, 2021, the Company, Shanghai Yishi, its then shareholders, Guokai Technology Venture Capital Company Limited* (國開科技創業投資有限責任公司) ("**Guokai Technology**"), Suzhou Wofu Ruixin Venture Capital Partnership Enterprise (Limited Partnership)* (蘇州沃賦睿鑫創業投資合夥企業(有限合夥)) ("**Wofu Ruixin**"), Jiaxing Xihao Venture Capital Partnership Enterprise (Limited Partnership)* (嘉興熙灝創業投資合夥企業(有限合夥)) ("**Jiaxing Xihao**") and Shenzhen Zhonghang Pingshan Integrated Circuits Venture Capital Partnership Enterprise (Limited Partnership)* (深圳中航坪山集成電路創業投資合夥企業(有限合夥)) ("**Zhonghang Pingshan**," collectively with Guokai Technology, Wofu Ruixin, Jiaxing Xihao, Xiamen Zhiyi, Xiamen Qilu, CICC Pucheng, HSG, Hangzhou Kunwei and Jichuang Yuyuan, the "**Series D++ Investors**") entered into a capital increase agreement ("**Series D++ Financing**"). The table below sets out the registered capital subscribed and consideration paid by each of the Series D++ Investors.

Name	Subscribed registered capital	Consideration Paid
	(RMB)	*(RMB)*
Shanghai Yishi	134,710	2,603,944
Series D++ Investors		
Guokai Technology	412,376	30,000,000
Wofu Ruixin	549,836	40,000,000
Jiaxing Xihao	270,794	19,700,000
Zhonghang Pingshan	59,107	4,300,000
Xiamen Zhiyi	274,918	20,000,000
Xiamen Qilu	687,294	50,000,000
CICC Pucheng	137,459	10,000,000
HSG	178,697	13,000,000
Hangzhou Kunwei	34,365	2,500,000
Jichuang Yuyuan	9,622	700,000
Total	**2,749,178**	**192,803,944**

The considerations were determined based on arm's length negotiations with reference to the Company's then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series D++ Financing had been duly settled and completed as of the Latest Practicable Date. See "— [**REDACTED**] Investments" for further details.

Series* [REDACTED] *Financing

On December 21, 2021, the Company, its then shareholders, Jiaxing Haiyun Venture Capital Partnership (Limited Partnership)* (嘉興海雲創業投資合夥企業(有限合夥)) ("**Jiaxing Haiyun**"), Liaoning Haitong New Energy Equity Investment Fund Partnership Enterprise (Limited Partnership)* (遼寧海通新動能股權投資基金合夥企業(有限合夥)) ("**Haitong New Energy**"), Dongguan Yueke Xintai No. 25 Venture Capital Partnership Enterprise (Limited Partnership)* (東莞粵科鑫泰二十五號創業投資合夥企業(有限合夥)) ("**Yueke Xintai No. 25**"), Shenzhen Zhicheng Shuzhi No. 4 Venture Capital Partnership Enterprise (Limited Partnership)* (深圳市智城數智四號創業投資合夥企業(有限合夥)) ("**Zhicheng Shuzhi**"), Shenzhen High-Tech Investment Venture Capital Company Limited* (深圳市高新投創業投資有限公司) ("**Shenzhen High-Tech Investment**"), Chengdu Shengao Investment Zhongxiaodan Venture Capital Equity Investment Fund Partnership (Limited Partnership)* (成都深高投中小擔創業股權投資基金合夥企業(有限合夥)) ("**Shengao Investment**"), Shenzhen High-Tech Fuhai Venture Capital Phase I Partnership Enterprise (Limited Partnership)* (深圳市高新投福海創業投資基金一期合夥企業(有限合夥)) ("**Shenzhen High-Tech Fuhai**") and Shenzhen Addition No. 2 Venture Capital Partnership Enterprise (Limited Partnership)* (深圳市加法貳號創業投資合夥企業(有限合夥)) ("**Shenzhen Addition No. 2**," collectively with Jiaxing Haiyun, Haitong New Energy, Yueke Xintai No. 25, Zhicheng Shuzhi, Shenzhen High-Tech

Investment, Shengao Investment, Shenzhen High-Tech Fuhai and HSG, the "**Series [REDACTED] Investors**") entered into a capital increase agreement (the "**Series [REDACTED] Financing**"). The table below sets out the registered capital subscribed and consideration paid by each of the Series [**REDACTED**] Investors.

Name	Subscribed registered capital	Consideration Paid
	(RMB)	*(RMB)*
Jiaxing Haiyun	706,371	90,000,000
Haitong New Energy	470,914	60,000,000
Yueke Xintai No. 25	274,700	35,000,000
HSG	235,457	30,000,000
Zhicheng Shuzhi	156,971	20,000,000
Shenzhen High-Tech Investment	156,971	20,000,000
Shengao Investment	78,486	10,000,000
Shenzhen High-Tech Fuhai	39,243	5,000,000
Shenzhen Addition No. 2	39,243	5,000,000
Total	**2,158,356**	**275,000,000**

The considerations were determined based on arm's length negotiations with reference to the Company's then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series [**REDACTED**] Financing had been duly settled and completed as of the Latest Practicable Date. See "— [**REDACTED**] Investments" for further details.

Equity Transfers

From 2013 to 2022, there are several rounds of equity transfers by the then shareholders of the Company, all of which had been duly settled and completed as of the Latest Practicable Date. See "— [**REDACTED**] Investments — Overview" and "— [**REDACTED**] Investments — Information about the [**REDACTED**] Investors" below for further details.

Establishment and Evolvement of the Shareholding Platforms of the Company

Yisheng No. 1

On September 20, 2019, Shanghai Yisheng Enterprise Management Center (Limited Partnership)* (上海翼升企業管理中心(有限合夥)) ("**Shanghai Yisheng**"), a then employee shareholding platform, subscribed for the Company's increased registered capital of RMB3.52 million (among which RMB0.73 million registered capital was held by Dr. Gu Jing on behalf of Shanghai Yisheng, and such nominee arrangement was terminated in 2021) at a consideration of RMB65.0 million for the purpose of equity incentive.

On November 29, 2021, to streamline and optimize the Company's shareholding structure, Shanghai Yisheng and Yisheng No. 1, the Company's current employee shareholding platform, entered into an equity transfer agreement, pursuant to which Shanghai Yisheng agreed to transfer all of its then RMB3,521,861 registered capital in the Company to Yisheng No. 1 at nil consideration. The registered capital held by Shanghai Yisheng was not paid up then and was subsequently paid up by Yisheng No. 1 on July 28, 2022 before the conversion of the Company into a joint stock company with limited liability in December 2022.

Upon the [**REDACTED**], to improve the efficiency of the management's decision-making process and subject to completion of relevant procedures required by applicable laws and regulations and the partnership agreement of Yisheng No. 1, the general partner of Yisheng No. 1 will be changed from Mr. Han Xu to Dr. Gu Jing. Upon completion of such change, Yisheng No. 1 will be controlled by Dr. Gu Jing upon the [**REDACTED**]. See "— Corporate Structure — Corporate Structure immediately after the [**REDACTED**]."

Yisheng No. 2

In December 2021, Yisheng No. 2, the current shareholding platform of the Company whose general partner is Dr. Gu Jing, also subscribed for the increased registered capital of RMB1,530,470 in the Company at a consideration of RMB29,583,985 for the purpose of equity incentive.

For further details, see "— Employee Shareholding Platforms" below.

Conversion into a Joint Stock Company with Limited Liability

On December 20, 2022, the Company was converted into a joint stock company with limited liability and renamed to Viewtrix Technology Co., Ltd. (雲英谷科技股份有限公司). Upon the completion of the conversion, the Company had a total share capital of RMB53,174,028 divided into 360,000,000 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective equity interest in the Company before such conversion.

The table below sets forth the shareholding structure of the Company immediately after completion of the conversion.

Name	Number of Shares Held	Share Percentage	Voting Power
Entities controlled by Dr. Gu Jing – Class A Ordinary Share			
Shenzhen Yishi[(1)]	36,204,584	10.06%	46.47%
Yisheng No. 2	10,361,622	2.88%	13.30%
Other Shareholders – Class B Ordinary Share			
Yisheng No. 1	23,843,783	6.62%	3.06%
HSG	23,718,425	6.59%	3.04%
QM119 Limited	21,314,190	5.92%	2.74%
Qicheng Zhiyuan	18,343,755	5.10%	2.35%

Name	Number of Shares Held	Share Percentage	Voting Power
Nanshan Hongtai	17,426,566	4.84%	2.24%
Shenzhen Yizhen	15,910,023	4.42%	2.04%
Xiaomi Changjiang	15,820,663	4.39%	2.03%
Hubble Technology	15,820,663	4.39%	2.03%
Boe Technology	15,507,357	4.31%	1.99%
Ningbo Yuhang	14,668,811	4.07%	1.88%
Qualcomm China	8,870,853	2.46%	1.14%
Jiaxing Haiyun	8,697,610	2.42%	1.12%
Hefei Tianze	8,632,034	2.40%	1.11%
Jichuang Yuyuan	8,537,163	2.37%	1.10%
Vertex Legacy	7,805,897	2.17%	1.00%
Xiamen Qilu	7,103,825	1.97%	0.91%
Nanshan Zhonghang	6,805,346	1.89%	0.87%
White Cloud Valley	6,407,569	1.78%	0.82%
Xiamen Zhiyi	6,044,157	1.68%	0.78%
Linghui Cornerstone	4,848,488	1.35%	0.62%
Hangzhou Kunwei	4,164,147	1.16%	0.53%
Shanghai Suishuo	4,125,388	1.15%	0.53%
Qiming Rongke	3,758,239	1.04%	0.48%
Wofu Ruixin	3,722,512	1.03%	0.48%
Yueke Xintai No. 25	3,258,109	0.91%	0.42%
Haitong New Energy	3,188,193	0.89%	0.41%
Guokai Technology	2,791,877	0.78%	0.36%
Qiming Rongying	2,623,075	0.73%	0.34%
Shanghai Fuzhishuo	2,412,907	0.67%	0.31%
Bangsheng Yingxin	2,366,646	0.66%	0.30%
CICC Pucheng	2,324,928	0.65%	0.30%
Hongtai Zhiyun	2,225,785	0.62%	0.29%
Zhicheng Shuzhi	2,181,393	0.61%	0.28%
Shenzhen High-Tech Investment	2,181,393	0.61%	0.28%
Beijing Chengda Technology Center (Limited Partnership) (北京誠大科技中心(有限合夥)) ("**Beijing Chengda**")[2]	1,861,811	0.52%	0.24%
Jiaxing Xihao	1,833,336	0.51%	0.24%
Qingyue Optoelectronics	1,742,655	0.48%	0.22%
Tianjin Jinmi	1,742,655	0.48%	0.22%
Guangdong Changtuoshi	1,608,605	0.45%	0.21%
Wanchuang Shidai	1,562,344	0.43%	0.20%
Yueke Xintai Industry	1,313,762	0.36%	0.17%
Hainan Jintai	1,118,664	0.31%	0.14%
Shengao Investment	1,090,696	0.30%	0.14%
Yu Huihui	616,632	0.17%	0.08%
Shenzhen Addition No. 2	545,348	0.15%	0.07%
Shenzhen High-Tech Fuhai	545,348	0.15%	0.07%
Zhonghang Pingshan	400,168	0.11%	0.05%
Total	**360,000,000**	**100.00**	**100.00**

Notes:

(1) in December 2021, all the equity interest in the Company held by Shanghai Yishi was transferred to Shenzhen Yishi. Shenzhen Yishi is a limited partnership where Dr. Gu Jing was the general partner, through which Dr. Gu Jing held his equity interest in the Company.

(2) On March 16, 2021, the 2012 Independent Investor entered into an equity transfer agreement with Beijing Chengda to transfer all of its then held 275,000 registered capital of the Company to Beijing Chengda, where the 2012 Independent Investor was a general partner then, at nil consideration.

Major Shareholding Changes and [REDACTED] Investments after the Conversion into a Joint Stock Company

2022 Capital Increase

On December 22, 2022, Yisheng No. 2 subscribed for 2,274,750 Shares newly issued by the Company at a consideration of RMB8,214,375 ("**2022 Capital Increase**"). The consideration was determined on arm's length basis with reference to the Company's then valuation and efforts to reserve shares for future share incentive plan(s), which has been duly settled and completed on December 23, 2022.

Series [REDACTED] *Financing*

On December 25, 2022, the Company, its then shareholders, Guangdong Province Semiconductor and Integrated Circuit Industry Investment Fund Partnership (L.P.)* (廣東省半導體及集成電路產業投資基金合夥企業(有限合夥)) ("**Semiconductor and IC Fund**"), Suzhou Houwang Ruilian Venture Capital Partnership Enterprise (Limited Partnership)* (蘇州厚望睿聯創業投資合夥企業(有限合夥)) ("**Houwang Ruilian**"), Hainan Yuxin Taojin No. 2 Equity Investment Fund Partnership Enterprise (Limited Partnership)* (海南鈺信濤金二號股權投資基金合夥企業(有限合夥)) ("**Yuxin Taojin**"), Shenzhen Dinghong Growth Investment Enterprise (Limited Partnership)* (深圳市鼎洪增長投資企業(有限合夥)) ("**Dinghong Growth**") and Huahui Electronics Technology (Tianjin) Industry Management Partnership (Limited Partnership)* (華慧電科(天津)產業管理合夥企業(有限合夥)) ("**Huahui Electronics**," collectively with Semiconductor and IC Fund, Houwang Ruilian, Yuxin Taojin and Dinghong Growth, the "**Series** [**REDACTED**] **Investors**") entered into a capital increase agreement (the "**Series** [**REDACTED**] **Financing**"). The table below sets out the number of Shares subscribed and consideration paid by each of the Series [**REDACTED**] Investors.

Name	Number of Shares Subscribed	Consideration Paid
		(RMB)
Semiconductor and IC Fund	2,700,000	60,000,000
Houwang Ruilian	2,295,000	51,000,000
Yuxin Jintao	900,000	20,000,000
Dinghong Growth	450,000	10,000,000
Huahui Electronics	450,000	10,000,000
Total	**6,795,000**	**151,000,000**

The considerations were determined based on arm's length negotiations with reference to the Company's then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series [**REDACTED**] Financing had been duly settled and completed as of the Latest Practicable Date. See "— [**REDACTED**] Investments" for further details.

Series* [REDACTED] *Financing

On August 30, 2024, the Company, its then shareholders, Xiangfeng Phase II (Xiamen) Equity Investment Partnership Enterprise (Limited Partnership)* (祥峰二期(廈門)股權投資合夥企業(有限合夥)) ("**Xiangfeng Phase II**") and Chengdu Ceyuan Guangyi Electronics Information Equity Investment Fund Partnership (Limited Partnership)* (成都策源廣益電子信息股權投資基金合夥企業(有限合夥)) ("**Ceyuan Guangyi**," collectively with Xiangfeng Phase II, the "**Series [REDACTED] Investors**") entered into a capital increase agreement (the "**Series [REDACTED] Financing**"). The table below sets out the number of Shares subscribed and consideration paid by each of the Series [**REDACTED**] Investors.

Name	Number of Shares Subscribed	Consideration Paid
		(RMB)
Xiangfeng Phase II	4,500,000	100,000,000
Ceyuan Guangyi	1,350,000	30,000,000
Total	**5,850,000**	**130,000,000**

The considerations were determined based on arm's length negotiations with reference to the Company's then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series [**REDACTED**] Financing had been duly settled and completed as of the Latest Practicable Date. See "— [**REDACTED**] Investments" for further details.

2024 Share Transfer

On August 30, 2024, Ceyuan Guangyi and Wofu Ruixin entered into a share transfer agreement, pursuant to which Wofu Ruixin agreed to transfer 1,139,700 Shares to Ceyuan Guangyi at a consideration of RMB20 million ("**2024 Share Transfer**"). The consideration was determined based on arm's length negotiations with reference to the Company's then valuation, operating and financial conditions as well as its future earnings and development prospect.

The 2024 Share Transfer had been duly settled and completed as of the Latest Practicable Date.

MAJOR ACQUISITION, MERGER AND DISPOSAL

The Company did not conduct any acquisitions, disposals or mergers that it considers to be material during the Track Record Period and up to the Latest Practicable Date.

PREVIOUS LISTING ATTEMPT

For the purposes of the proposed initial public offering in the A-share market (the "**Proposed A-share Listing**") and receiving guidance from a qualified sponsor of A-share listing (the "**A-share Listing Tutorial**"), the Company entered into a pre-listing tutorial (上市輔導) agreement on January 6, 2023. However, in consideration of the reasons as set out in "— Reasons for the [**REDACTED**]" below and given the market conditions, the Company decided to focus its resources on the [**REDACTED**] on the Stock Exchange and did not proceed with the Proposed A-Share Listing.

To the best of the Directors' knowledge and belief, the Directors are not aware of any material matter in relation to the A-share Listing Tutorial that would affect the Company's suitability for [**REDACTED**] on the Stock Exchange or other material matters that need to be brought to the attention of the Stock Exchange. Based on the due diligence works conducted by the Joint Sponsors, the Joint Sponsors are not aware of any material matter in relation to the A-share Listing Tutorial that needs to be brought to the attention of the Stock Exchange.

REASONS FOR THE [REDACTED]

The Directors believe that the [**REDACTED**] will be in the interest of the Group's business development strategies, and would be beneficial to the Company and its Shareholders as a whole for, among others, the following reasons:

(i) the Stock Exchange, as a leading player of the international financial markets, could offer the Company a direct access to the international capital markets, enhance its fundraising capabilities and broaden its fundraising channels and its Shareholders base as well as strengthen its corporate governance;

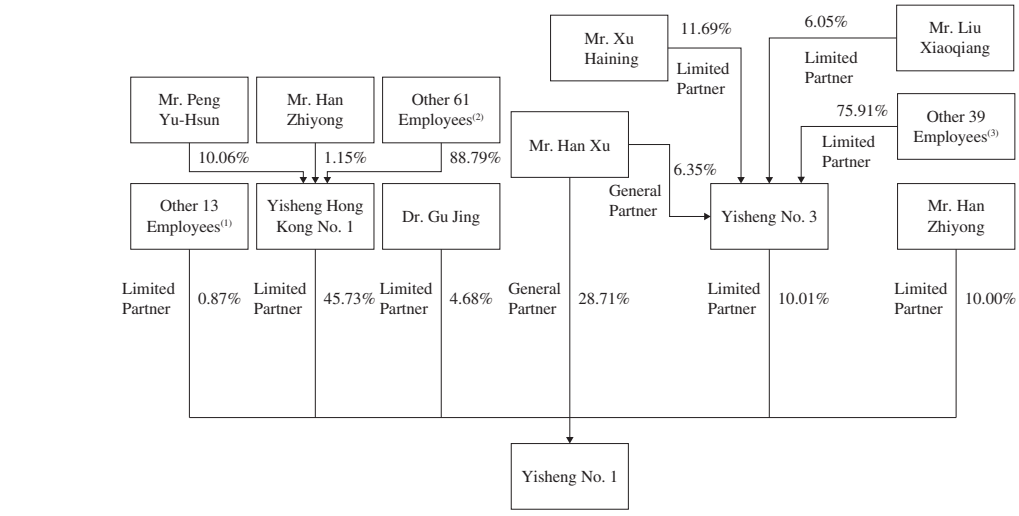
(ii) the [**REDACTED**] would give the Company a better platform to further develop its business; and

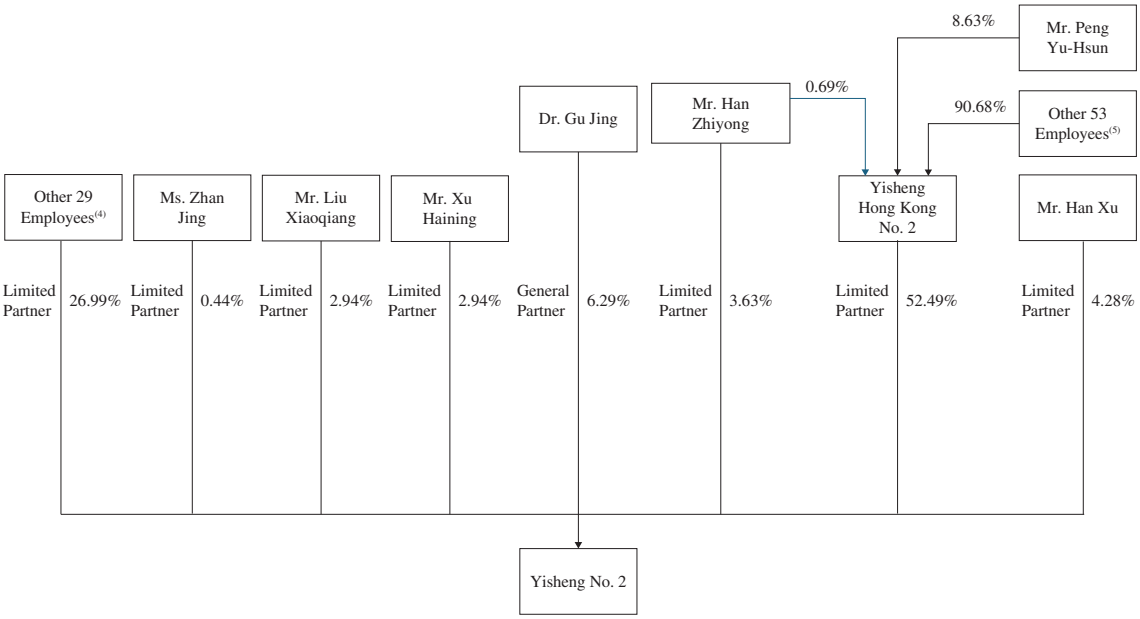
(iii) the [**REDACTED**] will raise the Company's brand awareness, business profile and thus, enhance its corporate image to attract customers, business partners and strategic investors as well as to recruit, motivate and retain key management personnel for the Group's business.

Taking into account, among others, the aforementioned factors and the long-term business development strategies of the Group, the Directors consider the Stock Exchange to be a more suitable venue to access international equity markets, and the [**REDACTED**] will be in the best interests of the Company and its Shareholders as a whole.

EMPLOYEE SHAREHOLDING PLATFORMS

As of the Latest Practicable Date, the Company had five employee shareholding platforms, Yisheng No. 1, Yisheng No. 2, Yisheng No. 3, Yisheng Hong Kong No. 1 and Yisheng Hong Kong No. 2. The simplified shareholding structure of these employee shareholding platforms is set out as below.





Notes:

(1) As of the Latest Practicable Date, none of the 13 employees held more than 1.00% equity interest in Yisheng No. 1.

(2) As of the Latest Practicable Date, none of the 61 employees held more than 10.00% shares in Yisheng Hong Kong No. 1.

(3) As of the Latest Practicable Date, none of the 39 employees held more than 10.00% equity interest in Yisheng No. 3.

(4) As of the Latest Practicable Date, none of the 29 employees held more than 2.00% equity interest in Yisheng No. 2.

(5) As of the Latest Practicable Date, none of the 53 employees held more than 10.00% shares in Yisheng Hong Kong No. 2.

As of the Latest Practicable Date:

(i) Yisheng No. 3 was interested in Yisheng No. 1 as to approximately 10.01% as a limited partner;

(ii) Yisheng Hong Kong No. 1 was interested in Yisheng No. 1 as to approximately 45.73% as a limited partner;

(iii) Yisheng Hong Kong No. 2 was interested in Yisheng No. 2 as to approximately 52.49% as a limited partner;

(iv) Dr. Gu Jing, chairman of the Board and an executive Director, was interested in Yisheng No. 1 as to approximately 4.68% as a limited partner, and in Yisheng No. 2 as to 6.29% as a general partner;

(v) Ms. Zhan Jing, a non-executive Director, was interested in Yisheng No. 2 as to approximately 0.44% as a limited partner;

(vi) Mr. Han Zhiyong, an executive Director, was interested in (i) Yisheng No. 1 as to approximately 10.00% as a limited partner, (ii) Yisheng No. 2 as to approximately 3.63% as a limited partner, (iii) Yisheng Hong Kong No. 1 as to approximately 1.15% as a minority shareholder and (iv) Yisheng Hong Kong No. 2 as to approximately 0.69% as a minority shareholder;

(vii) Mr. Xu Haining, a Supervisor, was interested in (i) Yisheng No. 2 as to approximately 2.94% as a limited partner and (ii) Yisheng No. 3 as to approximately 11.69% as a limited partner; and

(viii) Mr. Liu Xiaoqiang, a Supervisor, was interested in (i) Yisheng No. 2 as to approximately 2.94% as a limited partner and (ii) Yisheng No. 3 as to approximately 6.05% as a limited partner.

See "Appendix IV — Statutory and General Information — Share Incentive Scheme."

[REDACTED] INVESTMENTS

Overview

We underwent rounds of [**REDACTED**] Investments, the details of which are set forth below.

Name of [REDACTED] Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of [REDACTED] Investments	Cost per Share/ registered capital[(1)]	Total Consideration	Post-money valuation of the Company after each round of [REDACTED] Investments	Date on which the consideration was fully settled	Discount/ (Premium) to the mid-point of the [REDACTED] Range[(5)]
Series Angel Financing								
Vertex Asia[+]	March 28, 2013	RMB1,250,000	RMB12,500,000	RMB8.00	RMB10,000,000	RMB100,000,000	May 27, 2013	[**REDACTED**]%
White Cloud Valley . . .	March 28, 2013	RMB1,250,000	RMB12,500,000	RMB8.00	RMB10,000,000	RMB100,000,000	May 22, 2013	[**REDACTED**]%
Series A Financing								
Boe Technology	October 12, 2015	RMB4,166,666	RMB16,666,666	RMB12.00	RMB50,000,000	RMB200,000,000	October 28, 2015	[**REDACTED**]%
Series A+ Financing								
Wanchuang Shidai. . . .	December 28, 2017[(3)]	RMB396,000	RMB21,557,270.69	RMB19.43	RMB7,692,307.69	RMB418,750,000	February 26, 2018	[**REDACTED**]%
Shanghai Fuzhishuo. . .	December 28, 2017[(3)]	RMB356,400	RMB21,557,270.69	RMB19.43	RMB6,923,076.92	RMB418,750,000	February 9, 2018	[**REDACTED**]%
Juyuan Qitai[+]	December 28, 2017[(3)]	RMB237,600	RMB21,557,270.69	RMB19.43	RMB4,615,384.62	RMB418,750,000	February 12, 2018	[**REDACTED**]%
Shanghai Jiutangjin[+] . .	December 28, 2017[(3)]	RMB39,600	RMB21,557,270.69	RMB19.43	RMB769,230.77	RMB418,750,000	February 27, 2018	[**REDACTED**]%

Name of [REDACTED] Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of [REDACTED] Investments	Cost per Share/ registered capital[1]	Total Consideration	Post-money valuation of the Company after each round of [REDACTED] Investments	Date on which the consideration was fully settled	Discount/ (Premium) to the mid-point of the [REDACTED] Range[5]
Series B Financing								
Qualcomm China	December 28, 2017[3]	RMB772,201	RMB21,557,270.69	RMB19.43	RMB15,000,000	RMB418,750,000	March 28, 2018	[REDACTED]%
	December 28, 2017[4]	RMB772,201	RMB26,066,660.13	RMB19.43	RMB15,000,000	RMB493,750,000	January 23, 2019	[REDACTED]%
Jichuang Yuyuan	December 28, 2017[3]	RMB772,201	RMB21,557,270.69	RMB19.43	RMB15,000,000	RMB418,750,000	March 15, 2018	[REDACTED]%
	December 28, 2017[4]	RMB772,201	RMB26,066,660.13	RMB19.43	RMB15,000,000	RMB493,750,000	January 8, 2019	[REDACTED]%
Nanshan Hongtai	December 28, 2017[3]	RMB1,287,001	RMB21,557,270.69	RMB19.43	RMB25,000,000	RMB418,750,000	March 21, 2018	[REDACTED]%
	December 28, 2017[4]	RMB1,287,001	RMB26,066,660.13	RMB19.43	RMB25,000,000	RMB493,750,000	January 25, 2019	[REDACTED]%
Bangsheng Yingxin	December 28, 2017[3]	RMB257,400	RMB21,557,270.69	RMB19.43	RMB5,000,000	RMB418,750,000	March 19, 2018	[REDACTED]%
	December 28, 2017[4]	RMB257,400	RMB26,066,660.13	RMB19.43	RMB5,000,000	RMB493,750,000	January 10, 2019	[REDACTED]%
Qingyue Optoelectronics	December 28, 2017[3]	RMB128,700	RMB21,557,270.69	RMB19.43	RMB2,500,000	RMB418,750,000	February 8, 2018	[REDACTED]%
	December 28, 2017[4]	RMB128,700	RMB26,066,660.13	RMB19.43	RMB2,500,000	RMB493,750,000	September 18, 2018	[REDACTED]%

Name of [REDACTED] Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of [REDACTED] Investments	Cost per Share/ registered capital[1]	Total Consideration	Post-money valuation of the Company after each round of [REDACTED] Investments	Date on which the consideration was fully settled	Discount/ (Premium) to the mid-point of the [REDACTED] Range[5]
Hangzhou Kunwei. . . .	December 28, 2017[3]	RMB257,400	RMB21,557,270.69	RMB19.43	RMB5,000,000	RMB418,750,000	April 20, 2018	[REDACTED]%
	December 28, 2017[4]	RMB257,400	RMB26,066,660.13	RMB19.43	RMB5,000,000	RMB493,750,000	January 10, 2019	[REDACTED]%
Shanghai Jiutangjin+ . .	December 28, 2017[3]	RMB25,740	RMB21,557,270.69	RMB19.43	RMB500,000	RMB418,750,000	February 27, 2018	[REDACTED]%
	December 28, 2017[4]	RMB25,740	RMB26,066,660.13	RMB19.43	RMB500,000	RMB493,750,000	March 11, 2019	[REDACTED]%
Shanghai Suishuo	December 28, 2017[3]	RMB231,660	RMB21,557,270.69	RMB19.43	RMB4,500,000	RMB418,750,000	January 5, 2018	[REDACTED]%
	December 28, 2017[4]	RMB231,660	RMB26,066,660.13	RMB19.43	RMB4,500,000	RMB493,750,000	May 13, 2019	[REDACTED]%
Tianjin Jinmi	December 28, 2017[3]	RMB128,700	RMB21,557,270.69	RMB19.43	RMB2,500,000	RMB418,750,000	March 16, 2018	[REDACTED]%
	December 28, 2017[4]	RMB128,700	RMB26,066,660.13	RMB19.43	RMB2,500,000	RMB493,750,000	January 9, 2019	[REDACTED]%
Series C Financing								
Qiming Rongke	September 23, 2019	RMB529,536	RMB34,766,433	RMB30.42	RMB16,107,000	RMB1,057,500,000	October 11, 2019	[REDACTED]%
Qiming Rongying	September 23, 2019	RMB285,135	RMB34,766,433	RMB30.42	RMB8,673,000	RMB1,057,500,000	October 11, 2019	[REDACTED]%
QM119 Limited	September 23, 2019	RMB2,721,079	RMB34,766,433	RMB30.42	RMB82,767,600	RMB1,057,500,000	November 26, 2019	[REDACTED]%

Name of [REDACTED] Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of [REDACTED] Investments	Cost per Share/ registered capital[1]	Total Consideration	Post-money valuation of the Company after each round of [REDACTED] Investments	Date on which the consideration was fully settled	Discount/ (Premium) to the mid-point of the [REDACTED] Range[5]
Qualcomm China	September 23, 2019	RMB272,108	RMB34,766,433	RMB30.42	RMB8,276,800	RMB1,057,500,000	November 4, 2019	[REDACTED]%
Nanshan Zhonghang	September 23, 2019	RMB347,665	RMB34,766,433	RMB30.42	RMB10,575,000	RMB1,057,500,000	October 11, 2019	[REDACTED]%
Hongtai Zhiyun	September 23, 2019	RMB328,761	RMB34,766,433	RMB30.42	RMB10,000,000	RMB1,057,500,000	October 31, 2019	[REDACTED]%
Jichuang Yuyuan	September 23, 2019	RMB23,013	RMB34,766,433	RMB30.42	RMB700,000	RMB1,057,500,000	October 17, 2019	[REDACTED]%
Shanghai Suishuo	September 23, 2019	RMB146,019	RMB34,766,433	RMB30.42	RMB4,441,500	RMB1,057,500,000	October 25, 2019	[REDACTED]%
Series C+ Financing								
Xiaomi Changjiang	April 10, 2020	RMB1,315,045	RMB37,070,297	RMB30.42	RMB40,000,000	RMB1,127,580,000	May 9, 2020	[REDACTED]%
Zhonghang Nanshan	April 10, 2020	RMB657,523	RMB37,070,297	RMB30.42	RMB20,000,000	RMB1,127,580,000	April 22, 2020	[REDACTED]%
Series D Financing								
HSG	November 17, 2020	RMB3,089,191	RMB42,889,484	RMB48.56	RMB150,000,000	RMB2,082,558,283	December 8, 2020	[REDACTED]%
CICC Pucheng	November 17, 2020	RMB205,946	RMB42,889,484	RMB48.56	RMB10,000,000	RMB2,082,558,283	November 30, 2020	[REDACTED]%
Xiamen Qilu	November 17, 2020	RMB361,981	RMB42,889,484	RMB48.56	RMB17,576,512	RMB2,082,558,283	December 8, 2020	[REDACTED]%
Zhuhai Zhiyi+	November 17, 2020	RMB617,838	RMB42,889,484	RMB48.56	RMB30,000,000	RMB2,082,558,283	December 10, 2020	[REDACTED]%

Name of [REDACTED] Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of [REDACTED] Investments	Cost per Share/ registered capital[1]	Total Consideration	Post-money valuation of the Company after each round of [REDACTED] Investments	Date on which the consideration was fully settled	Discount/ (Premium) to the mid-point of the [REDACTED] Range[5]
Hangzhou Kunwei	November 17, 2020	RMB65,903	RMB42,889,484	RMB48.56	RMB3,200,000	RMB2,082,558,283	December 11, 2020	[REDACTED]%
Jichuang Yuyuan	November 17, 2020	RMB14,416	RMB42,889,484	RMB48.56	RMB700,000	RMB2,082,558,283	December 1, 2020	[REDACTED]%
Qualcomm China	November 17, 2020	RMB72,081	RMB42,889,484	RMB48.56	RMB3,500,000	RMB2,082,558,283	December 8, 2020	[REDACTED]%
QM119 Limited	November 17, 2020	RMB427,147	RMB42,889,484	RMB48.56	RMB20,740,726	RMB2,082,558,283	December 7, 2020	[REDACTED]%
Qiming Rongke	November 17, 2020	RMB25,577	RMB42,889,484	RMB48.56	RMB1,241,924	RMB2,082,558,283	November 25, 2020	[REDACTED]%
Qiming Rongying	November 17, 2020	RMB102,308	RMB42,889,484	RMB48.56	RMB4,967,696	RMB2,082,558,283	November 25, 2020	[REDACTED]%
Series D+ Financing								
Hubble Technology	May 8, 2021	RMB2,336,801	RMB46,736,024	RMB48.56	RMB113,466,637.39	RMB2,269,501,325.44	May 24, 2021	[REDACTED]%
Xiaomi Changjiang	May 8, 2021	RMB1,021,756	RMB46,736,024	RMB48.56	RMB49,612,790.12	RMB2,269,501,325.44	May 28, 2021	[REDACTED]%
Series D++ Financing								
Guokai Technology	July 8, 2021	RMB412,376	RMB49,485,202	RMB72.75	RMB30,000,000	RMB3,600,000,000	July 14, 2021	[REDACTED]%
Wofu Ruixin	July 8, 2021	RMB549,836	RMB49,485,202	RMB72.75	RMB40,000,000	RMB3,600,000,000	July 19, 2021	[REDACTED]%
Jiaxing Xihao	July 8, 2021	RMB270,794	RMB49,485,202	RMB72.75	RMB19,700,000	RMB3,600,000,000	August 4, 2021	[REDACTED]%
Zhonghang Pingshan	July 8, 2021	RMB59,107	RMB49,485,202	RMB72.75	RMB4,300,000	RMB3,600,000,000	July 19, 2021	[REDACTED]%
Xiamen Zhiyi	July 8, 2021	RMB274,918	RMB49,485,202	RMB72.75	RMB20,000,000	RMB3,600,000,000	August 12, 2021	[REDACTED]%
Xiamen Qilu	July 8, 2021	RMB687,294	RMB49,485,202	RMB72.75	RMB50,000,000	RMB3,600,000,000	July 21, 2021	[REDACTED]%
CICC Pucheng	July 8, 2021	RMB137,459	RMB49,485,202	RMB72.75	RMB10,000,000	RMB3,600,000,000	July 21, 2021	[REDACTED]%

Name of [REDACTED] Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of [REDACTED] Investments	Cost per Share/ registered capital[1]	Total Consideration	Post-money valuation of the Company after each round of [REDACTED] Investments	Date on which the consideration was fully settled	Discount/ (Premium) to the mid-point of the [REDACTED] Range[5]
HSG	July 8, 2021	RMB178,697	RMB49,485,202	RMB72.75	RMB13,000,000	RMB3,600,000,000	July 23, 2021	[REDACTED]%
Hangzhou Kunwei	July 8, 2021	RMB34,365	RMB49,485,202	RMB72.75	RMB2,500,000	RMB3,600,000,000	August 12, 2021	[REDACTED]%
Jichuang Yuyuan	July 8, 2021	RMB9,622	RMB49,485,202	RMB72.75	RMB700,000	RMB3,600,000,000	July 21, 2021	[REDACTED]%
Series* [REDACTED] *Financing								
Jiaxing Haiyun	December 21, 2021	RMB706,371	RMB53,174,028	RMB127.41	RMB90,000,000	RMB6,775,000,000	December 24, 2021	[REDACTED]%
Haitong New Energy	December 21, 2021	RMB470,914	RMB53,174,028	RMB127.41	RMB60,000,000	RMB6,775,000,000	December 30, 2021	[REDACTED]%
Yueke Xintai No. 25	December 21, 2021	RMB274,700	RMB53,174,028	RMB127.41	RMB35,000,000	RMB6,775,000,000	December 27, 2021	[REDACTED]%
HSG	December 21, 2021	RMB235,457	RMB53,174,028	RMB127.41	RMB30,000,000	RMB6,775,000,000	January 12, 2022	[REDACTED]%
Zhicheng Shuzhi	December 21, 2021	RMB156,971	RMB53,174,028	RMB127.41	RMB20,000,000	RMB6,775,000,000	December 29, 2021	[REDACTED]%
Shenzhen High-Tech Investment	December 21, 2021	RMB156,971	RMB53,174,028	RMB127.41	RMB20,000,000	RMB6,775,000,000	December 28, 2021	[REDACTED]%
Shengao Investment	December 21, 2021	RMB78,486	RMB53,174,028	RMB127.41	RMB10,000,000	RMB6,775,000,000	December 29, 2021	[REDACTED]%
Shenzhen High-Tech Fuhai	December 21, 2021	RMB39,243	RMB53,174,028	RMB127.41	RMB5,000,000	RMB6,775,000,000	December 29, 2021	[REDACTED]%
Shenzhen Addition No. 2	December 21, 2021	RMB39,243	RMB53,174,028	RMB127.41	RMB5,000,000	RMB6,775,000,000	December 29, 2021	[REDACTED]%

Name of [REDACTED] Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of [REDACTED] Investments	Cost per Share/ registered capital[(1)]	Total Consideration	Post-money valuation of the Company after each round of [REDACTED] Investments	Date on which the consideration was fully settled	Discount/ (Premium) to the mid-point of the [REDACTED] Range[(5)]
Series* [REDACTED] *Financing								
Semiconductor and IC Fund	December 25, 2022	RMB2,700,000	RMB369,069,750	RMB150.43	RMB60,000,000	RMB8,201,550,000	December 28, 2022	[REDACTED]%
Houwang Ruilian	December 25, 2022	RMB2,295,000	RMB369,069,750	RMB150.43	RMB51,000,000	RMB8,201,550,000	December 29, 2022	[REDACTED]%
Yuxin Taojin	December 25, 2022	RMB900,000	RMB369,069,750	RMB150.43	RMB20,000,000	RMB8,201,550,000	December 28, 2022	[REDACTED]%
Dinghong Growth	December 25, 2022	RMB450,000	RMB369,069,750	RMB150.43	RMB10,000,000	RMB8,201,550,000	December 30, 2022	[REDACTED]%
Huahui Electronics	December 25, 2022	RMB450,000	RMB369,069,750	RMB150.43	RMB10,000,000	RMB8,201,550,000	December 28, 2022	[REDACTED]%
Series* [REDACTED] *Financing								
Xiangfeng Phase II	August 30, 2024	RMB4,500,000	RMB374,919,750	RMB150.43	RMB100,000,000	RMB8,331,550,000	September 10, 2024	[REDACTED]%
Ceyuan Guangyi	August 30, 2024	RMB1,350,000	RMB374,919,750	RMB150.43	RMB30,000,000	RMB8,331,550,000	September 20, 2024	[REDACTED]%
Through Transfer of Shares/registered capital								
Enspire Capital Pte. Ltd.[+]	December 4, 2013	RMB194,050	RMB12,500,000	US$1.29	US$250,000	RMB100,000,000	December 31, 2013	[REDACTED]%

Name of [REDACTED] Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of [REDACTED] Investments	Cost per Share/ registered capital[1]	Total Consideration	Post-money valuation of the Company after each round of [REDACTED] Investments	Date on which the consideration was fully settled	Discount/ (Premium) to the mid-point of the [REDACTED] Range[5]
Boe Technology	December 9, 2015	RMB833,334	RMB16,666,666	RMB12.00	RMB10,000,000	RMB200,000,000	December 30, 2015	[REDACTED]%
Hefei Tianze	May 7, 2018	RMB275,000	RMB21,557,271	RMB17.48	RMB4,807,242	RMB418,857,769.51	November 14, 2018	[REDACTED]%
	May 7, 2018	RMB1,000,000	RMB21,557,271	RMB17.48	RMB17,482,500	RMB418,857,769.51	August 14, 2018	[REDACTED]%
Ningbo Yuhang	May 7, 2018	RMB2,166,666	RMB21,557,271	RMB18.07	RMB39,141,375	RMB418,857,769.51	August 14, 2018	[REDACTED]%
Qicheng Zhiyuan	July 22, 2019	RMB2,709,476	RMB26,066,660	RMB18.45	RMB50,000,000	RMB506,475,206.33	July 17, 2019	[REDACTED]%
Vertex Legacy Continuation Fund Pte. Ltd. ("**Vertex Legacy**")	March 16, 2021	RMB1,152,975	RMB42,889,484	RMB28.50	RMB32,855,552	RMB2,082,713,343.04	December 22, 2020	[REDACTED]%
Xiemen Zhiyi	July 8, 2021	RMB617,838	RMB49,485,202	RMB48.56	RMB30,000,000	RMB3,600,048,446	August 3, 2021	[REDACTED]%
Yueke Xintai No. 25 . .	November 22, 2021	RMB206,541	RMB53,174,028	RMB121.04	RMB25,000,000	RMB6,774,902,907.48	August 1, 2022	[REDACTED]%
Nanjing Jintai Venture Capital Partnership Enterprise (Limited Partnership)* (南京錦泰創業投資合夥企業(有限合夥)) ("**Nanjing Jintai**") . .	November 26, 2021	RMB165,233	RMB53,174,028	RMB121.04	RMB20,000,000	RMB6,774,902,907.48	December 13, 2021	[REDACTED]%

Name of [REDACTED] Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of [REDACTED] Investments	Cost per Share/ registered capital[1]	Total Consideration	Post-money valuation of the Company after each round of [REDACTED] Investments	Date on which the consideration was fully settled	Discount/ (Premium) to the mid-point of the [REDACTED] Range[5]
Guangdong Changtuoshi Venture Capital Partnership (Limited Partnership)* (廣東長拓石創業投資合夥企業(有限合夥)) ("**Guangdong Changtuoshi**")	November 29, 2021	RMB237,600	RMB53,174,028	RMB121.04	RMB28,759,389.12	RMB6,774,902,907.48	December 23, 2021	[REDACTED]%
Jiaxing Haiyun	December 13, 2021	RMB234,126	RMB53,174,028	RMB121.04	RMB28,338,916	RMB6,774,902,907.48	December 17, 2021	[REDACTED]%
	December 13, 2021	RMB272,108	RMB53,174,028	RMB121.04	RMB32,936,306	RMB6,774,902,907.48	December 17, 2021	[REDACTED]%
	December 13, 2021	RMB72,081	RMB53,174,028	RMB121.04	RMB8,724,778	RMB6,774,902,907.48	December 17, 2021	[REDACTED]%
Shenzhen High-Tech Investment	December 6, 2021	RMB165,233	RMB53,174,028	RMB121.04	RMB20,000,000	RMB6,774,902,907.48	December 28, 2021	[REDACTED]%
Shengao Investment	December 6, 2021	RMB82,616	RMB53,174,028	RMB121.04	RMB10,000,000	RMB6,774,902,907.48	December 28, 2021	[REDACTED]%
Shenzhen High-Tech Fuhai	December 6, 2021	RMB41,308	RMB53,174,028	RMB121.04	RMB5,000,000	RMB6,774,902,907.48	December 29, 2021	[REDACTED]%

Name of [REDACTED] Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of [REDACTED] Investments	Cost per Share/ registered capital[1]	Total Consideration	Post-money valuation of the Company after each round of [REDACTED] Investments	Date on which the consideration was fully settled	Discount/ (Premium) to the mid-point of the [REDACTED] Range[5]
Shenzhen Addition No. 2	December 6, 2021	RMB41,308	RMB53,174,028	RMB121.04	RMB5,000,000	RMB6,774,902,907.48	December 22, 2021	[REDACTED]%
Zhicheng Shuzhi	November 29, 2021	RMB165,233	RMB53,174,028	RMB121.04	RMB20,000,000	RMB6,774,902,907.48	December 29, 2021	[REDACTED]%
Yu Huihui (虞慧暉)	February 25, 2022	RMB91,080	RMB53,174,028	RMB19.43	RMB1,769,230.77	RMB6,774,902,907.48	March 8, 2022	[REDACTED]%
Shenzhen Linghui Cornerstone Equity Investment Fund Partnership Enterprise (Limited Partnership)* (深圳市領匯基石股權投資基金合夥企業(有限合夥)) ("**Linghui Cornerstone**")	May 18, 2022	RMB716,149	RMB53,174,028	RMB139.64	RMB100,000,000	RMB6,774,902,907.48	June 2, 2022	[REDACTED]%

Name of [REDACTED] Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of [REDACTED] Investments	Cost per Share/ registered capital(1)	Total Consideration	Post-money valuation of the Company after each round of [REDACTED] Investments	Date on which the consideration was fully settled	Discount/ (Premium) to the mid-point of the [REDACTED] Range(5)
Dongguan Yueke Xintai Industry Venture Investment Partnership Enterprise (Limited Partnership)* (東莞粵科鑫泰工控創業投資合夥企業) ("**Yueke Xintai Industry**") . .	May 18, 2022	RMB194,050	RMB53,174,028	RMB139.64	RMB27,096,317	RMB6,774,902,907.48	August 1, 2022	[**REDACTED**]%
Ceyuan Guangyi	August 30, 2024	RMB1,139,700	RMB374,919,750	RMB118.82	RMB20,000,000	RMB8,330,716,845.00	September 20, 2024	[**REDACTED**]%

Note:

(1) The cost per Share/registered capital is calculated by dividing the consideration paid by each [**REDACTED**] Investors by the amount of the registered capital or the number of Shares subscribed for by each [**REDACTED**] Investor. For illustrative purpose only, the cost per Share presented herein has been adjusted on a look-through basis with reference to the total registered capital prior to the Company's conversion into a joint stock company, with its total registered capital of RMB53,174,028 divided into 360,000,000 Shares.

(2) "+" indicates that, as of the Latest Practicable Date, such [**REDACTED**] investor was not one of our Shareholders.

(3) Series A+ Financing and Series B Financing were conducted together in the same capital increase agreement, namely, Series A+ and Series B Financings Agreement. See "— Major Shareholding Changes and [**REDACTED**] Investments Prior to the Conversion into a Joint Stock Company — Series A+ Financing and Series B Financing" above for details.

(4) An additional capital increase was conducted pursuant to the Series A+ and Series B Financings Agreement. See "— 2018 Capital Increase" above for details.

(5) This calculation has taken into account the Company's conversion into a joint stock company, with its total registered capital of RMB53,174,028 divided into 360,000,000 Shares.

Principal Terms of the [REDACTED] Investments

Basis of determining the valuation and consideration paid	The determination of the valuation and consideration is based on arm's length negotiations between the relevant parties with reference to among others, (i) the timing and market conditions of the investments/equity transfers and the market value of comparable companies at the relevant time, (ii) the business operation, the financial performance of the Group at the relevant time, (iii) source of the acquired shares, i.e. shares newly issued by the Company or existing shares transferred by shareholders, and (iv) the prospects of the Group's business. In determination of the valuation, the Company takes into account the qualities that market participants consider when pricing the underlying assets or liabilities at the measurement date, and uses valuation techniques that are applicable in the current circumstances and supported by sufficient available data and other materials.
Lock-up	Pursuant to the applicable PRC law, within the 12 months from the [**REDACTED**], the Shares issued by the Company prior to the [**REDACTED**] (including the Shares held by the [**REDACTED**] Investors immediately prior to the [**REDACTED**]) are restricted from transfer.
Use of proceeds from the [REDACTED] Investments.	The Group utilized the proceeds from the [**REDACTED**] Investments for the operations, business expansion and general working capital purpose of the Group. As of the Latest Practicable Date, approximately 90% of the funds raised from the [**REDACTED**] Investments have been utilized.
Strategic benefit of the [REDACTED] Investments to the Group	At the time of each of the [**REDACTED**] Investments, the Directors were of the view that the Company could benefit from the capital raised through the [**REDACTED**] Investments, the [**REDACTED**] Investors' knowledge and experience, and the endorsement of and confidence in the Group's performance, strength and prospects reflected by the [**REDACTED**] Investments. Additionally, investments from the [**REDACTED**] Investors, including state-owned enterprises which are ultimately owned by the local governments, professional investment companies or professional funds, are beneficial to business development of our Group and could also diversify our shareholding structure and Shareholders base.

Special Rights of the [REDACTED] Investors

Certain [**REDACTED**] Investors have been granted certain special rights in relation to the Company by the Company, Dr. Gu Jing, Shenzhen Yishi and Shenzhen Yizhen (Dr. Gu Jing, Shenzhen Yishi and Shenzhen Yizhen, together as the "**obliged shareholders**"), including, among others, anti-dilution rights, co-sale rights, information rights, shareholders redemption right, liquidation preference provision, and appointment rights of observers to the Board through a shareholders' agreement entered into among all the shareholders by the Company (the "**Shareholders' Agreement**," which had been amended or re-entered into from time to time).

Pursuant to the latest Shareholders' Agreement entered into on June 20, 2025, all the special rights granted under the Shareholders' Agreement shall be terminated upon the [**REDACTED**], except for the shareholders redemption right, which shall be terminated immediately before the first filing of [**REDACTED**] with the Stock Exchange, provided that the redemption right granted by the obliged shareholders shall be automatically restored if the Company fails to complete a qualified [**REDACTED**] (as defined in the Shareholders' Agreement) on or before December 31, 2026.

Joint Sponsors' Confirmation

On the basis that (i) the consideration for the [**REDACTED**] Investments was settled more than 28 clear days before the first filing of the [**REDACTED**] by the Company with the Stock Exchange, and (ii) the special rights granted to the [**REDACTED**] Investors have been terminated as disclosed in "— Special Rights of the [**REDACTED**] Investors" above, the Joint Sponsors confirm that the [**REDACTED**] Investments are in compliance with the [**REDACTED**] Investment Guidance as defined in Chapter 4.2 of the Guide.

Information about the [REDACTED] Investors

Name of [REDACTED] Investors	Background
Vertex Legacy	Vertex Legacy is a limited liability company established under the laws of Singapore on July 23, 2020 and is principally engaged in equity investment. As of the Latest Practicable Date, Vertex Legacy was a wholly-owned subsidiary of Vertex Legacy Special GP Ltd, which was owned as to 50.0% by Vertex China Management (CI) Ltd and 50.0% by Vertex Ventures SEA GP, respectively. As of the same Date, Vertex China Management (CI) Ltd was owned as to 50.0% by Tay Choon Chong and 50.0% by Chua Kee Lock, respectively and Vertex Ventures SEA GP was owned as to 40.0% by Chua Kee Lock, 30.0% by Chua Joo Hock and 30.0% by Benedict Jerome Mathias, respectively.

Name of [REDACTED] Investors	Background
Yueke Xintai No. 25	Yueke Xintai No. 25 is a limited partnership established under the laws of the PRC on August 2, 2021 and is principally engaged in equity investment. As of the Latest Practicable Date, Yueke Xintai No. 25 was owned as to 99.98% by its 40 limited partners and 0.02% by Shenzhen Yueke Xintai Equity Investment Fund Management Company Limited* (深圳粵科鑫泰股權投資基金管理有限公司) ("**Shenzhen Yueke**"), which was ultimately controlled by Wu Andong (吳安東), respectively. To the best knowledge of the Company, no limited partners of Yueke Xintai No. 25 held more than one-third of partnership interest therein and all the above entities and individuals are Independent Third Parties.
Yueke Xintai Industry	Yueke Xintai Industry is a limited partnership established under the laws of the PRC on November 2, 2021 and is principally engaged in equity investment. As of the Latest Practicable Date, Yueke Xintai Industry was owned as to 99.998% by its 39 limited partners and 0.002% by Shenzhen Yueke, which was ultimately controlled by Wu Andong (吳安東), respectively. To the best knowledge of the Company, no limited partners of Yueke Xintai Industry held more than one-third of partnership interest therein and all the above entities and individuals are Independent Third Parties.
White Cloud Valley	White Cloud Valley is a limited liability company established under the laws of Hong Kong on December 20, 2012 and is principally engaged in equity investment. As of the Latest Practicable Date, White Cloud Valley was a wholly-owned subsidiary of Blue Sky Valley Limited, which was ultimately controlled by CITIC Capital Holdings Limited. To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.

Name of [REDACTED] Investors	Background
Boe Technology	BOE Technology is a joint stock limited company established under the laws of the People's Republic of China on April 9, 1993, with its shares listed on the A-share and B-share markets of the Shenzhen Stock Exchange (stock codes: 000725.SZ and 200725.SZ). In constant pursuit of excellence, BOE Technology is an innovative IoT company dedicated to providing intelligent interface products and professional services for information interaction and human health. Its principal operations include the display devices business, the IoT innovation business, the sensor business, the MLED business, the smart engineering medicine business, and the "N" business.
Ningbo Yuhang	Ningbo Yuhang is a limited partnership established under the laws of the PRC on March 23, 2016, and is principally engaged in equity investment. As of the Latest Practicable Date, Ningbo Yuhang was owned as to 3.33% by its general partner, Ms. Jia Jing (賈靜女士) and 96.67% by its limited partner, Ms. Jia Kun (賈坤女士), Ms. Jia Jing's sister.
Qicheng Zhiyuan	Qicheng Zhiyuan is a limited partnership established under the laws of the PRC on August 8, 2018 and is principally engaged in equity investment. As of the Latest Practicable Date, Qicheng Zhiyuan was owned as to 99.00% by its limited partner Ms. Jia Kun, Ms. Jia Jing's sister, and 1.00% by its general partner Ms. Jia Jing.
Guangdong Changtuoshi	Guangdong Changtuoshi is a limited partnership established under the laws of the PRC on May 26, 2021 and principally engaged in equity investment. As of the Latest Practicable Date, Guangdong Changtuoshi was owned as to 99.81% by its 28 limited partners and 0.19% by its general partner Guangdong Changshi Venture Capital Partnership Enterprise (Limited Partnership)* (廣東長石創業投資合夥企業(有限合夥)), which was ultimately controlled by Ding Zhongmin (丁忠民), respectively. To the best knowledge of the Company, no limited partners of Guangdong Changtuoshi held more than one-third of partnership interest therein and all of the above entities and individuals are Independent Third Parties.

Name of [REDACTED] Investors	Background
Nanjing Jintai	Nanjing Jintai is a limited partnership established under the laws of the PRC on September 2, 2021 and principally engaged in equity investment. As of the Latest Practicable Date, Nanjing Jintai was owned as to 99.00% by its limited partner Shenzhen Weishun Zhengxin Investment Company Limited* (深圳市為順正新投資有限責任公司), which was ultimate controlled by Lai Bolin (賴柏霖), 0.20% by a limited partner and 0.80% by its general partner Lai Bolin, respectively. To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.
Wanchuang Shidai	Wanchuang Shidai is a limited partnership established under the laws of the PRC on May 19, 2015 and principally engaged in equity investment. As of the Latest Practicable Date, Wanchuang Shidai was owned as to 93.23% by its limited partner Jiang Shipeng (姜仕鵬), 3.33% by a limited partner and 3.44% by its general partner Wanchuang Shidai is Shenzhen Runiu Investment Company Limited* (深圳孺牛投資有限公司), which was owned as to 50.00% by Jiang Yu (姜雨) and 50.00% by Jiang Shipeng, respectively. To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.
Linghui Cornerstone . . .	Linghui Cornerstone is a limited partnership established under the laws of the PRC on June 25, 2018 and principally engaged in equity investment. As of the Latest Practicable Date, Linghui Investment was owned as to 99.00% by its 21 limited partners and 1.00% by its general partner Shenzhen Lingxin Cornerstone Equity Investment Fund Management Partnership Enterprise (Limited Partnership)* (深圳市領信基石股權投資基金管理合夥企業(有限合夥)), which was ultimately controlled by Zhang Wei (張維). To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Linghui Cornerstone and the above entities and individuals are Independent Third Parties.

Name of [REDACTED] Investors	Background
Yu Huihui (虞慧暉)	Yu Huihui is an individual investor and experienced entrepreneur in asset and enterprise management, being an Independent Third Party.
Shanghai Fuzhishuo	Shanghai Fuzhishuo is a limited partnership established under the laws of the PRC on June 10, 2015 and principally engaged in equity investment. As of the Latest Practicable Date, Shanghai Fuzhishuo was owned as to 49.00% by its limited partner Shanghai Fudan Science Park Co., Ltd.* (上海復旦科技園股份有限公司) ("**Fudan Science Park**"), 50.00% by other three limited partners, and 1.00% by its general partner Shanghai Fuzhishuo Investment Management Partnership Enterprise (Limited Partnership)* (上海復之碩投資管理合夥企業(有限合夥)), which was ultimately controlled by Yu Huihui, respectively. To the best knowledge of the Company, other than Fudan Science Park, no other limited partners of Shanghai Fuzhishuo held more than one-third of partnership interest therein and all of the above entities and individuals are Independent Third Parties.
Qualcomm China	Qualcomm China is a limited liability company established under the laws of the PRC on January 14, 2016 and principally engaged in equity investment, a wholly-owned subsidiary of Qualcomm Global Trading Pte. Ltd., established under the laws of Singapore on September 8, 2011 and being and Independent Third Party.
Jichuang Yuyuan	Jichuang Yuyuan is a limited partnership established under the laws of the PRC on March 7, 2017 and principally engaged in equity investment. As of the Latest Practicable Date, Jichuang Yuyuan was owned as to 99.00% by six limited partners, each being an Independent Third Party and 1.00% by its general partner Chongqing Jichuang Junyuan Equity Investment Fund Management Partnership Enterprise (Limited Partnership)* (重慶極創君源股權投資基金管理合夥企業(有限合夥)), which was ultimately controlled by Zhang Pengpeng (張朋朋). To the best knowledge of the Company, no limited partners of Jichuang Yuyuan held more than one-third of partnership interest therein and all of the above entities and individuals are Independent Third Parties.

Name of [REDACTED] Investors	Background
Nanshan Hongtai	Nanshan Hongtai is a limited partnership established under the laws of the PRC on December 2, 2016 and principally engaged in equity investment. As of the Latest Practicable Date, Nanshan Hongtai was owned as to 43.75% by its limited partner National Integrated Circuit Industry Investment Fund Co., Ltd.* (國家集成電路產業投資基金股份有限公司) ("**National IC Investment**"), 55.00% by four other limited partners and 1.25% by its general partner, Hongtai (Shenzhen) Industry Investment Fund Management Enterprise (Limited Partnership)* (鴻泰(深圳)產業投資基金管理企業(有限合夥)), in which no limited partners held more than one third of partnership interest, with its general partner being Shenzhen Hongtai Fund Investment Management Company Limited* (深圳鴻泰基金投資管理有限公司), which was further owned as to 33.34% by Huang Xueliang (黃學良), 33.33% by Wang Wenzhong (王文忠) and 33.33% by Shenzhen Houwang Investment Management Company Limited* (深圳厚望投資管理有限公司). To the best knowledge of the Company, other than National IC Investment, no other limited partners of Nanshan Hongtai held more than one-third of partnership interest therein and all of the above entities and individuals are Independent Third Parties.
Bangsheng Yingxin	Bangsheng Yingxin is a limited partnership established under the laws of the PRC on May 10, 2016 and principally engaged in equity investment. As of the Latest Practicable Date, Bangsheng Yingxin was owned as to 72.62% by its limited partners Suzhou Bangsheng Chuangji Venture Capital Enterprise (Limited Partnership)* (蘇州邦盛創驥創業投資企業(有限合夥)) ("**Bangsheng Chuangji**"), which was ultimately controlled by Gao Chong (郜翀), 26.38% by two other limited partners and 1.00% by Nanjing Bangsheng Investment Management Partnership Enterprise (Limited Partnership)* (南京邦盛投資管理合夥企業(有限合夥)), which was ultimately controlled by Gao Chong (郜翀), respectively. To the best knowledge of the Company, other than Bangsheng Chuangji, no other limited partners of Bangsheng Yingxin held more than one-third of partnership interest therein and all of the above entities and individuals are Independent Third Parties.

Name of [REDACTED] Investors	Background
Qingyue Optoelectronics	Qingyue Optoelectronics is a joint stock company with limited liability established under the laws of the PRC on December 30, 2010, the shares of which are listed on the Shanghai Stock Exchange (stock code: 688496.SH). Qingyue Optoelectronics is a dedicated provider of integrated solutions for display technologies in IoT terminals. Qingyue Optoelectronics specializes in the research, development, manufacturing, and sales of next-generation display devices, particularly OLED technologies. The core business structure of Qingyue Optoelectronics is built around three main product lines, PMOLED displays, e-paper modules, and silicon-based OLED micro-displays.
Shanghai Suishuo	Shanghai Suishuo is a limited partnership established under the laws of the PRC on September 8, 2015 and principally engaged in equity investment. As of the Latest Practicable Date, Shanghai Suishuo was owned as to 99.38% by its six limited partners and 0.62% by its general partner Shanghai Songshuo Investment Partnership Enterprise (Limited Partnership)* (上海宋碩投資合夥企業(有限合夥)), which was ultimately controlled by Feng Yu (鳳羽). To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Shanghai Suishuo and the above entities and individuals are Independent Third Parties.
Hangzhou Kunwei	Hangzhou Kunwei is a limited partnership established under the laws of the PRC on September 11, 2017 and principally engaged in equity investment. As of the Latest Practicable Date, Hangzhou Kunwei was owned as to 80% by its general partner Gu Ruizhang (顧瑞章) and 20% by its limited partner Wang Dai (王岱), each being an Independent Third Party.

Name of [REDACTED] Investors	Background
Tianjin Jinmi	Tianjin Jinmi is a limited partnership established under the laws of the PRC on July 16, 2014 and principally engaged in equity investment. As of the Latest Practicable Date, Tianjin Jinmi was owned as to 86.20% by its general partner Tianjin Jinxing Venture Capital Company Limited* (天津金星創業投資有限公司) ("**Tianjin Jinxing**") and 13.80% by its limited partner Tianjin Zhongmi Enterprise Management Partnership Enterprise (Limited Partnership)* (天津眾米企業管理合夥企業(有限合夥)) ("**Tianjin Zhongmi**"), respectively. Each of Tianjin Jinxing and Tianjin Zhongmi is ultimately controlled by Lei Jun (雷軍) as of the Latest Practicable Date. To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.
Qiming Rongke	Qiming Rongke is a limited partnership established under the laws of the PRC on October 16, 2017 and principally engaged in equity investment. As of the Latest Practicable Date, Qiming Rongke was owned as to 98.89% by 24 limited partners and 1.11% by its general partner Suzhou Qiping Investment Management Partnership (Limited Partnership)* (蘇州啟平投資管理合夥企業(有限合夥)) ("**Suzhou Qiping**"), whose general partner is Suzhou Qiman Investment Management Company Limited* (蘇州啟滿投資管理有限公司), which was ultimately controlled by Hu Xubo (胡旭波) and Yu Jia (于佳). To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Qiming Rongke and the above entities and individuals are Independent Third Parties.
Qiming Rongying	Qiming Rongying is a limited partnership established under the laws of the PRC on November 30, 2017 and principally engaged in equity investment. As of the Latest Practicable Date, Qiming Rongying was owned as to 98.61% by its 10 limited partners and 1.39% by its general partner Suzhou Qiping whose general partner is Suzhou Qiman Investment Management Company Limited* (蘇州啟滿投資管理有限公司), which was ultimately controlled by Hu Xubo (胡旭波) and Yu Jia (于佳).

Name of [REDACTED] Investors	Background
	To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Qiming Rongying and all the above entities and individuals are Independent Third Parties.
QM119 Limited	QM119 Limited is a limited liability company established under the laws of British Virgin Islands on April 9, 2019 and is principally engaged in equity investment. As of the Latest Practicable Date, QM 119 Limited was owned as to 97.38% by Qiming Venture Partners VI, L.P. and 2.62% by Qiming Managing Directors Fund VI L.P., respectively. As of the same date, each of Qiming Venture Partners VI, L.P. and Qiming Managing Directors Fund VI L.P. was ultimately controlled by Qiming Corporate GP VI. Ltd., in which no individual ultimate beneficial owner held more than one third of interest. To the best knowledge of the Company, all the above entities are Independent Third Parties.
Hongtai Zhiyun	Hongtai Zhiyun is a limited partnership established under the laws of the PRC on July 16, 2019 and is principally engaged in equity investment. As of the Latest Practicable Date, Hongtai Zhiyun was owned as to 69.61% by its limited partner, Gongqingcheng Hongtai Zhiyun Venture Capital Partnership Enterprise (Limited Partnership)* (共青城鴻泰智雲創業投資合夥企業(有限合夥)) ("**Gongqingcheng Hongtai Zhiyun**"), which was ultimately controlled by Chen Qiwei (陳琦偉), 28.92% by its 11 other limited partners and 1.47% by its general partner Shenzhen Hongtai Venture Capital Company Limited* (深圳鴻泰創投有限公司), which was ultimately controlled by Huang Huasong (黃華松), respectively. To the best knowledge of the Company, other than Gongqingcheng Hongtai Zhiyun, no other limited partners held more than one third of the partnership interest in Hongtai Zhiyun and all the above entities and individuals are Independent Third Parties.

Name of [REDACTED] Investors	Background
Hefei Tianze	Hefei Tianze is a limited partnership established under the laws of the PRC on March 14, 2018 and is principally engaged in equity investment. As of the Latest Practicable Date, Hefei Tianze was owned as to 54.91% by its limited partner, Qicheng Zhiyuan, 44.64% by its three other limited partners, none of whom owned more than one third of partnership interest therein, and 0.45% by its general partner, Ningbo Chencheng Enterprise Management Partnership Enterprise (Limited Partnership)* (寧波辰承企業管理合夥企業(有限合夥)) ("**Ningbo Chencheng**"), which was owned as to 99.00% by its limited partner He Xuan (何璇), Ms. Jia Kun's daughter, and 1.00% by its general partner, Pei Lei (裴磊), He Xuan's spouse, respectively.
Nanshan Zhonghang	Nanshan Zhonghang is a limited partnership established under the laws of the PRC on December 28, 2016 and principally engaged in equity investment. As of the Latest Practicable Date, Nanshan Zhonghang was owed as to 99.00% by its eight limited partners and 1.00% by its general partner Kaisheng Nanshan Private Equity Investment Fund Management (Shenzhen) Company Limited* (凱晟南山私募股權投資基金管理(深圳)有限公司) ("**Kaisheng Nanshan**"), which was further owned as to 35.00% by Shenzhen Nanshan Heli Investment Management Partnership Enterprise (Limited Partnership)* (深圳南山合力投資管理合夥企業(有限合夥)), 33.00% by Zhonghang International Investment Company Limited* (中航國際投資有限公司), 22.00% by Hunan Amala Technology Company Limited* (湖南阿瑪拉科技有限公司) and 10.00% by Dongguan Qianyuan Investment Consulting Enterprise (Limited Partnership)* (東莞乾元投資諮詢企業(有限合夥)), respectively. To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Nanshan Zhonghang and the above entities are Independent Third Parties.
Xiaomi Changjiang	Xiaomi Changjiang is a limited partnership established under the laws of the PRC on December 7, 2017 and principally engaged in equity investment. As of the Latest Practicable Date, Xiaomi Changjiang was owned as to 99.92% by its 15 limited partners and 0.08% by its general partner Hubei Xiaomi Changjiang Industry Investment Fund Management Company Limited* (湖北小米長江產業投資基金管理有限公司), which was ultimately controlled by Lei Jun (雷軍), respectively.

Name of [REDACTED] Investors	Background
	To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Xiaomi Changjiang and the above entities are Independent Third Parties.
HSG	HSG is a limited liability company incorporated under the laws of the Cayman Islands. The sole shareholder of HSG is HongShan Capital Venture Fund VIII, L.P. HongShan Capital Venture Fund VIII, L.P. is an investment fund whose primary purpose is to make equity investments in private companies, whose general partner is HSG Venture VIII Management, L.P. The general partner of HSG Venture VIII Management, L.P. is HSG Holding Limited, whose sole shareholder is SNP China Enterprises Limited. The sole shareholder of SNP China Enterprises Limited is Mr. Neil Nanpeng Shen. To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.
CICC Pucheng	CICC Pucheng is wholly owned by China International Capital Corporation Limited, a PRC established joint stock company whose shares are listed on the Shanghai Stock Exchange (stock code: 601995.SH) and the Main Board of the Stock Exchange (stock code: 3908.HK). CICC Pucheng is an established investment company focusing on various industries including technology, finance and healthcare. To the best knowledge of the Company, CICC Pucheng is an Independent Third Party.
Xiamen Qilu	Xiamen Qilu is a limited partnership established under the laws of the PRC on March 18, 2019 and principally engaged in equity investment. As of the Latest Practicable Date, Xiamen Qilu was owned as to 99.89% by CICC Qirong (Xiamen) Equity Investment Fund Partnership Enterprise (Limited Partnership)* (中金啟融(廈門)股權投資基金合夥企業(有限合夥)) and 0.11% by its general partner CICC Capital Operation Company Limited* (中金資本運營有限公司). To the best knowledge of the Company, all of the above entities are Independent Third Parties.

Name of [REDACTED] Investors	Background
Xiamen Zhiyi	Xiamen Zhiyi is a limited partnership established under the laws of the PRC on May 27, 2021 and principally engaged in equity investment. As of the Latest Practicable Date, Xiamen Zhiyi was owned as to 99.00% by its limited partner Li Xiang (李響) and 1.00% by its general partner Mr. Li Changshun (李長順), respectively. Ms. Jia Jing and Mr. Li Changshun are spouses. Ms. Jia Jing and Mr. Li Changshun are Li Xiang's mother and father. See "Substantial Shareholders."
Hubble Technology	Hubble Technology is a limited partnership established under the laws of the PRC on April 15, 2021 and is principally engaged in equity investment. As of the Latest Practicable Date, Hubble Technology was owned as to 69.00% by its limited partner Huawei Technology Company Limited* (華為技術有限公司), which was ultimately controlled by Huawei Investment Holding Company Limited Union Committee* (華為投資控股有限公司工會委員會) ("**Huawei Union**"), 30% by a limited partner being an Independent Third Party and 1.00% by its general partner Hubble Technology Venture Capital Company Limited* (哈勃科技創業投資有限公司), a wholly-owned subsidiary of Huawei Investment Holding Company Limited* (華為投資控股有限公司) which was owned as to 99.42% by Huawei Union and 0.58% by Ren Zhengfei, respectively. To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.
Guokai Technology	Guokai Technology is a limited liability company established under the laws of the PRC on November 8, 2016 and principally engaged in equity investment. Guokai Technology is a wholly-owned subsidiary of China Development Bank (國家開發銀行). To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.
Wofu Ruixin	Wofu Ruixin is a limited partnership established on February 5, 2021 and principally engaged in equity investment. As of the Latest Practicable Date, Wofu Ruixin was owned as to 99.50% by its 10 limited partners and 0.50% by its general partner Shanghai Wofu Private Equity Fund Management Company Limited* (上海沃賦私募基金管理有限公司), which was ultimately controlled by Geng Kai (耿凱), respectively.

Name of [REDACTED] Investors	Background
	To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Wofu Ruixin and all the above entities and individuals are Independent Third Parties.
Jiaxing Xihao	Jiaxing Xihao is a limited partnership established under the laws of the PRC on December 22, 2020 and is principally engaged in equity investment. As of the Latest Practicable Date, Jiaxing Xihao was owned as to 60.00% by its limited partner Suzhou Haoquan Enterprise Management Company Limited* (蘇州灝荃企業管理有限公司), which was ultimately controlled by Gu Qinghui (顧慶輝), 33.50% by its limited partner Hao Yingming (郝英明), 5.00% by a limited partner being an individual, and 1.50% by its general partner Shanghai Xihao Investment management Company Limited* (上海熙灝投資管理有限公司), which was owned as to 50.00% by Li Jiaqi (李佳琦), 30.00% by Shanghai Dongxi Investment Development Company Limited* (上海東熙投資發展有限公司) and 20.00% by Yuan Liangyong (袁良永), respectively. To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.
Zhonghang Pingshan . . .	Zhonghang Pingshan is a limited partnership established under the laws of the PRC on December 25, 2019 and is principally engaged in equity investment. As of the Latest Practicable Date, Zhonghang Pingshan was owned as to 99.00% by its six limited partners and 1.00% by its general partner Kaisheng Nanshan, which was further owned as to 35.00% by Shenzhen Nanshan Heli Investment Management Partnership Enterprise (Limited Partnership)* (深圳南山合力投資管理合夥企業(有限合夥)), 33.00% by Zhonghang International Investment Company Limited* (中航國際投資有限公司), 22.00% by Hunan Amala Technology Company Limited* (湖南阿瑪拉科技有限公司) and 10.00% by Dongguan Qianyuan Investment Consulting Enterprise (Limited Partnership)* (東莞乾元投資諮詢企業(有限合夥)), respectively. To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Zhonghang Pingshan and all the above entities and individuals are Independent Third Parties.

Name of [REDACTED] Investors	Background
Jiaxing Haiyun	Jiaxing Haiyun is a limited partnership established under the laws of the PRC on October 8, 2021 and principally engaged in equity investment. As of the Latest Practicable Date, Jiaxing Haiyun was owned as to 99.42% by its eight limited partners and 0.58% by its general partner Suzhou Jiansheng Investment Management Partnership Enterprise (Limited Partnership)* (蘇州建晟投資管理合夥企業(有限合夥)), which was ultimately controlled by Xiang Xiaobo (項曉波), respectively. To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Jiaxing Haiyun and all the above entities and individuals are Independent Third Parties.
Haitong New Energy	Haitong New Energy is a limited partnership established under the laws of the PRC on January 20, 2020 and principally engaged in equity investment. As of the Latest Practicable Date, Haitong New Energy was owned as to 99.33% by its eight limited partners and 0.67% by its general partner Haitong New Energy Private Equity Investment Management Company Limited* (海通新能源私募股權投資管理有限公司), which was ultimately controlled by Guotai Haitong Securities Co., Ltd. (stock code: 601211.SH/02611.HK) (國泰海通證券有限公司), respectively. To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Haitong New Energy and all the above entities are Independent Third Parties.
Zhicheng Shuzhi	Zhicheng Shuzhi is a limited partnership established under the laws of the PRC on November 2, 2021 and principally engaged in equity investment. As of the Latest Practicable Date, Zhicheng Shuzhi was owned as to 37.77% by its limited partner Shenzhen Shuntou Niu Niu Investment Partnership Enterprise* (Limited Partnership) (深圳市順投牛牛投資合夥企業(有限合夥)), which was ultimately controlled by Lin Shubin (林樹彬), 50.35% by its two limited partners and 11.88% by its general partner Shenzhen Smart City Industry Investment Private Equity Fund Management Company Limited* (深圳市智慧城市產投私募基金管理有限公司), which was ultimately controlled by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality (深圳市國有資產監督管理委員會), respectively.

Name of [REDACTED] Investors	Background
	To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Zhicheng Shuzhi and all the above entities and individuals are Independent Third Parties.
Shenzhen High-Tech Investment	Shenzhen High-Tech Investment is a limited liability company established under the laws of the PRC on June 29, 2010 and principally engaged in equity investment. As of the Latest Practicable Date, Shenzhen High-Tech Investment was a wholly-owned subsidiary of Shenzhen High-Tech Investment Group Company Limited* (深圳市高新投集團有限公司), which was ultimately controlled by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality (深圳市國有資產監督管理委員會). To the best knowledge of the Company, all the above entities are Independent Third Parties.
Shengao Investment	Shengao Investment is a limited partnership established under the laws of the PRC on December 9, 2020 and principally engaged in equity investment. As of the Latest Practicable Date, Shengao Investment was owned as to 99.00% by its 11 limited partners and 1.00% by its general partner Chengdu Shengao Investment Zhongxiaodan Equity Investment Management Company Limited* (成都深高投中小擔股權投資管理有限公司), which was ultimately controlled by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality (深圳市國有資產監督管理委員會), respectively. To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Shengao Investment and all the above entities and individuals are Independent Third Parties.

Name of [REDACTED] Investors	Background
Shenzhen High-Tech Fuhai	Shenzhen High-Tech Fuhai is a limited partnership established under the laws of the PRC on July 16, 2021 and principally engaged in equity investment. As of the Latest Practicable Date, Shenzhen High-Tech Fuhai was owned as to 70% by its limited partner, Shenzhen Fuhai Industry Innovation Phase I Partnership Enterprise (Limited Partnership)* (深圳市福海產業創新一期合夥企業(有限合夥)), which was ultimately controlled by Huang Jinbo (黃綿波), 29.0% by a limited partner being an Independent Third Party and 1.00% by its general partner Shenzhen High-Tech Investment Zhengxuan Equity Investment Fund Management Company Limited* (深圳市高新投正軒股權投資基金管理有限公司), which was ultimately controlled by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality (深圳市國有資產監督管理委員會), respectively. To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.
Shenzhen Addition No. 2	Shenzhen Addition No. 2 is a limited partnership established under the laws of the PRC on December 9, 2020 and principally engaged in equity investment. As of the Latest Practicable Date, Shenzhen Addition No. 2 was owned as to 98.46% by its 10 limited partners and 1.54% by its general partner Shenzhen Addition Venture Capital Company Limited* (深圳市加法創業投資有限公司), which was ultimately controlled by Tao Jun (陶軍). To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Shenzhen Addition No. 2 and all the above entities and individuals are Independent Third Parties.
Houwang Ruilian	Houwang Ruilian is a limited partnership established under the laws of the PRC on January 27, 2022 and principally engaged in equity investment. As of the Latest Practicable Date, Houwang Ruilian was owned as to 98.24% by its nine limited partners and 1.76% by its general partner Yuanhe Houwang (Suzhou) Private Equity Fund Management Company Limited* (元禾厚望(蘇州)私募基金管理有限公司), which was ultimately controlled by Zeng Zhijie (曾之杰), respectively.

Name of [REDACTED] Investors	Background
	To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Houwang Ruilian and all the above entities and individuals are Independent Third Parties.
Semiconductor and IC Fund	Semiconductor and IC Fund is a limited partnership established under the laws of the PRC on December 3, 2020 and principally engaged in equity investment. As of the Latest Practicable Date, Semiconductor and IC Fund was owned as to 99.99% by its limited partner Guangdong Yuecai Investment Holdings Co., Ltd.* (廣東粵財投資控股有限公司) ("**Yuecai Holdings**") and 0.01% by its general partner Guangdong Yuecai Fund Management Co., Ltd.* (廣東粵財基金管理有限公司) ("**Yuecai Fund**"), respectively. Each of Yuecai Holdings and Yuecai Fund was ultimately controlled by the People's Government of Guangdong Province* (廣東省人民政府) as of the Latest Practicable Date. To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.
Yuxin Taojin	Yuxin Taojin is a limited partnership established under the laws of the PRC on October 29, 2021 and principally engaged in equity investment. As of the Latest Practicable Date, Yuxin Taojin was owned as to 99.80% by its limited partner Hainan Xincheng Taojin Consulting Services Partnership Enterprise (Limited Partnership)* (海南信誠濤金諮詢服務合夥企業(有限合夥)) ("**Xincheng Taojin**"), 0.10% by a limited partner being an Independent Third Party and 0.10% by its general partner Guangzhou Chengxin Venture Capital Company Limited* (廣州誠信創業投資有限公司) ("**Guangdong Chengxin**"), respectively. Each of Xincheng Taojin and Guangdong Chengxin was ultimately controlled by Xiong Haitao (熊海濤) as of the Latest Practicable Date. To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.

Name of [REDACTED] Investors	Background
Dinghong Growth	Dinghong Growth is a limited partnership established under the laws of the PRC on November 2, 2018 and principally engaged in equity investment. As of the Latest Practicable Date, Dinghong Growth was owned as to 80.00% by its limited partner Cheng Haiqing (程海慶), 19.00% by a limited partner being an Independent Third Party and 1.00% by its general partner Shenzhen Zhaoyin Dinghong Investment Management Company Limited* (深圳招銀鼎洪投資管理有限公司), which was owned as to 45.00% by Yang Zhenghong (楊正洪), 35.00% by Cheng Haiqing (程海慶) and 20.00% by Wang Yuanyuan (王媛媛), respectively. To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.
Huahui Electronics	Huahui Electronics is a limited partnership established under the laws of the PRC on November 21, 2022 and principally engaged in equity investment. As of the Latest Practicable Date, Huahui Electronics was owned as to 20% by its limited partner Wang Hansheng (王瀚晟) and 80% by its general partner Wang Lei (王雷), respectively. To the best knowledge of the Company, each of Wang Hansheng and Wang Lei is an Independent Third Party.
Xiangfeng Phase II	Xiangfeng Phase II is a limited partnership established under the laws of the PRC on October 9, 2023 and principally engaged in equity investment. As of the Latest Practicable Date, Xiangfeng Phase II was owned as to 69.72% its limited partner Xiamen Xiangfeng Ruihong Equity Investment Partnership Enterprise (Limited Partnership)* (廈門祥峰睿鴻股權投資合夥企業(有限合夥)) ("**Xiangfeng Ruihong**"), being controlled by its general partner, Xiangfeng Jiazi (Xiamen) Private Fund Management Co., Ltd.* (祥峰甲子(廈門)私募基金管理有限公司) ("**Xiangfeng Xiamen**"), 28.28% by its other four limited partners and 1.00% by its general partner Xiangfeng Rongsheng (Xiamen) Management Consulting Partnership Enterprise* (祥峰榮晟(廈門)管理咨詢合夥企業(有限合夥)), being controlled by its general partner, Xiangfeng Xiamen. To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.

Name of [REDACTED] Investors	Background
Ceyuan Guangyi	Ceyuan Guangyi is a limited partnership established under the laws of the PRC on May 19, 2023 and principally engaged in equity investment. As of the Latest Practicable Date, Ceyuan Guangyi was owned as to 45.00% by its limited partner Chengdu High-Tech Ceyuan Investment Group Company Limited* (成都高新策源投資集團有限公司) ("**High-Tech Ceyuan**"), 54.00% by its two limited partners and 1.00% by its general partner Chengdu High-Tech Yixin Investment Management Company Limited* (成都高新壹新投資管理有限公司) ("**High-Tech Yixin**"), respectively. Each of High-Tech Ceyuan and High-Tech Yixin was ultimately owned by Chengdu High-Tech Technology Industry Development Business Cultural and Tourism Bureau* (成都高新技術產業開發區商務文化旅遊局) as of the Latest Practicable Date. To the best knowledge of the Company, other than High-Tech Ceyuan, no other limited partners of Ceyuan Guangyi held more than one-third of partnership interest therein and all the above entities are Independent Third Parties.

CAPITALIZATION

The table below sets forth the shareholding structure of the Company as of the Latest Practicable Date and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):

	As of the Latest Practicable Date		As of the [REDACTED]		
Name of Shareholder	Number of Shares	Percentage of shareholding	Number of Unlisted Shares	Number of H Shares	Percentage of shareholding
Entities controlled by Dr. Gu Jing					
Shenzhen Yishi	36,204,584	9.66%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Yisheng No. 2	12,636,372	3.37%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Other shareholders					
Yisheng No. 1	23,843,783	6.36%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
HSG	23,718,425	6.33%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
QM119 Limited	21,314,190	5.69%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Qicheng Zhiyuan	18,343,755	4.89%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Nanshan Hongtai	17,426,566	4.65%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Shenzhen Yizhen.	15,910,023	4.24%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Xiaomi Changjiang	15,820,663	4.22%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Hubble Technology	15,820,663	4.22%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%

	As of the Latest Practicable Date		As of the [REDACTED]		
Name of Shareholder	Number of Shares	Percentage of shareholding	Number of Unlisted Shares	Number of H Shares	Percentage of shareholding
Boe Technology	15,507,357	4.14%	[REDACTED]	[REDACTED]	[REDACTED]%
Ningbo Yuhang	14,668,811	3.91%	[REDACTED]	[REDACTED]	[REDACTED]%
Qualcomm China	8,870,853	2.37%	[REDACTED]	[REDACTED]	[REDACTED]%
Jiaxing Haiyun	8,697,610	2.32%	[REDACTED]	[REDACTED]	[REDACTED]%
Hefei Tianze	8,632,034	2.30%	[REDACTED]	[REDACTED]	[REDACTED]%
Jichuang Yuyuan	8,537,163	2.28%	[REDACTED]	[REDACTED]	[REDACTED]%
Vertex Legacy	7,805,897	2.08%	[REDACTED]	[REDACTED]	[REDACTED]%
Xiamen Qilu	7,103,825	1.89%	[REDACTED]	[REDACTED]	[REDACTED]%
Nanshan Zhonghang	6,805,346	1.82%	[REDACTED]	[REDACTED]	[REDACTED]%
White Cloud Valley	6,407,569	1.71%	[REDACTED]	[REDACTED]	[REDACTED]%
Xiamen Zhiyi	6,044,157	1.61%	[REDACTED]	[REDACTED]	[REDACTED]%
Linghui Cornerstone	4,848,488	1.29%	[REDACTED]	[REDACTED]	[REDACTED]%
Xiangfeng Phase II	4,500,000	1.20%	[REDACTED]	[REDACTED]	[REDACTED]%
Hangzhou Kunwei	4,164,147	1.11%	[REDACTED]	[REDACTED]	[REDACTED]%
Shanghai Suishuo	4,125,388	1.10%	[REDACTED]	[REDACTED]	[REDACTED]%
Qiming Rongke	3,758,239	1.00%	[REDACTED]	[REDACTED]	[REDACTED]%
Yueke Xintai No. 25	3,258,109	0.87%	[REDACTED]	[REDACTED]	[REDACTED]%
Haitong New Energy	3,188,193	0.85%	[REDACTED]	[REDACTED]	[REDACTED]%
Guokai Technology	2,791,877	0.74%	[REDACTED]	[REDACTED]	[REDACTED]%
Semiconductor and IC Fund	2,700,000	0.72%	[REDACTED]	[REDACTED]	[REDACTED]%
Qiming Rongying	2,623,075	0.70%	[REDACTED]	[REDACTED]	[REDACTED]%
Wofu Ruixin	2,582,812	0.69%	[REDACTED]	[REDACTED]	[REDACTED]%
Ceyuan Guangyi	2,489,700	0.66%	[REDACTED]	[REDACTED]	[REDACTED]%
Shanghai Fuzhishuo	2,412,907	0.64%	[REDACTED]	[REDACTED]	[REDACTED]%
Bangsheng Yingxin	2,366,646	0.63%	[REDACTED]	[REDACTED]	[REDACTED]%
CICC Pucheng	2,324,928	0.62%	[REDACTED]	[REDACTED]	[REDACTED]%
Houwang Ruilian	2,295,000	0.61%	[REDACTED]	[REDACTED]	[REDACTED]%
Hongtai Zhiyun	2,225,785	0.59%	[REDACTED]	[REDACTED]	[REDACTED]%
Zhicheng Shuzhi	2,181,393	0.58%	[REDACTED]	[REDACTED]	[REDACTED]%
Shenzhen High-Tech Investment	2,181,393	0.58%	[REDACTED]	[REDACTED]	[REDACTED]%
Beijing Chengda	1,861,811	0.50%	[REDACTED]	[REDACTED]	[REDACTED]%
Jiaxing Xihao	1,833,336	0.49%	[REDACTED]	[REDACTED]	[REDACTED]%
Qingyue Optoelectronics	1,742,655	0.46%	[REDACTED]	[REDACTED]	[REDACTED]%
Tianjin Jinmi	1,742,655	0.46%	[REDACTED]	[REDACTED]	[REDACTED]%
Guangdong Changtuoshi	1,608,605	0.43%	[REDACTED]	[REDACTED]	[REDACTED]%
Wanchuang Shidai	1,562,344	0.42%	[REDACTED]	[REDACTED]	[REDACTED]%
Yueke Xintai Industry	1,313,762	0.35%	[REDACTED]	[REDACTED]	[REDACTED]%
Nanjing Jintai	1,118,664	0.30%	[REDACTED]	[REDACTED]	[REDACTED]%

	As of the Latest Practicable Date		As of the [REDACTED]		
Name of Shareholder	**Number of Shares**	**Percentage of shareholding**	**Number of Unlisted Shares**	**Number of H Shares**	**Percentage of shareholding**
Shengao Investment	1,090,696	0.29%	[REDACTED]	[REDACTED]	[REDACTED]%
Yuxin Taojin	900,000	0.24%	[REDACTED]	[REDACTED]	[REDACTED]%
Yu Huihui	616,632	0.16%	[REDACTED]	[REDACTED]	[REDACTED]%
Shenzhen High-Tech Fuhai	545,348	0.15%	[REDACTED]	[REDACTED]	[REDACTED]%
Shenzhen Addition No. 2	545,348	0.15%	[REDACTED]	[REDACTED]	[REDACTED]%
Dinghong Growth	450,000	0.12%	[REDACTED]	[REDACTED]	[REDACTED]%
Huahui Electronics	450,000	0.12%	[REDACTED]	[REDACTED]	[REDACTED]%
Zhonghang Pingshan	400,168	0.11%	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal	**374,919,750**	**100.00%**	[REDACTED]	[REDACTED]	[REDACTED]%
Other public Shareholders	–	–	[REDACTED]	[REDACTED]	[REDACTED]%
Total	**374,919,750**	**100.00%**	[REDACTED]	[REDACTED]	**100.00%**

PUBLIC FLOAT

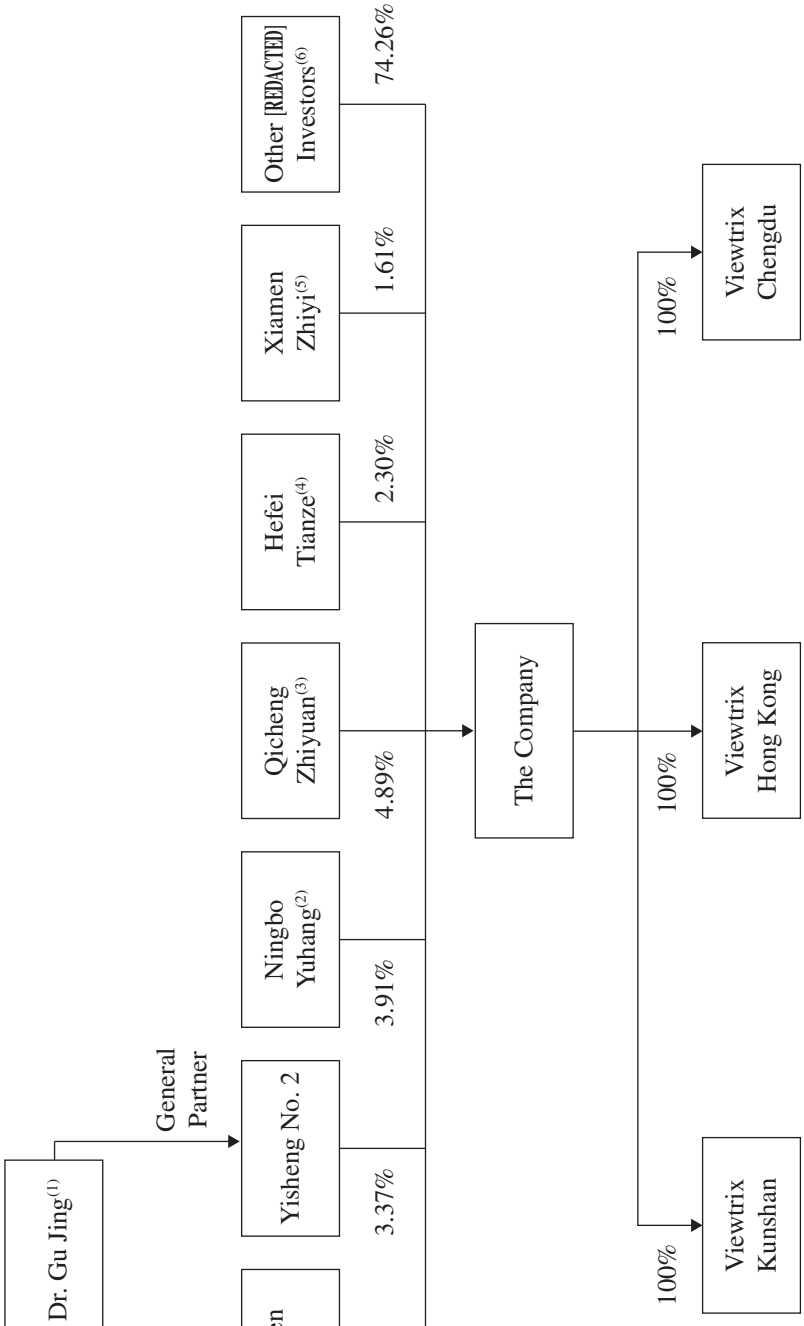
So far as the Directors are aware and to the best knowledge of the Directors, following the [**REDACTED**] of the [**REDACTED**] Shares into H Shares and upon completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), an aggregate of [**REDACTED**] H Shares held by Shenzhen Yishi, Yisheng No. 1 and Yisheng No. 2, which are expected to be core connected persons (as defined under the Listing Rules) of the Company after the [**REDACTED**] will not be counted towards the public float.

Except as stated above, all the [**REDACTED**] H Shares held by other Shareholders and the [**REDACTED**] H Shares to be [**REDACTED**] under the [**REDACTED**] will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules, representing approximately [**REDACTED**]% of the enlarged share capital of the Company (assuming that the [**REDACTED**] is not exercised) after the [**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) As of the Latest Practicable Date, Dr. Gu Jing was interested as to 1.00% in Shenzhen Yishi as the general partner and as to 6.29% in Yisheng No. 2 as the general partner, respectively.

(2) As of the Latest Practicable Date, Ningbo Yuhang was owned as to 96.67% by its limited partner, Ms. Jia Kun and 3.33% by its general partner, Ms. Jia Jing. See "Substantial Shareholders." Ms. Jia Kun is Ms. Jia Jing's sister. See "— [**REDACTED**] Investments — Information about the [**REDACTED**] Investors" for details.

(3) As of the Latest Practicable Date, Qicheng Zhiyuan was owned as to 99.00% by its limited partner, Ms. Jia Kun and 1.00% by its general partner, Ms. Jia Jing. See "Substantial Shareholders." Ms. Jia Kun is Ms. Jia Jing's sister. See "— [**REDACTED**] Investments — Information about the [**REDACTED**] Investors" for details.

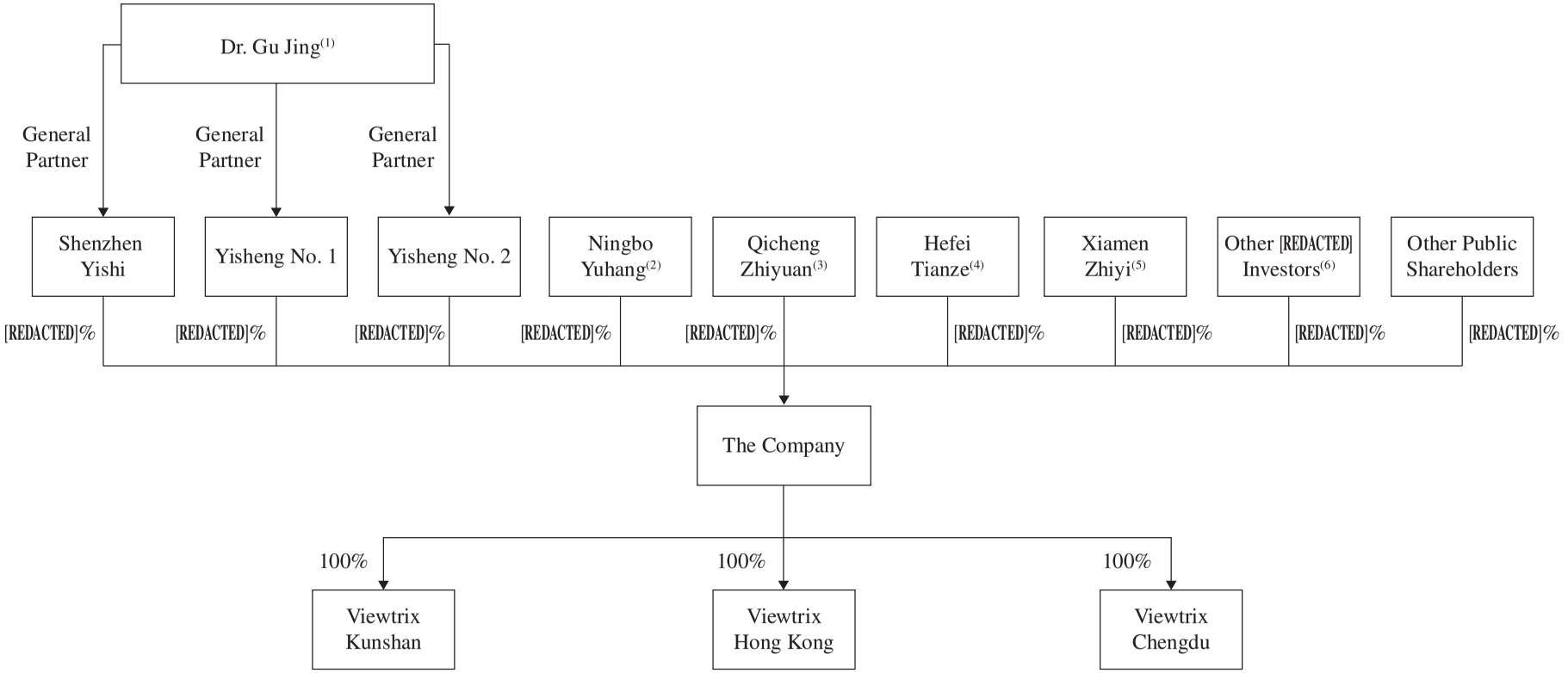
(4) As of the Latest Practicable Date, Hefei Tianze was owned as to 54.91% by its limited partner Ningbo Yuhang, 44.64% by its other three limited partners, none of whom owned more than one third of partnership interest therein and 0.45% by its general partner, Ningbo Chencheng Enterprise Management Partnership Enterprise (Limited Partnership)* (寧波辰承企業管理合夥企業(有限合夥)), which was owned as to 99.00% by its limited partner He Xuan (何璇), Ms. Jia Kun's daughter, and 1.00% by its general partner, Pei Lei (裴磊), He Xuan's spouse. See "— [**REDACTED**] Investments — Information about the [**REDACTED**] Investors" for details.

(5) As of the Latest Practicable Date, Xiamen Zhiyi was owned as to 99.00% by its limited partner, Li Xiang and 1.00% by its general partner, Mr. Li Changshun (李長順先生). Ms. Jia Jing and Mr. Li Changshun are spouses. Ms. Jia Jing and Mr. Li Changshun are Li Xiang's mother and father. See "Substantial Shareholders."

(6) As of the Latest Practicable Date, none of these Shareholders hold 10% or more shareholding in the Company. For details, see "— [**REDACTED**] Investments."

Corporate Structure immediately after the [REDACTED]

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



Notes:

(1) to (6) See "— Corporate Structure — Corporate Structure immediately before the [**REDACTED**]" in this section.

OVERVIEW

Our Mission

Chip into a Brilliant Future.

Our Vision

Becoming a global leader of chip in display and empowering the upgrading of global smart devices' display experiences.

Who We Are

We are a world-leading AMOLED DDIC design house. Our focus is on delivering reliable and high-performance display driver solutions to consumer electronics brand companies. According to Frost & Sullivan, we are the largest AMOLED DDIC provider based in mainland China and the fifth-largest AMOLED DDIC provider globally, both in terms of sales volume in 2024.

We implement the fabless business model, and achieve our leading position through strategic collaborations with key players in the industry, including foundries, OSAT providers and display panel manufacturers, ultimately enhancing the display experience for end users. We have developed a full stack of industry-leading proprietary display driver technologies that integrate software and hardware, covering three critical technical aspects: the design of DDICs, the development of driver compensation algorithms and the layout of pixel compensation circuits. We currently offer AMOLED DDICs, which are predominantly utilized in smartphones, as well as Micro-OLED display backplanes/drivers, primarily designed for VR/AR devices.

The advancement and refinement of technology enable us to expand our product matrix and their end uses with optimal cost and efficiency. This in turn allows us to better serve our end-customer brand companies with reliable and high-performance display driver solutions. Specifically:

- **AMOLED DDIC**: AMOLED DDIC is predominantly utilized in smartphones. Our portfolio currently includes more than ten series of AMOLED DDICs, offering diverse options in resolution, refresh rate, and packaging formats, ensuring compatibility with a wide variety of display types. These chips fulfill the varying application requirements of brand companies across different smartphone tiers. Since initiating large-scale shipments to brand companies in 2021, our products have demonstrated consistent stability and reliability over the years, earning the trust of brand companies and contributing positively to their brand image and reputation. According to Frost & Sullivan, we are the largest AMOLED DDIC provider based in mainland China and the fifth-largest AMOLED DDIC provider

globally, both in terms of sales volume of smartphone AMOLED DDIC in 2024. Furthermore, in terms of AMOLED DDICs for branded smartphones, our products accounted for over 80.0% of the sales volume from suppliers based in mainland China.

- **Micro-OLED display backplane/driver**: Micro-OLED display backplane/driver is rapidly advancing as a new frontier in AMOLED DDIC, particularly with the proliferation of general artificial intelligence. Our Micro-OLED display backplanes/drivers are specifically designed for AR/VR head-mounted devices, delivering exceptional image quality while minimizing the size. This makes possible the portability and high-definition standards demanded by brand companies, enhancing user experience and facilitating the deployment of VR/AR technologies. According to Frost & Sullivan, we were the first independent provider of Micro-OLED display backplanes/drivers for consumer-grade VR/AR devices. According to the same source, in terms of sales volume in 2024, we are the largest independent Micro-OLED display backplane/driver design house globally, with our sales volume representing 40.7% of the overall market for Micro-OLED display backplane/driver.

After over ten years of progress, we have established ViewTrix as a globally recognized technology brand within the display sector, consistently focusing on value creation for brand companies. According to Frost & Sullivan, as of December 31, 2024, our AMOLED DDICs have been mass-produced and delivered to various top smartphone companies globally, featuring in over 10 different product series. These smartphone companies collectively hold more than a quarter of the global market share. According to the same source, we are the first company based in mainland China to receive brand company certification for AMOLED DDICs and the only one to have shipped over 10 million units to these companies. Additionally, our total sales volume surpassed 50 million units in 2024. We play a crucial role in brand companies' supply chain, achieving high downstream customer loyalty. Our share of AMOLED DDIC supplies to the all smartphone brands globally increased from 1.2% in 2022 to 4.0% in 2024.

Our Transformative Opportunities

- **AMOLED panels gaining significant traction.** In comparison to TFT-LCD, AMOLED technology offers benefits such as a slim profile, lightweight design, reduced power usage and enhanced contrast, leading to an anticipated rise in their market penetration. According to Frost & Sullivan, sales volume of small and medium-sized AMOLED panels, particularly for smartphones, will reach 0.9 billion units by 2029, with the penetration rate, in terms of smartphones with AMOLED panel as of total smartphones, increasing from 60.1% in 2024 to 69.9% in 2029. Additionally, as production yields improve and costs decline, the use of large-sized AMOLED panels in devices like tablets, laptops, automotive infotainment displays and televisions is expected to see significant advancements. By 2029, the penetration rate of AMOLED panels in the large-size display

market is projected to grow from 4.7% in 2024 to 10.4%. Increasing penetration of AMOLED panels is also expected to propel the demand for AMOLED DDICs, with global sales volume expected to increase at a CAGR of 10.3% from 1.3 billion units in 2024 to 2.1 billion units by 2029.

- **Mainland China becoming the center of the display panel and smartphone sectors.** According to Frost & Sullivan, by 2024, mainland China's AMOLED panel production capacity represented approximately 55.0% of the global production capacity. As production line development accelerates in the region, this share is projected to rise to 60.8% by 2029. Concurrently, the presence and impact of domestic smartphone brands on the international stage are growing. According to Frost & Sullivan, in 2024, sales volume from these brands constituted 52.0% of global smartphone sales volume, with eight out of the top 10 smartphone brands being domestic. By 2029, their shipment share is expected to increase to 60.0%. As the display panel and smartphone industries pivot their centers of gravity, mainland China has emerged as the largest market for DDICs. According to Frost & Sullivan, sales volume of DDICs in mainland China amounted to 4,456.8 million units in 2024, representing 53.9% of global sales volume. The sales volume is expected to increase at a CAGR of 3.8% to reach 5,361.7 million units by 2029, accounting for 60.0% of global sales volume, outpacing the global market growth rate of 1.6%. Throughout this industrial transition, IC design houses based in mainland China are experiencing transformative development opportunities, leveraging their understanding of brand customer needs and localized service strengths.

- **Ongoing advancement of AI technology.** Vision and display have emerged as the primary mode of HMI for smart devices due to their intuitive nature and high information density. DDICs play a crucial role in display quality and are among the key components of smart devices. As AI technology evolves and entertainment options expand, consumer expectations for display performance, slimness and battery life in smart devices are on the rise, prompting DDICs to evolve towards lower power consumption, compact size, higher resolution and higher refresh rates. Additionally, the surge in smartphone demands driven by AI applications and the emergence of new smart devices like VR/AR head-mounted devices have significantly boosted the demand for DDICs, leading to a growing market. According to Frost & Sullivan, global sales volume of AI-enabled smartphones are projected to increase at a CAGR of 38.7% from 230.0 million units in 2024 to 1.2 billion units by 2029. Similarly, sales volume of VR/AR devices are expected to grow at a CAGR of 103.3% from 8.9 million units in 2024 to 106.4 million units in 2029. Furthermore, the ongoing advancements in DDICs are raising industry entry barriers and furthering the concentration. The market share of the leading five AMOLED DDIC providers was 68.5% in 2024.

Our Financial and Business Performance

Our extensive experience in the industry, combined with our established business ecosystem, has enabled us to achieve remarkable operational efficiency and a significant scale of operations:

- The sales volume of our AMOLED DDICs increased from 14.1 million units in 2022 to 32.3 million units in 2023 and 51.4 million units in 2024. Our revenue increased from RMB551.3 million in 2022 to RMB720.4 million in 2023 and RMB891.3 million in 2024.

- Our business continued to scale up, and we have experienced improved economies of scale advantages during the Track Record Period. Our administrative expenses and selling and distribution expenses, as a percentage of revenue, decreased from 22.6% in 2022 to 13.1% in 2024.

- Our scalable technology platform facilitates efficient and rapid execution of product research and development. We have developed numeric series of AMOLED DDICs and Micro-OLED display backplanes/drivers. During the Track Record Period, we made substantial investments in R&D, with our R&D expenses increasing at a CAGR of 12.4% from 2022 to 2024. During the Track Record Period, our cumulative R&D expenses amounted to RMB607.0 million, accounting for 28.1% of our total revenue over the same period. As a result of such efforts, we introduced seven new product series during the Track Record Period. Our current product pipeline includes essential display chips, such as AMOLED TDDI chips and Micro-LED display backplanes/drivers. We plan to broaden the applications of our products from smartphones and VR/AR devices to smart wearables, televisions, tablets and automotive displays to drive our future revenue expansion.

OUR COMPETITIVE STRENGTHS

Leading position in a high-barrier industry

We are a world-leading AMOLED DDIC design house. Our commitment to technological innovation over the past decade enables us to achieve product commercialization across various application scenarios, thereby establishing a globally recognized technology brand.

- **High-barrier industry.** The AMOLED DDIC market can be divided into the pre-installed brand market and the post-installed non-brand repair market. According to Frost & Sullivan, the brand segment has consistently represented over 96.0% of the DDIC market share. The display panel serves as the primary interface between smart devices and users, making it vital for maintaining brand reputation. This makes DDIC a critical component for smart devices. To optimize display performance and ensure uniform product quality, brand companies typically engage only a limited number of DDIC suppliers. Due to the significant costs associated with certification, brand companies are generally reluctant to switch suppliers once they have made their selections. Additionally, the DDIC sector is characterized by rapid product development and short iteration cycles. These, coupled with diverse

customer demands and pronounced technical barriers, create substantial entry barriers for the industry. According to Frost & Sullivan, the primary suppliers of AMOLED DDICs for brand companies include us and a select few companies based in South Korea and Taiwan, China. New entrants encounter obstacles due to the very long certification cycles of brand companies, as well as patent technology restrictions imposed by established players and considerable investment requirements. Our DDICs have been mass-produced for leading brand companies, giving us a strong market position and significant first-mover advantages. Our stable partnerships with display panel manufacturers and downstream brand companies form a robust foundation for our business growth. We are deeply committed to addressing the needs of brand companies, leveraging our proprietary technology platforms and high-quality global supply chain resources, ultimately transforming our long-standing customer relationships into a driving force for our future growth.

- **Comprehensive portfolio of high-performance products.** We have established a comprehensive product portfolio through years of technological development, encompassing nearly 20 series of AMOLED DDICs and Micro-OLED display backplanes/drivers. These products cater to a variety of resolutions, refresh rates and mainstream packaging types, making them compatible with numerous display types. The performance metrics of our DDICs have achieved a world-leading standard, characterized by attributes such as high resolution, high refresh rates, low power consumption and rapid response time. Additionally, DDICs can be customized to meet the screen specifications of the brand companies, ensuring outstanding display quality across different smart devices. Meanwhile, we have created a suite of driving compensation algorithms tailored to the attributes of AMOLED display materials, which enhance the performance of AMOLED panels in various complex application scenarios, boost the yield of display modules, establish unique competitive advantages and increase brand companies' recognition of our offerings. Other than with a firm commitment to delivering a comprehensive range of DDICs suitable for diverse applications, we are also developing other critical display chips, including AMOLED TDDI chips and Micro-OLED display backplanes/drivers. Beyond the initial focus on smartphones and VR/AR devices, our product applications are progressively extending to smart wearables, televisions, laptops and infotainment displays, with significant potential for market expansion.

- **Consistent outperformance in a growing market.** With our extensive portfolio of high-performance products, we have established a leading position in the high-barrier AMOLED DDIC market. According to Frost & Sullivan, from 2020 to 2024, the AMOLED DDIC market in mainland China experienced robust growth, with sales volume increasing at a CAGR of 27.6% from approximately 180.0 million units in 2020 to 477.7 million units in 2024. We outperformed this growing market with the sales volume of our AMOLED DDICs increased at a CAGR of 71.3% from 14.1 million units in 2022 to 51.4 million units in 2024. Our exceptional performance underscores our ability to capture market opportunities in this high-barrier industry and deliver superior value to our end-customers.

Our large and stable downstream customer base

We strategically focus on the pre-installed brand market for AMOLED DDICs. Through long-term partnerships with display panel manufacturers and brand companies, we have gained extensive experience and have continuously iterated our proprietary technology platform. This enables us to swiftly adapt our products and innovate new solutions in response to client requirements. We offer comprehensive turnkey display driver solutions, which significantly enhance customer satisfaction and recognition. As a result, we have built a substantial and stable base of downstream customers, which provides us with clear first-mover advantages in a high-barrier industry.

- **Large downstream customer base of brand companies.** Pre-installed brand market for AMOLED DDICs is our strategic focus. According to Frost & Sullivan, we were the first AMOLED DDIC design house based in mainland China to achieve brand customer certification, and the only design house to have surpassed cumulative sales volume of 10 million units to downstream brand customers. Our total sales volume surpassed 50 million units in 2024. Our AMOLED DDICs have successfully been integrated into the supply chains of all major domestic AMOLED panel manufacturers. These DDICs are incorporated into AMOLED display modules, which are subsequently supplied to various top smartphone brands globally, collectively hold more than a quarter of the global market share. In addition, we have established a reliable partnership with leading Micro-OLED display panel manufacturers, such as a private Chinese company specializing in the R&D and production of AMOLED-on-silicon displays, positioning ourselves as the primary supplier of Micro-OLED display backplanes/drivers for these manufacturers.

- **High-stickiness through in-depth cooperation.** We play a pivotal role in the supply chains of brand companies, resulting in exceptional customer loyalty. According to Frost & Sullivan, as of December 31, 2024, our AMOLED DDICs were incorporated into over 10 product series of smartphone brand companies, where we serve as the primary or exclusive supplier. Our share of AMOLED DDIC supplies to the all smartphone brands worldwide increased from 1.2% in 2022 to 4.0% in 2024. Concurrently, we actively participate in the product definition and development processes alongside display panel manufacturers and brand companies, successfully collaborating on the creation of numerous industry-leading AMOLED panels and Micro-OLED products, thereby establishing a highly engaged and quality-focused customer base.

Stable and mutually beneficial supply chain system

We run on the fabless model and have established strategic partnerships with key players in the industrial ecosystem, including foundries and OSAT providers, to collaboratively develop a robust and diversified supply chain. Our focus lies in delivering reliable and high-performance display driver solutions to brand companies. We strive to advance the

innovative evolution of AMOLED DDIC design technology, enhance the adoption rate of AMOLED panels across global smart devices, ultimately fostering mutually beneficial outcomes for the entire industry value chain. This approach not only broadens our international presence but also gives end users an exceptional display experience.

- **Stable and reliable industry partners.** The display sector is characterized by its conservative nature, necessitating substantial initial investments and extended investment cycles across both upstream and downstream players in the industry value chain. DDIC design houses typically establish robust alliance with other players along the industry value chain. Specifically, we have cultivated enduring and stable partnerships with prominent foundries and OSAT companies, such as Taiwan Semiconductor Manufacturing Co., Ltd. ("**TSMC**") and Chipbond Technology Corporation ("**Chipbond**"), maintaining collaboration with key suppliers for nearly a decade. Our advantageous position and pioneering status in the pre-installed brand market for AMOLED DDICs make us a significant client for numerous foundries and OSAT providers, thereby guaranteeing capacity allocation and stable supply.

- **Diversified supply chain planning.** As we expand our business operations rapidly, we are also strategically diversifying our supply chain. We assess a minimum of two foundries for each process node, while typically seek and evaluate three or more OSAT providers for identical technologies. Starting in 2025, we have strengthened our partnerships with domestic foundries, allowing us to allocate resources flexibly in response to prevailing supply and demand dynamics. This strategy mitigates supply chain risks associated with trade frictions and geopolitical tensions. Additionally, diversifying our supplier base enables us to optimize procurement costs and enhance our profitability.

- **Mutually beneficial and win-win cooperation.** With extensive experience in the industry, we have allied with our suppliers to leverage each other's capabilities. Through comprehensive collaboration—encompassing the exchange of industry insights, technical issue discussions and joint development of processes—we have facilitated innovation in critical fabrication and packaging and testing techniques within the upstream segment of the DDIC sector. In addition, our substantial expertise in collaborating with brand companies enables us to integrate more domestic supply chain partners into the supply chain of brand companies. This in-depth cooperation with our suppliers has cultivated a robust industrial ecosystem, bolstered the development and expansion of the domestic supply chain and advanced the display industry, fostering a sustainable growth of domestic supply chain. Concurrently, it can enhance our product performance, lower production costs and accelerate our time-to-market as well as the new product research and development.

Leading AMOLED DDIC technology

As a leader and pioneer in the R&D and commercialization of AMOLED DDICs, we have built a full stack of proprietary display driver technologies. Over the course of more than a decade, we have consistently pursued technological advancements, which positions us well to commercialize our innovations.

According to Frost & Sullivan, we have achieved breakthroughs in many display driver technology fields, leading the industry in display driver technology. In particular, we have developed technologies to achieve various desirable features for AMOLED DDICs:

- **Better image quality.** We have created and engineered a range of algorithms and circuits for drive compensation. By implementing external compensation, we have addressed prevalent issues in AMOLED panels, such as inconsistent brightness, color inaccuracies and image persistence, significantly enhancing both the display quality and the production yield of display modules. We boast extensive algorithmic technology among DDIC providers based in mainland China.

- **Lower power consumption.** We were the first in mainland China in developing novel dynamic voltage regulation algorithm tailored to the adaptive refresh rate required for displays of AI-enabled smartphones and achieving large-scale production and shipment for brand companies. The algorithm enhances power efficiency for the screen.

Applying these core technologies, we were able to roll out many industry-firsts:

- **LTPO DDIC: better image quality with lower power consumption.** We were the first in mainland China in developing LTPO DDICs and achieving large-scale production and shipment for brand companies. These chips enable a dynamic refresh rate ranging from 1 to 120Hz, greatly enhancing the quality of moving images while also lowering the power consumption for static displays.

- **High resolution Real-RGB AMOLED DDICs: better image quality and lower power consumption.** We were the first globally in developing high-resolution Real-RGB AMOLED DDICs and achieving certification by brand company. The innovative design enhances the clarity of displays while markedly decreases the power consumption of smartphone AMOLED display modules.

- **RAM-less AMOLED DDICs: lower cost.** We were the first in mainland China in developing RAM-less AMOLED DDICs and achieving large-scale production and shipment for brand companies. This innovative design significantly lowers chip costs while maintaining high display quality, facilitating the widespread adoption of AMOLED display panels in mid-range and budget smartphones.

We have innovatively adapted and repurposed our expertise gained from the R&D of AMOLED DDICs for Micro-OLED display backplanes/drivers and successfully achieved the following industry-firsts according to Frost & Sullivan:

- We were the first independent provider of Micro-OLED display backplanes/drivers for consumer-grade VR/AR devices, and the leading Micro-OLED display backplane/driver design house globally in terms of sales volume in 2024.

- We were the first globally to launch Micro-OLED display backplanes/drivers that deliver ultra-high resolution and ultra-high luminous frequency. This innovation enhances visual clarity while significantly mitigating the eye strain associated with display flicker. It serves as the primary display solution for premium VR devices.

Owing to the technological advantages and established commercialization capabilities we have developed in the display driver sector, we plan to capitalize on our pioneering position to enhance the display experience of smart devices in the AI era and drive our future growth.

Comprehensive field application engineer team and deep local knowledge in the world's largest display industry market

According to Frost & Sullivan, mainland China is currently the world's largest market for display and consumer electronics, with the largest number of brand companies in the world. Meanwhile, the emergence of domestic display panel manufacturers makes mainland China the central hub for global display panel manufacturing. According to Frost & Sullivan, in 2024, mainland China's production capacity for AMOLED panels represented approximately 55.0% of the global production capacity, and is expected to increase to approximately 60.8% in 2029. As the display panel and smartphone industries pivot their centers of gravity, mainland China has emerged as the largest market for DDICs. As the leading AMOLED DDIC provider in this thriving market, we expect our understanding of brand companies' requirements and the advantages of localized service to capture the significant growth opportunities presented by the changing industry landscape.

- **Deep root in the world's largest display industry market.** Rooted in mainland China, we continue to deepen our presence in this largest display industry market. We have forged strong strategic relationships with all major domestic display panel manufacturers. This local advantage allows us to maintain close relationships with brand companies, stay abreast to market and technological advancements, understand the needs of brand companies, and respond promptly. These grant us a pivotal role in mainland China's display driver industry chain. Additionally, we share mutual recognition with display panel manufacturers and brand companies based in mainland China regarding corporate culture, market philosophies and after-sales support, facilitating smooth and effective business collaborations that are interdependent and mutually beneficial. As we enhance our competitive edge through these partnerships, we simultaneously contribute to the overall growth of both the upstream and downstream segments of the industry chain and the development of the industrial ecosystem.

- **Extensive FAE teams.** We have established strong FAE teams for our different product lines. As of December 31, 2024, we had over 40 FAE staff members located in major cities including Beijing, Shanghai, Shenzhen, Chengdu, Chongqing, Wuhan and Kunming. Our FAE team collaborates closely with the sales department to monitor product usage at client locations, address application and adaptation challenges, and fulfill customer requests within a 24-hour timeframe. Such collaboration enhances our understanding of customer needs and market dynamics, thereby elevating the quality of our services. This in turn expedite the accumulation of experience with our display driver technology. Furthermore, the FAE team systematically gathers and analyzes issues encountered during customer evaluations, enabling us to implement targeted enhancements to our DDICs. This process ensures that our design specifications align with customer requirements, thereby facilitating rapid product development and technological advancement.

Visionary management team with a diverse and creative talent pool

Our leadership team collaborates closely and possesses extensive experience in the industry, complemented by a global perspective. Dr. Gu Jing, our Chairman, is a technical leader in DDIC. He boasts exceptional academic credentials and practical expertise, having earned both his bachelor's and master's degrees from Tsinghua University, as well as a Ph.D. degree in engineering and applied sciences from Harvard University. With his astute market acumen and visionary strategic outlook, Dr. Gu, alongside the management team, has adeptly guided us to capitalize on the pivotal transition of the panel and display sector in mainland China. They have devised our comprehensive technical strategy, laying the groundwork for our emergence as a frontrunner in the global DDIC market. The core management team averages over 25 years of industry experience and hails from several renowned IC design houses, providing them with profound insights into the evolving trends of the global display industry and the needs of our customers.

We prioritize a talent-centric approach, focusing on the recruitment of top-tier professionals. By implementing a robust framework for talent development, motivation and advancement, we have cultivated a dynamic and innovative team with varied professional expertise. Our R&D and technical team comprises veterans from a range of disciplines including electronic information engineering, microelectronics, materials science, computer science and optics. As of December 31, 2024, our R&D and technical team constitutes 69.6% of our workforce, with 59.5% holding a master's degree or higher. Characterized by youth and creativity, our R&D and technical team has an average age of 38 and boasts over 13 years of industry experience, which significantly enhances our capacity for technological advancement and product development.

OUR GROWTH STRATEGIES

We plan to implement the following strategies to consolidate and expand our leading position in the display driver chip industry:

Continue to increase R&D investment to promote technological innovation and iteration

We plan to continue to invest in the R&D of AMOLED DDICs and Micro-OLED display backplanes/drivers, promote iteration and innovation of display technology, and maintain our technological edge. In particular, we plan to continue to iterate existing products and technologies towards higher performance, lower power consumption, lower cost, higher integration and AI optimization, and provide brand companies with better and more efficient display driver solutions.

Build a multi-dimensional product matrix covering diversified products and end-applications

We aim to focus on the needs of downstream customers and industry development trends, continuously optimize and enrich our product structure, and strive to meet the diverse needs of various end-applications. In particular:

- We plan further expand our product categories by developing additional types of display chip products such as AMOLED TDDI chips, Micro-LED display backplanes/drivers, ultimately building a diversified product matrix.

- Beyond smartphones and VR/AR devices, we strive to extend the end-applications of our products to smart wearables, TVs, laptops, infotainment displays and others.

Deepen cooperation with upstream and downstream players to form an industrial alliance

We aim to further strengthen our cooperation with upstream and downstream industry players, further integrate resources, enhance the synergy of the industry chain, strengthen market competitiveness, and promote the innovation and development of display driver technology. In particular:

- We plan to further fortify long-term and stable strategic partnerships with world-renowned foundries, OSAT providers and display panel manufacturers to ensure stable supply and promote quality assurance. We also plan to work with these ecological partners to optimize processes and improve product yield and performance;

- We will deepen cooperation with renowned smartphone brands, VR/AR device brands and, automobile brands, complete product definition with customers, collaborate to launch terminal products with excellent display effects, improve user experience, and promote product implementation.

Continue to attract top global talents and teams

We aim to further cultivate and construct a team of world-class talent from all over the world, drive innovative development and deepen our competitive edge. We plan to continue our investment in talent accumulation and explore additional recruiting channels. Meanwhile, we aim to constantly incentivize our talent pool to solidify our technological strength and drive innovation.

- **Recruitment**: We plan to establish long-term school-enterprise cooperation with universities at home and abroad, continue to carry out talent reserve plans, and attract more outstanding talents to join us through flexible and diverse methods;

- **Cultivation**: We plan to optimize our strategic talent cultivation mechanism and establish a differentiated vocational training system based on job characteristics to strengthen key talent cultivation in various fields;

- **Incentive**: We plan to optimize our performance evaluation system, promotion and incentive mechanism to encourage employees to continuously create value and innovate.

OUR BUSINESS MODEL

We started to focus on the R&D and design of AMOLED DDIC in 2017, with an eye on the strong potential of the then next generation display technology for consumer electronics. We successfully mass produced and supplied our AMOLED DDICs to one of China's largest AMOLED panel manufacturers in 2021, who then supplied the laminated AMOLED display modules for smartphones offered by a leading domestic brand company. This makes us the first AMOLED DDIC company based in mainland China to supply to a major consumer electronics brand company, and we have since grown to be the largest AMOLED DDIC provider in mainland China and the fifth largest worldwide in terms of sales volume in 2024. We run a fabless model, meaning that we focus on the R&D and design of chips, while relying on third-party foundries to fabricate the wafers we design and OSAT providers for the packaging and testing of our chips.

The consumer electronics industry has a complex value chain. Brand companies typically rely on external suppliers for components, functional modules and FATP. Currently, AMOLED display panel is a key component and mainstream option for premium smartphones thanks to its superior performance. As brand companies these days typically adopt a modularized design approach, the AMOLED display panel is laminated with a DDIC to form a display module first, and then laminated with a touch module and cover glass before being shipped to FATP service providers to form the final product. Against this backdrop, though the end applications of our AMOLED DDICs are premium smartphones, our DDICs are first sold to AMOLED panel manufacturers to be laminated with the AMOLED panels.

In view of the complex value chain, brand companies also impose strict control and selection procedures for their supply chain and tend to work exclusively with innovative and/or reputable direct and indirect suppliers to ensure product quality and enable them to offer new and desirable features, ultimately protecting and promoting their brand. Quality and performance of AMOLED DDICs and display modules therefore matter much more for brand companies than price. As such, to get into the supply chain of any reputable brand companies, we must cooperate with foundries, OSAT providers and AMOLED panel manufacturers, which can satisfy the quality requirement of these brand companies. In particular, as the display module serves as both the input and output channels for a smartphone, brand companies typically have no tolerance for any quality issue, and we were required to pass the stringent certification process by both the AMOLED panel manufacturers and brand companies. This is the primary reason for us to start our journey as an AMOLED DDIC supplier for brand companies with leading players in fields such as AMOLED panel and foundry service and to maintain a long-term strategic relationship with these leading industry players. As a result of the stringent certification requirements by both the display panel manufacturers and brand companies, and the fact that there are only five major AMOLED display panel manufacturers in mainland China, the entry barrier of DDIC companies is high, and DDIC suppliers are highly concentrated, with each DDIC supplier supplying high volumes of products to the display panel manufacturers.

The key for us to enter into the supply chain of reputable brand companies, however, is our ability to deliver solutions with superior performance and quality. Dr. Gu, our Chairman, who has had years of industry experience and obtained more than 50 patents, led our R&D effort in developing AMOLED DDICs before the widespread deployment of AMOLED display panel for consumer electronics. The AMOLED DDIC market in mainland China used to be dominated by Taiwanese and Korean companies, and foreign countries currently do not impose any significant export control on AMOLED DDICs to mainland China. Therefore, brand companies in mainland China can freely choose to use AMOLED DDICs supplied by the incumbent players from Taiwan, China and South Korea. Concern about qualities due to the pivotal role played by the display module in a smartphone further disincentivizes the brand companies to try out new players in the market. As such, we believe that our successful entrance into the supply chain of reputable brand companies is the strongest testament of the superior quality of our products and our technological prowess.

OUR PRODUCTS

DDIC is a core device in an electronic device that interfaces with the processing unit and the display panel by converting the digital commands into visible image on the display panel. A DDIC accepts commands and data from the processing unit and generates signal with suitable voltage, current, timing and demultiplexing to make the display show the desired image.

Underpinned by our proprietary algorithms, our AMOLED DDICs enhance the image quality, resolution and responding speed, and reduce electromagnetic interference and power consumption of the display panel, ultimately resulting in high integration of the display panel with and high performance of the electronic device. Key algorithms and functions to support these features include: (i) Demura, also known as automated visual inspection and correction, that adjusts the luminance and/or chromaticity of each AMOLED pixel to produce displays with an entirely uniform appearance, (ii) autonomous color management, (iii) IRC, or color uniformity compensation, (iv) SPR, or subpixel rendering technology, (v) BC, or brightness control, (vi) TC, or color temperature adjustment, and (vii) GRAM, or graphic RAM, that stores image data for fast access and manipulation of graphics on the display.

Leveraging our core strengths in algorithms and designing DDIC, we expanded our business into Micro-OLED and started to offer Micro-OLED display backplanes/drivers in 2018.

We currently offer two categories of products: (i) AMOLED DDICs, primarily used for smartphones; and (ii) Micro-OLED display backplanes/drivers, primarily used for AR/VR enabled head-mounted devices.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
AMOLED DDICs	361,017	65.5	601,437	83.5	816,033	91.6
Micro-OLED display backplanes/drivers	189,113	34.3	118,833	16.5	75,039	8.4
Others[(1)]	1,160	0.2	134	0.02	232	0.03
Total	**551,290**	**100.0**	**720,404**	**100.0**	**891,304**	**100.0**

Note:

(1) Primarily revenue from technical services.

AMOLED DDICs

We currently offer a variety of AMOLED DDICs to be used for smartphones of different specifications. Our AMOLED DDICs can be customized to suit a particular smartphone model or designed to meet the technical specifications of several mainstream smartphone models. These both require us to work closely with display panel manufacturers and brand companies in the R&D process. To a lesser extent, we also design and develop general usage AMOLED DDICs for the aftersales maintenance and repair market.

Premium

We are the exclusive or primary supplier of AMOLED DDICs for the flagship smartphone models of several leading brand companies. Our latest development is dual RAM AMOLED chip. With its parallel processing capabilities, efficient conflict resolution mechanisms and flexible application scenarios, this dual RAM chip demonstrates unique advantages in multi-processor systems and environments that require high-speed data exchange.

Mass market

RAM-less AMOLED DDIC, with its simple structure and low cost, is suitable for most basic storage needs of DDIC. Our RAM-less AMOLED DDIC targets the mass market, offering cost-effective solutions for standard applications.

Micro-OLED display backplanes/drivers

Micro-OLED is a cutting-edge AMOLED display technology, whereby the OLED pixels are placed on to silicon wafers and either integrated with the display driver circuit or laminated with a separate display driver circuit, instead of a low temperature polycrystalline silicon glass to form the display panel. Micro-OLED technology allows exponentially more pixels to be fitted into a smaller space. These features make Micro-OLED display backplanes/drivers particularly suitable for end applications with significant size and weight constraints such as AR/VR enabled head-mounted devices. Currently, apart from Sony, which designs its own Micro-OLED display backplanes/drivers for use in its products, we are the largest independent supplier of Micro-OLED display backplanes/drivers in terms of sales volume in 2024.

Our Micro-OLED display backplanes/drivers are silicon wafers that integrate the display driver circuit we design and fabricated by the foundries we work with. Our Micro-OLED display backplanes/drivers are sold to OLED display panel manufacturers for OLED processing and packaging to form the display modules that can be sold to brand companies for their final products. Our Micro-OLED display backplanes/drivers are designed to meet the technical specifications required by the display panel manufacturers.

Our Micro-OLED display backplanes/drivers offer customized special pixel arrangements and algorithm processing and feature high-speed interface and additional characteristics such as temperature compensation and voltage compensation, which are built in to improve image quality and reduce power consumption. Our Mirco-OLED display backplanes/drivers can achieve a pixel density of 5,644 ppi, which is the highest in the industry.

Seasonality

Demand for and sales of our products follow the same seasonality pattern as sales of the end products that feature our DDICs. As a result, we typically experience higher sales in the second half of the year due to the new product launch cycles of smartphones and increased shopping activities during the holiday season. See "Risk Factors — Risks Relating to Our Business Operations — Our Sales May Be Influenced by Seasonality" for risks associated with the seasonality of our sales.

Product Pricing

We generally determine the price 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 customer, complexity of the product in terms of design, size of the order, our expected profit margin and competition. For our sales to our distributors, the pricing is also closely linked to the credit period. See "— Sales and Marketing — Our Distributors" for further details.

RESEARCH AND DEVELOPMENT

Research and development are critical to maintaining our market-leading position and to the sustained growth of our business by ensuring that we can continue to meet the evolving needs of the brand companies. According to Frost & Sullivan, we are the first company in mainland China to possess the advanced technological know-hows required to develop and design AMOLED DDICs and Micro-OLED display backplanes/drivers, including algorithm optimization, standard cell optimization, low power consumption, advanced chip packaging technology, system level power supply and heat dissipation technology. We are devoted to in-house research and development of core cutting-edge technologies.

Our R&D approach

Given the highly customized nature of our products, our R&D are primarily done in cooperation with our customers for specific projects according to the customers' requirements and end product designs. The cooperation starts at the beginning of the product cycle of the end products, and we work with them closely to design and develop customized products pursuant to their specifications and the design of the end products. Separately, we also pursue R&D projects that can broaden the horizon of our business and expand our product offerings.

Time-to-market is critical in our industry as upstream suppliers need to follow the product launch cycle of the brand companies. As such, we follow a methodical R&D approach detailed below:

- **Feasibility discussion.** Our sales and R&D teams would conduct extensive discussion with display panel manufacturers and brand companies for their requirements on specifications, functions and costs.

- **Design.** Upon conclusion of the feasibility discussion, we begin our internal design phase, which comprises (i) system design, (ii) circuit design, (iii) layout, and (iv) design verification. Wafer level GDS will be produced based on the verified circuit layout, and then dispatched to our foundry partners for procurement.

- **Tape-out and trial production.** We work with our production partners to conduct tape-out and packaging and testing of the sample products.

- **Verification.** We work closely with display panel manufacturers and brand companies to identify and address any quality issues in real working environment of the end products. A final specification will be produced upon conclusion of the verification stage, and we will determine with our display panel manufacturers and brand companies, based on their sales forecast, as to whether to enter mass production stage.

Past R&D achievements

Our research and development efforts have yielded significant results which enable us to establish our brand recognition and our competitive position. Some of our research and development results are protected by patents while the rest are part of our proprietary trade secrets. As of the Latest Practicable Date, we had registered a total of 27 invention patents in mainland China, with 11 pending patent applications in mainland China. We have also registered a total of 49 patents in the United States, Japan, Taiwan, China and Europe. In particular, we have achieved the following technological breakthroughs:

- In the AMOLED DDIC market, we mainly focus on the development of DDIC with cutting-edge technology. Products such as VTDR6115, a cost-effective high-end display solution for AMOLED DDIC, and VTDR6135, the industry's first real-RGB AMOLED DDIC, both feature unique characteristics. These DDICs, integrated with AMOLED modules, can achieve reduction in power consumption, providing solutions for high-efficiency AMOLED displays.

- In the Micro-OLED market, we are dedicated to the development of miniaturized products for wearable devices, with core technologies being AMOLED micro-displays. For example, products like VTOS6208, designed for use in AR/VR enabled head-mounted devices, focus on ultra-low power consumption and extended operational life.

Future R&D roadmap

As the global production capacity of AMOLED display panels increase, we estimate that the application of AMOLED display panels in smartphones and tablets will also increase. As such, we plan to focus our R&D resources on AMOLED DDICs that are suitable for mid-end to mass-market smartphones and mid- to large-form-factor AMOLED display panels to be used in tablets. We also plan to develop more diverse AMOLED DDICs with various functions for premium smartphones. Specifically, we plan to focus our R&D efforts on achieving three distinct goals: lower power consumption, lower cost and higher performance.

R&D team and expenses

As of December 31, 2024, we had over 150 experienced research and development personnel with an average industry experience of over 10 years. In 2022, 2023 and 2024, our research and development expenses amounted to RMB187.8 million, RMB177.0 million and RMB242.2 million, representing 34.1%, 24.6% and 27.2% of our total revenue in the respective periods. Our research and development expenses are generally expensed rather than capitalized.

SALES AND MARKETING

We believe that consistently delivering high-quality products on time that meet and exceed our downstream customers' expectations is the most efficient sales and marketing approach for us. As such, our sales and marketing activities are focused on maintaining and expanding the scope of our strategic relationships with our downstream customers since we aim to become and remain the strategic long-term partner of our downstream customers. Our sales team also actively involve in our product R&D process to ensure we can deliver satisfactory products to our direct and downstream customers.

In addition to maintaining and strengthening relationships with our existing customers, our sales team also proactively explore new partnerships with potential customers, especially as we expand our product offering.

Our Customers

Our downstream customers mainly include display panel manufacturers and brand companies in the consumer electronics industry. For shorter cash collection cycle and better capital management, we sell our products to display panel manufacturers both directly and through distributors.

Top Five Customers

In 2022, 2023 and 2024, sales to our five largest customers amounted to RMB402.1 million, RMB655.0 million and RMB803.9 million, accounting for 72.9%, 91.0% and 90.2% of our total sales in the respective periods. In 2022, 2023 and 2024, sales to our largest customer amounted to RMB113.2 million, RMB347.5 million and RMB482.6 million, accounting for 20.5%, 48.2% and 54.1% of our total sales in the respective periods. 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 Listing Rules.

The following tables set forth certain information relating to our top five customers for the periods indicated.

For the year ended December 31, 2022

	Customer	Transaction amount	Percentage of sales	Years of business relationship	Customer Type	Background
		(in RMB thousands)				
1	Customer A	113,185	20.5%	6	Display panel manufacturers	A company publicly listed in China that specializes in the R&D and manufacturing of AMOLED and Micro-OLED display products
2	Customer B	102,517	18.6%	6	Display panel manufacturers	A private Chinese company specializing in the R&D and production of display panels
3	BOE Technology Group Co., Ltd.	83,019	15.1%	7	Display panel manufacturers	A company publicly listed in China specializing in production of display panels
4	Wuhan TCL China Star Optoelectronic Technology Co., Ltd.	59,221	10.7%	4	Display panel manufacturers	A subsidiary of Technology Group Corporation, a company publicly listed in China that focuses on developing advanced semiconductor display technologies
5	Customer C	44,106	8.0%	6	Display panel manufacturers	An AMOLED semiconductor display manufacturer that is publicly listed in China

For the year ended December 31, 2023

	Customer	Transaction amount	Percentage of sales	Years of business relationship	Customer Type	Background
		(in RMB thousands)				
1	Customer D	347,464	48.2%	3	Distributor	A company publicly listed in China that specializes in the production of optoelectronic devices, including backlight and display modules
2	Customer E	138,812	19.3%	2	Distributor	A company publicly listed in China that provides electronic components, including display modules
3	Customer B	112,190	15.6%	6	Display panel manufacturers	A private Chinese company specializing in the R&D and production of display panels
4	Customer A	36,698	5.1%	6	Display panel manufacturers	A company publicly listed in China that specializes in the R&D and manufacturing of AMOLED and Micro-OLED display products
5	Customer F	19,841	2.8%	2	Distributor	A distributor of ours that specializes in the distribution of products with advanced network telecommunications integration technologies

For the year ended December 31, 2024

	Customer	Transaction amount	Percentage of sales	Years of business relationship	Customer Type	Background
		(in RMB thousands)				
1	Customer F	482,624	54.1%	2	Distributor	A distributor of ours that specializes in the distribution of products with advanced network telecommunications integration technologies
2	Customer E	174,042	19.5%	2	Distributor	A company publicly listed in China that provides electronic components, including display modules
3	BOE Technology Group Co., Ltd.	62,043	7.0%	7	Display panel manufacturers	A company publicly listed in China specializing in production of display panels

	Customer	Transaction amount	Percentage of sales	Years of business relationship	Customer Type	Background
		(in RMB thousands)				
4	Customer A	47,809	5.4%	6	Display panel manufacturers	A company publicly listed in China that specializes in the R&D and manufacturing of AMOLED and Micro-OLED display products
5	Customer C	37,417	4.2%	6	Display panel manufacturers	An AMOLED semiconductor display manufacturer that is publicly listed in China

Arrangement with Our Customers (Excluding Our Distributors)

We generally enter into framework agreements with our major customers (excluding distributors), with actual price and volume specified in individual purchase orders. The terms of these agreements vary depending on the specific product or project and the result of our negotiation with each customer, but these agreements generally contain the following terms. The table below does not reflect the contractual terms with our distributors, the details of which are discussed in "— Our Distributors — Arrangement with Our Distributors."

Duration	:	Generally ranges between one year to three years
Transfer of risks	:	Risks transfer to our customers once our products have been accepted by our customers
Payment and credit terms	:	We generally provide our customers a credit period of 90 days to settle payment after receipt of invoices. We typically invoice our customers on a monthly basis.
Minimum purchase requirements	:	We typically do not set annual minimum purchase requirements for our customers
Logistics	:	We are responsible for delivering products to locations specified by our customers
Returns/exchanges	:	Our customers are only entitled to return products due to quality issues attributable to us and within a period specified in the agreements

Confidentiality	:	We and our customers shall exercise reasonable care and take necessary measures to prevent any confidential information obtained under this agreement from being disclosed to any third party
Termination/renewal	:	These agreement either provide for automatic renewal upon expiry in the absence of objection from either party or require mutual agreement to renew upon expiration

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 services and products that meet their expectations. Specifically, we communicate with our customers frequently during the product design process since we usually conduct the research and development activities together with our customers, and we also regularly collect customer feedback during our cooperation to ensure that they are satisfied with our products and services.

Concentration of Our Customers

During the Track Record Period, sales to our top five customers and our largest customer were relatively concentrated, with the top five customers contributing to 72.9%, 91.0% and 90.2% of our revenue and the top customer contributing to 20.5%, 48.2% and 54.1% of our revenue in 2022, 2023 and 2024.

We believe that we do not unduly rely on our major customers for the following reasons:

- **Highly concentrated nature of the industry**. The main customers for a DDIC design company like us are display panel manufacturers. According to Frost & Sullivan, as of December 31, 2024, there were only five major AMOLED panel manufacturers in mainland China that supply to brand companies in the consumer electronics market on a large scale. Furthermore, the DDIC design process requires close cooperation between the DDIC design company and the display panel manufacturers given the complexity and customization involved in DDIC design. Accordingly, the five major AMOLED panel manufacturers in mainland China maintain strong, long-term relationships with their certified suppliers where each DDIC design company supplies high quantities of DDICs to these display panel manufacturers. According to Frost & Sullivan, it is common in the industry for DDIC companies to have a highly concentrated customer base.

- **Mutually beneficial relationship**. DDICs are essential for the functionality and performance of display panels. Display panel manufacturers benefit from customized, high-quality DDICs that enhance the performance and value of their display panels. In addition, given the strict certification and quality control requirements of the brand companies, it is critical for display panel manufacturers to maintain stable and long-term strategic relationships with their DDIC design suppliers who have passed the certification procedures of brand companies to ensure that they can offer stable supplies of display panels that meet the brand companies' stringent requirements. Based on these, we believe that we have mutually beneficial relationships with our major downstream customers, and the likelihood of any material adverse change in our business with our major downstream customers in the near future is low.

Our Distributors

In addition to selling our products to display panel manufacturers directly, we also sell our products to display panel manufacturers through distributors primarily for shorter cash collection cycle and better capital management. In particular, AMOLED panel manufacturers typically require a longer credit period. To accelerate our cash collection, we work with distributors approved by the AMOLED panel manufacturers who are willing to accept a shorter credit period. In return, we offer our distributor a discount off the price we typically sell to the display panel manufacturers. In general, the amount of discount is directly linked to the length of collection cycle we are able to shorten. We typically only engage in one distributor for sales to a given AMOLED panel manufacturer. Such distributor also needs to be a certified supplier by the AMOLED panel manufacturer. To a lesser extent, we also permit our distributors to explore opportunities with more downstream customers. Our distributors are typically companies engaged in the distribution of integrated circuits. According to Frost & Sullivan, it is common for DDIC companies to engage distributors for sales of products.

In 2022, 2023 and 2024, sales to our distributors amounted to RMB26.3 million, RMB506.1 million and RMB656.7 million, accounting for 4.8%, 70.3% and 73.7% of our total revenue in the respective periods. The significant increase in revenue contribution from our distributors in 2023 was resulted from our decision to engage distributors for sales to some of the display panel manufacturer in that year. Given the industry landscape where each display panel manufacturer contributes to a significant portion of our revenue directly or indirectly, even if we switch from direct sales to sales through a distributor with respect to one display panel manufacturer, that would lead to a significant increase in revenue contribution from distributors. Furthermore, we further solidified our relationships and expanded our business with our major customers in 2023, leading to an increase in revenue contribution from our top five customers, which also contributed to the significant increase in revenue from distributors in 2023.

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, and none of our distributors were controlled by any of our former or present employees during the Track Record Period.

Selection and Management of Our 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. For our distributors who sell our products to display panel manufacturers, they also need to be approved by the display panel manufacturers. As we engage distributors primarily for the sales to specific display panel manufacturer, we do not believe there is significant risk of channel-stuffing or cannibalization.

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. 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.

Arrangement with Our Distributors

Our distributors are generally only allowed to sell our products in mainland China, Hong Kong and Macau. In certain instances, our distributors are only allowed to sell our products to designated customers, primarily display panel manufacturers. 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. We would take the individual distributor's compliance record to our pricing policies into account in the performance review process. We may consider granting more flexibility in payment terms to our distributors based on the lengths of our business relationship with them.

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	:	Generally ranges between one year to three years
Payment and credit terms . . .	:	We generally require our distributors to pay in full before the products are shipped. In certain cases, we grant our distributors a short credit period (typically no more than 10 days) to settle payment after shipment
Delivery of products	:	We are responsible for delivering products to locations specified by our distributors
Transfer of risks	:	Risks transfer to our distributors once our products are delivered to our distributors
Product returns/exchanges . . .	:	Our distributors are only entitled to return products due to quality issues and within 15 days of accepting the products

Sales of products	:	Our distributors are only allowed to sell our products in designated areas and cannot sell similar or competing products
Sales target	:	We typically do not set sales target for our distributors
Minimum purchase requirements	:	We typically do not set annual minimum purchase requirements for our distributors, although we do require that their purchase amount per order is above a certain minimum order amount
Pricing policy	:	Our distributors are required to follow our pricing policies
Termination	:	The agreement can be terminated with mutual consent or by us unilaterally with 90 days of advance notice

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

	Year Ended December 31,		
	2022	2023	2024
Number of distributors at the beginning of the period	–	1	2
Number of new distributors	1	2	1
Number of terminated distributors	–	(1)	(1)
Number of distributors at the end of the period	**1**	**2**	**2**

We only had very limited number of distributors during the Track Record Period due to the concentrated nature of our downstream customers. We typically only engage one distributor for sales to a major downstream customer at any given time. In 2023, we replaced Customer D, a distributor for a major display panel manufacturer, with Customer F to make sales to that same display panel manufacturer.

PROCUREMENT, INVENTORY AND LOGISTICS

Our Fabless Model

We do not directly manufacture AMOLED DDICs or Micro-OLED display backplanes/drivers. Instead, we utilize what is known as the fabless model, which is commonly adopted in the industry, whereby we cooperate with world-class production partners for all phases of the manufacturing process of our AMOLED DDICs or Micro-OLED display backplanes/drivers, including wafer fabrication and packaging and testing (packaging is applicable to AMOLED DDICs only). Under the fabless model, we are able to leverage the expertise of industry leaders in such areas as fabrication, quality control and assurance, reliability and testing. In addition, the fabless model allows us to avoid many of the significant costs and risks associated with owning and operating various fabrications and packaging and testing facilities. Our fabrication partner is responsible for procurement of the majority of the raw materials used in the production of our ICs. As a result, we can focus our resources on research and development, product design and additional quality assurance.

We currently work closely with leading production partners including TSMC, Shanghai Huali Microelectronics Corporation ("**HLMC**") and another leading foundry based in mainland China for wafer fabrication, and Chipbond Technology Corporation ("**Chipbond**") and Hefei Chipmore Technology Co., Ltd. ("**Chipmore**") for chip packaging and testing.

Once our foundry partners complete the fabrication of the wafers, we are responsible to ship them to our OSAT providers for cutting, packaging and testing. The packaged and tested chips are then shipped by us to the AMOLED display panel manufacturers for lamination. For our Micro-OLED display backplanes/drivers, the wafers are sent directly to the AMOLED display panel manufacturers for AMOLED processing. See "— Logistics" for further details.

It typically takes three to four months for the fabrication of wafer and approximately one month for the packaging and testing of the chips.

Arrangements with Our Production Partners

Selection of Production Partners

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. More specifically, we are required to work with reputable production partners that can satisfy the requirement of display panel manufacturers and brand companies. Similarly, these production partners need to enter the supply chain of display panel manufacturers and brand companies by cooperating with DDIC designers like us. We believe that global leading suppliers collaborate with us because of our leading position in AMOLED DDICs or Micro-OLED display backplanes/drivers and the business opportunities and profitability our products present. As a result, the relationship between us and our production partners are mutually beneficial.

During the Track Record Period, we worked closely with TSMC to fabricate our AMOLED DDICs or Micro-OLED display backplanes/drivers. As a result, TSMC has been our largest supplier throughout the Track Record Period. In 2023, in an effort to diversify our supplier base, we have obtained the approval from our downstream customers and started to work with other foundry partners based in mainland China, including HLMC.

We maintain long-term strategic relationships with our production partners. Since DDICs require significant production capacity from production partners and contribute to high order volume for the production partners, these production partners need to work with DDIC designers like us to achieve and maintain high utilization rates of their production capacities.

IC Fabrication

We do not maintain any long-term contract or framework agreement with our production partners. We typically provide an annual production plan in the third or fourth quarter in order for our production partners to allocate their production resources for the following year. The production plan is not legally binding, and our production partner typically accepts a deviation from the production plan. TSMC generally requires us to make prompt payment upon placement of orders. Others production partners, including HLMC, typically requires us to make a certain amount of prepayment and settles the purchase amount within 30 days upon delivery.

Packaging and Testing

We typically settle with our OSAT partners on a monthly basis, except where prepayment is necessary to secure production capacity.

Concentration of our Production Partners

During the Track Record Period, we worked with a select few production partners for the IC fabrication. In particular, TSMC was our largest production partner in 2022, 2023 and 2024, accounting for 59.5%, 65.8% and 74.5% of our total purchases.

We believe that we do not unduly rely on TSMC for the following reasons:

- **Background and industry norm**. To enter into the supply chain of any reputable consumer electronics brand companies, a fabless DDIC design house needs to work extensively and closely with various partners, particularly the display panel manufacturers and foundries. See "— Our Business Model" for further details. Against this backdrop, it was imperative for us to partner with a reputable and reliable foundry to begin our venture into a brand company's supply chain. As a result, we have been working with TSMC, the world's leading foundry in terms of fabrication technology and market share in 2024 according to Frost & Sullivan, to provide AMOLED DDICs for smartphones offered by a leading domestic brand company since 2021. In addition, our customers, being the display panel manufacturers, typically require us to work with designated foundries for products that have passed their certification requirements. This means that once the DDICs have entered the mass production stage, display panel manufacturers typically

require us to keep using the same foundry for those DDICs. As such, procurement from TSMC has constituted a substantial majority of our cost of wafers. According to Frost & Sullivan, it is customary for fabless IC design houses to work with one single or a limited number of foundries for IC fabrication.

- **Ability to reduce reliance**. We have been focused on growing our business and increase our sales volume in recent years. During this period, it is critical for us to maintain a stable relationship with our primary foundry to secure production capacity allocation and avoid costs associated with switching foundries to achieve on-time delivery of products to our customers. As we increase our business scale and solidify our market-leading position, we may explore diversifying our foundries. Other than TSMC, there are a number of leading semiconductor foundries with advanced processing technologies that have provided, or are able to provide, IC fabrication services for our products. For example, during the Track Record Period, we also worked with other production partners, including GlobalFoundries, HLMC and a leading foundry based in mainland China for IC fabrication. We believe that we do not unduly rely on TSMC since there are readily available alternative foundries, such as the other foundries we worked with during the Track Record Period, that can also effectively provide IC fabrication services that meet our standards and at reasonable costs. In particular, HLMC and our other foundry partner based in mainland China has been certified by the brand companies who currently use our DDICs in their smartphones. We are exploring expanding our business scale with these foundries, and we may also selectively explore collaboration opportunities with other foundries who have leading technologies and sufficient capacities to enhance our production flexibility and operating efficiency.

- **Mutually beneficial relationship**. As a result of the high entry barrier, the DDIC design industry is highly concentrated, with only a few companies able to meet the stringent certification requirements of both the display panel manufacturers and the brand companies. This, coupled with the prevalence and importance of DDICs in consumer electronics, means each of the select few DDIC design companies who are approved by both the display panel manufacturers and brand companies needs to deliver large quantities of DDICs to display panel manufacturers and therefore occupies high production capacity of the foundries. Considering the extensive capital investment required to established a production line, foundries are typically eager to work with customers with large procurement volume to ensure a high level of capacity utilization. Accordingly, it is also in IC foundries' interest to maintain their relationships with leading DDIC design houses. In addition, given the highly concentrated nature of the DDIC design industry, IC foundries are motivated to collaborate with leading DDIC design houses like us in order to enter the supply chain of the leading consumer electronics brand companies. As a result, according to Frost & Sullivan, fabless DDIC design companies typically have long-term stable relationships with their primary foundries. For example, we have been cooperating with TSMC for eight years. We believe that we have a mutually beneficial relationship with TSMC, and the likelihood of any material adverse change in our business relationship in the near future is low.

Top Five Suppliers

In 2022, 2023 and 2024, purchases from our five largest suppliers amounted to RMB545.0 million, RMB832.5 million and RMB849.3 million, accounting for 96.9%, 97.8% and 97.2% of our total purchases in the respective periods. In 2022, 2023 and 2024, purchases from our largest supplier amounted to RMB334.3 million, RMB560.8 million and RMB651.0 million, accounting for 59.5%, 65.8% and 74.5% of our total purchases in the respective periods. 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 Listing Rules.

The tables below set forth certain information of our top five suppliers during the Track Record Period.

For the year ended December 31, 2022

	Supplier	Transaction amount	Percentage of purchases	Years of business relationship	Supplier type	Background
		(in RMB thousands)				
1 . .	TSMC	334,261	59.5%	8	Foundry	A leading chip foundry that is publicly listed in Taiwan, China and the United States
2 . .	GlobalFoundries	104,017	18.5%	8	Foundry	A leading chip foundry that is publicly listed in the United States
3 . .	Chipmore	63,693	11.3%	5	OSAT provider	A semiconductor packaging and testing service provider that is publicly listed in mainland China
4 . .	SUMEC International Technology Co., Ltd.	23,285	4.1%	4	Machine and equipment	A Chinese company that imports high-end mechanical and electrical equipment, whose parent company is publicly listed in mainland China
5 . .	Chipbond	19,791	3.5%	8	OSAT provider	A semiconductor packaging and testing service provider that is publicly listed in Taiwan, China

For the year ended December 31, 2023

	Supplier	Transaction amount	Percentage of purchases	Years of business relationship	Supplier type	Background
		(in RMB thousands)				
1 . .	TSMC	560,769	65.8%	8	Foundry	A leading chip foundry that is publicly listed in Taiwan, China and the United States
2 . .	Chipmore	142,060	16.7%	5	OSAT provider	A semiconductor packaging and testing service provider that is publicly listed in mainland China
3 . .	GlobalFoundries	113,347	13.3%	8	Foundry	A leading chip foundry that is publicly listed in the United States
4 . .	Chipbond	9,008	1.1%	8	OSAT provider	A semiconductor packaging and testing service provider that is publicly listed in Taiwan, China
5 . .	Supplier A	7,364	0.9%	2	Foundry	A leading chip foundry that is publicly listed in mainland China and Hong Kong

For the year ended December 31, 2024

	Supplier	Transaction amount	Percentage of purchases	Years of business relationship	Supplier type	Background
		(in RMB thousands)				
1 . .	TSMC	651,006	74.5%	8	Foundry	A leading chip foundry that is publicly listed in Taiwan, China and the United States
2 . .	Chipmore	140,242	16.0%	5	OSAT provider	A semiconductor packaging and testing service provider that is publicly listed in mainland China
3 . .	Supplier A	30,176	3.5%	2	Foundry	A leading chip foundry that is publicly listed in mainland China and Hong Kong
4 . .	Chipbond	20,540	2.4%	8	OSAT provider	A semiconductor packaging and testing service provider that is publicly listed in Taiwan, China
5 . .	Supplier B	7,377	0.8%	3	Electronic design automation service provider	An electronic design automation service provider that is publicly listed in the United States

Inventory Management

Our inventory primarily include work in progress (the wafers for AMOLED DDICs en route to the packaging and testing facilities and the time when they are being cut, packaged and tested) and finished products (the packaged and tested chips or the finished Micro-OLED wafers en route to the OLED display panel manufacturer). In order to satisfy any surge in demand for our products or prevent production interruption, we typically ensure there is one month worth of products that can be delivered to display panel manufacturers. See "Financial Information — Selected Items of Consolidated Statements of Financial Information — Inventories" for details of our inventory during the Track Record Period.

Logistics

In line with industry practice, we are responsible for shipping the wafers from the foundries to the testing and packaging facilities, and the packaged and tested chips to the AMOLED display panel manufacturers for lamination or AMOLED processing.

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.

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 IC fabrication process by our production partners. In addition, we provide timely and effective after-sales services and support to our users.

We devote significant resources to quality control of our products. We have established a dedicated quality control department consisting of 14 personnel as of December 31, 2024, which is mainly responsible for (i) receiving and fulfilling customer requirements for product quality, (ii) quality management for production partners, including foundry partners and OSAT partners, and (iii) final quality assurance of products and ensuring accountability for product quality. We have specially established a dedicated product quality assurance position in the R&D projects, the person occupying which is responsible for managing product quality and reliability throughout the development process, effectively connecting the quality control department and R&D department. We inspect the wafers before their delivery for packaging and testing. Our packaging and testing partners also conduct inspections on the wafers for us. Upon delivery of the packaged and tested chips, we also conduct system-level inspections.

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.

For the fabrication and packaging and testing of ICs, we only cooperate with industry leaders, which we believe safeguards the quality of the ICs. We inspect the wafers before delivery of the wafer for packaging and testing. Our packaging and testing partners also conduct inspection on the wafers for us. Upon delivery of the packaged and tested chips, we also conduct system level inspection. We require a yield rate of 99% from the IC fabrication process and a 96% yield rate from the packaging and testing process.

Warranty and After Sales Services

We provide a warranty for our chips, ranging between one year to approximately three years, depending on different customers. Our warranties cover one to three years upon our customers' receipt of our products. We make provisions for warranties based on our best estimate of the expected claims under or sales agreements. As of December 31, 2022, 2023 and 2024, we had warranty provisions of RMB7.3 million, RMB5.1 million and RMB2.3 million.

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 PRC 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 73 patents, 17 registered trademarks, 15 copyrights and 11 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 agreements 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 — Risks Relating to Our Business Operations — Our Patents and Other Non-patented Intellectual Properties Are Valuable Assets, and if We Are Unable to Protect Them From Infringement, Our Business Prospects May Be Harmed."

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 material disputes or litigation in relation to the infringement of any intellectual property rights during the Track Record Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

We are committed to ESG alongside our pursuit of a sustainable growth. We have implemented a set of ESG policies that align with applicable laws, regulations and policies. These policies set out our internal practices for corporate governance, environmental protection, social responsibilities, labor protection and business integrity, among other things.

We have established a comprehensive ESG management framework that assigns specific ESG responsibilities at various organizational levels throughout our business operations, thereby improving our management and execution capabilities in these areas. The ultimate responsibility for setting ESG strategies, objectives, and managing related risks resides with our senior management. This encompasses the identification, assessment and management of ESG initiatives and the evaluation of our progress in achieving the defined ESG goals. We have established an ESG Committee responsible for reviewing and evaluating the implementation of our ESG strategies, systems, work plans, and risk management approaches. In addition, we have formed an ESG task force to further implement our ESG strategy. Our ESG task force comprises senior management from various business departments and oversees the execution of our ESG-related work plans, as well as monitors and evaluates the effectiveness of the implementation.

We strive to maintain active communication with various stakeholders, including employees, suppliers (including our production partners) and customers, and continuously improve our ESG practices to address stakeholders' ESG-related considerations. During the Track Record Period and up to Latest Practicable Date, we were not exposed to any significant risks or issues related to ESG. Looking forward, we will dedicate more internal resources and management supervision to further strengthen our ESG practices and strategies, enhance our risk identification and management procedures, and ensure transparent and regular ESG reporting.

Environment

We proactively monitor changes in laws, regulations and policies, continuously assess compliance risks and promptly adjust our practices to ensure alignment with evolving environmental focus areas. We promptly adjust to changes in laws, regulations and policies to ensure our compliance with environmental focus topics. We have an environmental management framework in place with a focus on reducing environmental impact, improving the efficiency of resource consumption and reducing overall carbon emissions. We take various measures in our business operations to minimize the impact of our operations on the environment, including the following:

- **Energy Conservation and Green Office**. We focus on energy and resource conservation in our daily operating activities. Our energy and resource usage remained relatively stable despite our rapid growth during the Track Record Period. In 2022, 2023, 2024, our electricity consumption was approximately 0.1 GWh, 0.1 GWh and 0.1 GWh, respectively. In addition, employees are encouraged to adopt green office habits, such as minimizing unnecessary printing and turning off idle equipment. We also consider environmental factors in our procurement. Where possible, we leverage digital tools and automated systems to reduce resource usage and improve operational efficiency.

- **Chemicals usage**. The production of DDICs involve the use of certain chemicals, such as arsine and phosphine in the doping process, hydrofluoric acid for etching and cleaning, photoresists and solvents and silane. Under the fabless model, we do not engage in the production of DDICs ourselves. We only work with industry-leading reputable foundries for our products. During the Track Record Period, we worked with TSMC, GlobalFoundries and other foundries to produce our DDICs. According to their public filings, these production partners strictly comply with the relevant industry standards, requirements and protocols on ESG matters.

- **Waste Reduction**. Our production partners discharge waste and pollutants such as wastewater, solid waste and exhaust gas during the production process. We closely monitor our production partners' public disclosures and engage in conversations with our production partners, if needed, to make sure that their production process is in accordance with the relevant standards. According to their public filings, both TSMC, GlobalFoundries and other foundries maintain comprehensive ESG

frameworks and publish annual sustainability reports that disclose their environmental performance and objectives. TSMC aligns with the Global Reporting Initiative and the Task Force on Climate-related Financial Disclosures, while GlobalFoundries follows international ESG best practices and has received a "Low Risk" ESG Risk Rating from Morningstar Sustainalytics and a "Prime" ESG rating from ISS.

Social Responsibilities and Corporate Governance

We are committed to promoting corporate social responsibility and sustainable development. Corporate social responsibility is viewed as part of our core corporate philosophy that will be pivotal to our ability to create sustainable value for our stakeholders by embracing diversity and addressing public interests.

Employee Caring Initiatives

We have designed employee caring initiatives including employee welfare systems, workplace safety guidance, diversity policies and self-development opportunities which our human resource department is responsible for implementing and supervising. Specifically, we have conducted courses such as IC layout training, R&D design training, human resources policy training, as well as training on administrative office environment standards and general affairs management systems. We have also organized emergency response and fire safety training sessions. We set a series of internal guidelines regarding the remuneration and incentive mechanism. We promote comprehensive employee welfare systems to look after employees' health and well-being.

We are committed to creating an equal, diverse and non-discriminatory workplace. We provide equal career opportunities for employees of different background, ages and genders. As of December 31, 2024, we had 51 female employees, accounting for 23.2% of our total employees. We designed and offer various training program for employees of different departments and positions, covering subjects from operations, research and development, branding and marketing, career advancement as well as general management in order to enhance their professional skill sets and understanding of our company and the industry.

Charitable Efforts

We are committed to charity and have actively contributed to various causes since our inception. In 2022, we donated RMB502,000 to the Shanghai Charity Foundation to support the pandemic prevention and control efforts. In 2023, we donated RMB300,000 to the Tsinghua University Education Foundation.

Business Integrity

We have implemented a series of strict internal rules regarding business integrity to prevent corruption, bribery, extortion, fraud and money laundering. We also carry out compliance trainings, such as anti-corruption, fraud and money laundering trainings for employees to strengthen employees' awareness. We encourage our employees to report non-compliance incidents and have formulated a whistleblower policy. Employees can report concerns and non-compliance incidents through various channels such as private chats, hotlines and e-mail. Our legal team and internal control team are responsible for handling the reports of fraud or bribery incidents. We maintain strict confidentiality of all whistleblowers.

During the Track Record Period, we had not experienced any instances of corruption and malpractice that had a material adverse effect on our business or were likely to have a material adverse effect on our business.

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 — Risks Relating to Our Business Operations — Our Information Systems May Experience System Failures, Interruptions or Security Breaches."

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. We generally do not collect or process individual customers' personal information since our customers are companies rather than individuals.

To reinforce our data security and protection measures, we established comprehensive internal policies. These policies facilitate our data management and provide detailed requirements in relation to the classification, storage, access, transmission, encryption and disposal of data. 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.

Our legal and information technology departments are responsible for developing and implementing our policies and procedures relating to cybersecurity and data security.

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 a highly competitive market, and we compete with other AMOLED DDICs and Micro-OLED display backplanes/drivers 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 materials or technology, regulatory changes and general economic conditions. Despite high entry barrier, 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 the shipment of our wafers and chips. 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 Be Insufficient to Cover All of Our Potential Losses." 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 12 leased properties, with a gross floor area of 3,723.6 sq.m., in China. We primarily use our leased properties as our office premises and employees' dormitories.

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 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 220 full-time employees, almost all of whom were located in China. The following table sets forth a breakdown of our full-time employees by function as of December 31, 2024.

Function	As of December 31, 2024	
	Number	*%*
Sales and marketing	16	7.3%
Technical personnel	153	69.6%
Administrative	51	23.2%
Total	**220**	**100.0%**

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.

None of our employees are represented by a union or collective bargaining agreements. 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 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 May 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 material 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 financial condition or results of operations.

During the Track Record Period and up to the Latest Practicable Date, there were no material 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.

BUSINESS SUSTAINABILITY

Overview

During the Track Record Period, although we incurred net losses, we continued to grow our business and our operations remained stable. We have (i) increased our market share in terms of sales volume of AMOLED DDICs and enhanced our market-leading position; (ii) increased our customer coverage among display panel manufacturers and brand companies, with our products adopted in a wider range of end products; and (iii) enhanced collaboration with production partners to support our future growth.

Under the leadership of our management team, we have been focused on R&D-driven product development, with a focus on proprietary compensation algorithms and circuit layout technologies. During the Track Record Period, we have (i) consistently invested in research and development to support product iteration; (ii) optimized internal resource allocation while managing cost structure; and (iii) strengthened our customer base and technical capabilities. While we incurred net losses during the Track Record Period, we believe our market-leading position, technical foundation and customer relationships provide a solid basis for future profitability.

Our Historical Performance

The table below sets forth our AMOLED DDIC sales volume and revenue during the Track Record Period.

	Year Ended December 31,		
	2022	2023	2024
AMOLED DDIC sales volume ('000 units)	14,060	32,287	51,350
Revenue (in RMB thousands)	551,290	720,404	891,304

We believe the metrics shown in the above table demonstrate that we have achieved rapid growth of our AMOLED DDIC sales volume and revenue, which are instrumental for our plan to improve profitability.

Our Net Loss

Despite our rapid growth, we recorded net losses of RMB123.5 million, RMB232.1 million and RMB309.0 million in 2022, 2023 and 2024, respectively.

The net losses we incurred during the Track Record Period were primarily the result of (i) the strategic decision to focus on growing our sales volume, market share and business scale; (ii) our research and development investment and (iii) our corporate-level investments in support of product and customer expansion. At the same time, we have made consistent efforts to implement cost control to ensure our growth is sustainable.

Strategic focus on growing our sales volume, market share and business scale

We believe that, at the current stage, sales volume, as an indicator of our business scale and market position, is a crucial metric for our business. Therefore, we have been strategically focused on growing our sales volume in recent years to gain a larger market share and solidify our market-leading position. This requires us to offer value-for-money products that meet and exceed our customers' expectation, which in turn means we need to price our products competitively, taking into account the overall industry landscape. Considering the subdued growth of the overall consumer electronics market and the high IC fabrication prices during the Track Record Period, we decided to prioritize growing our sales volume and market share to achieve sustained growth of our business.

We believe our strategic focus on growing our business scale at the current stage lays a solid foundation for the sustained development of our business and our future profitability since, given the highly concentrated nature of the DDIC market, leading market position and market share give DDIC companies significant advantages associated with economies of scale and market-leading position in multiple aspects, including winning new orders, deepening relationships with existing customers and managing cost of sales and other supply costs. Details of such advantages are explained in the "— Measures to Improve Profitability."

Research and development investment

Throughout the Track Record Period, we have been continuously investing in the development of our core technologies and the upgrade and expansion of our product portfolio. In 2022, 2023 and 2024, our research and development expenses amounted to RMB187.8 million, RMB177.0 million and RMB242.2 million, representing 34.1%, 24.6% and 27.2% of our total revenue in the respective years. We believe that such ongoing investments are critical to support our future growth and competitiveness. While we have recorded continuous net losses, we consider such losses to be partially the result of our strategic investments, primarily made to strengthen our technological capabilities, enhance customer stickiness and prepare for long-term growth. According to Frost & Sullivan, it is common in the industry for DDIC design companies like us to make substantial research and development investments initially.

We do not believe such investments will have an adverse impact on our future business and operations, for the following reasons: (i) we have established an integrated in-house hardware-software display driver platform with strong commercialization capabilities; (ii) we have built stable relationship with leading industry customers, which is verified by our leading market position and growing sales volume; and (iii) as our business scales, we expect our unit cost to decline, which will in turn improve our overall profitability.

Investments in support of long-term expansion

During the Track Record Period, we made strategic investments to support our long-term growth. These included continued spending on our employee expenses to attract, train and incentivize top talents in the industry. In 2022, 2023 and 2024, our administrative expenses and selling and distribution expenses amounted to RMB124.5 million, RMB78.2 million and RMB116.4 million, representing 22.6%, 10.9% and 13.1% of our revenue in the respective years. For details of our expenses during the Track Record Period, please refer to "Financial Information — Principal Components of Results of Operations." We believe such investments to be necessary for our sustained development since these investments help us to strengthen our market presence and build greater brand recognition. As we expand our business and increase our revenue, we expect the unit cost of our administrative expenses and selling and distribution expenses to decrease.

Measures to Improve Profitability

We expect that, as we further grow our business scale in terms of sales volume, revenue and market share and deepen our cooperation with existing customers and suppliers, we will benefit from various advantages associated with economies of scale and market-leading position, and significantly improve our profitability. Specifically, we will focus on the following areas:

- ***Increase our sales volume, revenue and market share***

We plan to leverage both our market-leading position and industry tailwinds to further grow our sales volume, revenue and market share. According to Frost & Sullivan, sales volume of DDICs in mainland China are anticipated to increase at a CAGR of 3.8% between 2024 and 2029 to reach 5,361.7 million units by 2029, outpacing the global market growth rate of 1.6%. As the display panel and smartphone sectors increasingly pivot towards mainland China, local DDIC providers like us are expected to enjoy significant industry opportunities due to advantages in localization. We believe that we are well positioned to seize these opportunities thanks to our strong and loyal customer base, our long-term collaboration with these customers, our in-depth understanding of brand companies' needs, our localized service strengths and our pricing strategy which prioritizes growing our sales volume and market share. Furthermore, as we continue to solidify our market-leading position, we expect to further expand our business scale with existing downstream customers, which will also increase our sales volume, revenue and market share.

- ***Increase the average selling price of our products***

We plan to increase the average selling price of our products by deepening relationships with our existing downstream customers and by continuously launching new products that cater to premium end products. Our product mix affects our profitability since our various products have different selling prices and margin profiles due to differences in product complexity and our R&D investments. As we further deepen our relationships with existing customers and gain their trust and recognition, we will be able to expand and optimize the portfolio of products we sell to these customers by supplying more premium products. Products that cater to the premium end markets and feature advanced technologies are usually more expensive, which will increase the average selling price of our products. In addition, our new products typically have higher selling prices and profit margins when they are first launched. Therefore, we believe that, with our R&D breakthroughs and achievements, we can continue to launch new products and increase the proportion of newly-launched products in our product mix, which will also drive up our average selling price.

- ***Manage our cost of sales***

We believe we can effectively manage and decrease our cost of sales, as a percentage of revenue, with increased sales volume and market share. Greater economies of scale and market recognition allow us to enhance our bargaining power with our suppliers and decrease our cost

of sales, as a percentage of revenue. This is because foundries typically offer volume discounts for bulk purchases, and the discount rates generally increase considerably as order quantities increase. Accordingly, as we further grow our sales volume and the quantity of our purchases from these foundries, we expect to be able to significantly decrease our cost of sales, as a percentage of revenue, due to these bulk purchase discount. Furthermore, as we expand our business with domestic foundries, we also expect to see a decrease in our wafer costs as a percentage of revenue. In addition, our per-unit overhead costs such as R&D expenses, administrative expenses and selling and distribution expenses will also decrease as we expand and benefit from economies of scale. We believe these factors can help us effectively manage and decrease our costs of sales, as a percentage of revenue, to achieve profitability.

In addition, increased market share and market-leading position allow us to negotiate favorable pricing and supply terms with both foundries and OSAT providers, such as securing production capacity in advance and more flexibility in procurement planning and schedules, which will decrease our inventory holding costs and impairment costs. Furthermore, thanks to our widely recognized brand and our reputation among brand companies, we work closely with foundries and OSAT providers to enter the supply chain of brand companies. Thus, partnering with us presents new business opportunities for these suppliers and, in return, we can secure better supply chain support from these suppliers. This mutually beneficial relationship allows us to continue to penetrate the DDIC market. As such, we expect that our cost of sales, as a percentage of revenue, will decrease significantly as we further solidify our market-leading position.

You should read the following discussion and analysis with our audited consolidated financial information, including the notes thereto, included in the Accountants' Report in Appendix I to this Document. Our consolidated financial information has been prepared in accordance with the IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this Document, including but not limited to the sections headed "Risk Factors" and "Business."

For the purpose of this section, unless the context otherwise requires, references to 2022, 2023 and 2024 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a world-leading AMOLED DDIC design house. Our focus is on delivering reliable and high-performance display driver solutions to consumer electronics brand companies. According to Frost & Sullivan, we are the largest AMOLED DDIC provider based in mainland China and the fifth-largest AMOLED DDIC provider globally, both in terms of shipment volume in 2024.

We implement the fabless business model, and achieve our leading position through strategic collaborations with key players in the industry, including foundries, OSAT providers and display panel manufacturers, ultimately enhancing the display experience for end users. We have developed a full stack of industry-leading proprietary display driver technologies that integrate software and hardware. Our proprietary technologies cover three critical technical aspects: the design of DDICs, the development of driver compensation algorithms and the layout of pixel compensation circuits. We currently offer AMOLED DDICs, which are predominantly utilized in smartphones, as well as Micro-OLED display backplanes/drivers, primarily designed for VR/AR devices.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition are affected by a variety of factors that influence the global consumer electronics and DDIC industries. These include macroeconomic conditions, such as the overall market demand for DDICs, as well as the competitive landscape within our industry.

Market demand for DDICs is affected by various factors, including the growth of the end markets in which DDICs are used such as the consumer electronics industry, the general economic condition, consumer preferences and technological developments that may enable new product developments or render certain products obsolete. In addition, we operate in a highly competitive and rapidly evolving industry. In the AMOLED DDIC and Micro-OLED display sectors, we face competition from both domestic and international market participants, some of whom may have longer operating histories. Competition in our industry is primarily based on product performance, quality, pricing, development cycle and customer service. In order to maintain our competitiveness, we must continue to invest in R&D, enhance our product design capabilities, improve our operational efficiency and respond promptly to evolving consumer needs.

In addition to general market factors, our results of operations are also affected by the following key specific factors:

Growth of Mainland China's AMOLED Panel Industry

According to Frost & Sullivan, the growth of the global DDIC industry has been closely tied to the overall development of the panel supply chain. China, as the world's largest consumer electronics market, naturally drives substantial demand for display panels, fostering the growth of a robust domestic display panel industry. Already the global leader in LCD panel manufacturing, China is expected to follow a similar trajectory in the development of its AMOLED panel industry. According to Frost & Sullivan, by 2024, mainland China's AMOLED panel production capacity represented approximately 55.0% of the global production capacity. As production line development accelerates in the region, this share is projected to rise to 60.8% by 2029.

This surge in investment in the AMOLED panel industry is also expected to drive rapid growth across upstream and downstream sectors of the supply chain. As panel production and sales volume increase, the demand for DDICs will expand correspondingly, leading to a significant growth in the domestic market for DDICs. This development underscores the increasingly important role of China's DDIC industry in the global supply chain.

Maintaining and Expanding Our Customer Base

Given the highly concentrated nature of the DDIC market, we derive a substantial portion of our revenue from a limited number of display panel manufacturers. Our results of operations have been, and are expected to continue to be, significantly affected by our ability to maintain

and deepen our relationships with our downstream customers, including display panel manufacturers and brand companies. This is influenced by various factors, including global consumer demand for consumer electronics, technological development and innovation in the DDIC market and the competitiveness of our product offerings.

To maintain and expand our business with these downstream customers, we must continuously meet their rigorous requirements regarding product quality, technical specifications, technological advancements and delivery schedules. Beyond simply retaining these downstream customers, we also aim to increase our wallet share by delivering differentiated, high-performance products that address their evolving needs.

The consumer electronics and DDIC markets are highly competitive, with constant pressure on brand companies to launch new products that reflect the latest consumer preferences. This dynamic drives display panel manufacturers — and by extension, us — to continuously enhance our research and development capabilities to deliver innovative products that meet the brand companies' ever-changing requirements. Our ability to consistently and reliably provide high-quality products that meet our downstream customers' exacting standards, both in terms of performance and delivery timelines, will directly impact our ability to strengthen our existing relationships and increase our penetration within our current customer base.

In addition to deepening relationships with existing downstream customers, our business performance and financial condition also depend on our ability to win new downstream customers. We actively seek to expand our customer base by offering high-quality, high-performance products designed to meet customized technical specifications and requirements. Our ability to attract new downstream customers is further influenced by our marketing and branding efforts, as well as the competitive environment within the DDIC market.

Product Pricing

Our pricing strategy is mainly driven by our goal to maintain and grow our market share and sales volume. In line with this goal, we strive to offer value-for-money products, which requires us to price our products competitively, taking into account the competitive landscape within the industry.

During the Track Record Period, we primarily focused on increasing the sales volume of our AMOLED DDICs and solidifying our market-leading position. To this end, in light of the industry landscape, we priced our products competitively to grow our market share. This partially resulted in a decrease in the average selling price of our AMOLED DDICs from RMB25.7 per unit to RMB18.6 per unit in 2023 and further to RMB15.9 per unit in 2024. We intend to continue to focus on further growing our sales volume and market share in the near future.

Furthermore, our profitability is affected by our ability to price our products appropriately to achieve our intended profit margins. If we are unable to manage our product portfolio, satisfy customer demands, or price our products effectively, our business operations and financial condition could be adversely affected.

Product Mix

Our revenue and profitability are influenced by the mix of our products. We currently offer two categories of products: (i) AMOLED DDICs, primarily used for smartphones, and (ii) Micro-OLED display backplanes/drivers, primarily used for AR/VR enabled head-mounted devices. We are primarily focused on the design and supply of AMOLED DDICs, which accounted for 65.5%, 83.5%, and 91.6% of our revenue in 2022, 2023 and 2024. We strategically expanded into the development and commercialization of Micro-OLED display backplanes/drivers in recent years, which is rapidly advancing as a new frontier in AMOLED display technology.

Our products have varying selling prices and margin profiles due to differences in product complexity and R&D investments. Furthermore, different products within the same category may have different selling prices and profit margins as well. As a result, the mix of our products sold in a given year significantly impacts our financial condition and profitability. Our product mix may vary in response to changes in market conditions, customer preferences and technological advancements in end products that feature our DDICs. In addition, as we deepen our relationship with our existing downstream customers, increase our wallet share and further enhance our market-leading position, we expect to be able to optimize our portfolio of products sold to these downstream customers by supplying more premium products to them. Our ability to effectively manage and continuously optimize our portfolio of products will affect our margin profiles and financial condition.

Ability to Control Cost of Sales

Our overall financial condition and profitability depend on our ability to manage our cost of sales, which primarily comprises wafer costs and packaging and testing-related expenses. As a fabless design house, we work closely with third-party suppliers for wafer fabrication and backend services, and the prices of these services are influenced by overall supply-demand dynamics, supplier pricing policies and the scale of our businesses with these suppliers.

In particular, our ability to coordinate effectively with our foundry partners and OSAT providers to manage capacity allocation and production schedules affects our procurement lead times, delivery schedules to our customers and our inventory holding costs, which in turn affect our business operations and financial condition. Furthermore, as we grow our business and improve our market position, our ability to leverage economies of scale as well as our market-leading position to manage and control our cost of sales will affect our profitability and financial condition.

Our R&D Expenses and Achievement

Research and development are crucial to our sustained business growth as our competitiveness depends on our ability to develop and implement new technologies to address evolving needs of our customers and brand companies. 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 RMB187.8 million, RMB177.0 million and RMB242.2 million, accounting for 34.1%, 24.6% and 27.2% of our revenue in the respective years.

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 and (ii) whether we can expand our portfolio of products and upgrade our existing products. We will continue to invest in AMOLED and Micro-OLED display technologies to further upgrade our existing products and launch new products that reflect the latest technological development in our fields, which we believe will help us to solidify and expand our relationships with customers. However, we cannot assure you that our research and development efforts will achieve our intended results, or that we will be able to successfully implement new technologies to achieve our intended benefits. The success of our research and development efforts, including our research and development expenses, will affect our business and financial condition.

BASIS OF PRESENTATION

The historical financial information of our Group, comprising the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of our Group for each of the years ended December 31, 2022, 2023 and 2024, and the consolidated statements of financial position of our Group and the statements of financial position of the Company as of December 31, 2022, 2023 and 2024 and material accounting policy information and other explanatory information ("**Historical Financial Information**") has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations as issued by the International Accounting Standards Board ("**IASB**").

All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2024, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout each of the years during the Track Record Period.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and derivative financial instruments which have been measured at fair value at the end of each of the years during the Track Record Period.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Note 2.3 to "Appendix I — Accountants' Report" to this document sets forth certain material accounting policies, which are important for understanding our financial condition and results of operations.

The Historical Financial Information has been prepared in accordance with IFRSs, which comprise all standards and interpretations approved by the IASB.

All IFRSs effective for the accounting period commencing on/before January 1, 2024, together with the relevant transitional provisions, have been adopted by our Group in the preparation of the Historical Financial Information throughout the Relevant Periods. The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and derivative financial instruments which have been measured at fair value at the end of each of the years during the Track Record Period.

We have not applied the following new and revised IFRSs, that have been issued but are not yet effective, in the Historical Financial Information. We intend to apply these new and revised IFRSs, if applicable, when they become effective.

Amendments to IAS 21	*Lack of Exchangeability*[1]
IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
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 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Annual Improvements to IFRS Accounting Standards Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and Standards-IAS 7[2]

Notes:

(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) No mandatory effective date yet determined but available for adoption

Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we 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 recognized 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 us and the customer at contract inception. When the contract contains a financing component which provides us with a significant financial benefit for more than one year, revenue recognized 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.

Sale of goods

We sell AMOLED DDICs. Sales revenue are recognized when control of the goods has been transferred to the customers, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

We provide sales rebate and discounts to certain customers for sales of AMOLED DDICs, and the relevant revenue is recognized based on contract consideration net of the estimated sales rebate and discount amount.

Our AMOLED DDICs are often sold with volume rebates. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognized.

Rendering of services

The services rendered include technology licensing services and technology support services. Should one of the following conditions is satisfied, service provided by us, is a performance obligation performed within a certain period of time. We recognize revenue within a period of time in accordance with the progress of contract performance. The conditions are: (1) The customer obtains and consumes the economic benefits brought by the contract at the same time performing the contract; (2) The customer is able to control the products under construction during our performance; (3) Our products have irreplaceable uses, and we have the right to ask for payment for the cumulative part that has been completed so far during the entire contract period. Otherwise, we recognize revenue at the point the customer obtains control of the relevant services.

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. During the Track Record Period, there was no material deviation between our management's estimates or assumptions and actual results, and we did not make any material changes to these estimates or assumptions. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

RESULTS OF OPERATIONS

	Year Ended December 31,					
	2022		2023		2024	
	(in RMB thousands, except for percentages)					
Total revenue	**551,290**	**100.0**	**720,404**	**100.0**	**891,304**	**100.0**
Cost of sales	(375,494)	(68.1)	(717,211)	(99.6)	(869,396)	(97.5)
Gross profit	**175,796**	**31.9**	**3,193**	**0.4**	**21,908**	**2.5**
Other income and gains	19,770	3.6	24,084	3.3	37,285	4.2
Selling and distribution expenses	(41,669)	(7.6)	(15,253)	(2.1)	(32,495)	(3.6)
Administrative expenses	(82,827)	(15.0)	(62,932)	(8.7)	(83,921)	(9.4)
Research and development expenses	(187,809)	(34.1)	(177,026)	(24.6)	(242,204)	(27.2)
Impairment losses on financial assets, net	(3,303)	(0.6)	2,814	0.4	70	0.0
Other expenses	(2,397)	(0.4)	(6,111)	(0.8)	(5,776)	(0.6)
Finance costs	(1,064)	(0.2)	(874)	(0.1)	(3,853)	(0.4)
Loss before tax	**(123,503)**	**(22.4)**	**(232,105)**	**(32.2)**	**(308,986)**	**(34.7)**
Income tax expenses	–	–	–	–	–	–
Loss for the year	**(123,503)**	**(22.4)**	**(232,105)**	**(32.2)**	**(308,986)**	**(34.7)**

NON-IFRS MEASURE

To supplement our consolidated financial statements that are presented in accordance with the IFRSs, we also use adjusted profit/(loss) for the year (a non-IFRS measure) and adjusted net margin (a non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRSs. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted profit/(loss) for the year (a non-IFRS measure) and adjusted net margin (a non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS. We define adjusted profit/(loss) for the year (a non-IFRS measure) as loss for the year adjusted for [**REDACTED**] (a non-recurring item) and share-based compensations (a non-cash item). We define adjusted net margin (a non-IFRS measure) as adjusted profit/(loss) for the year (a non-IFRS measure) as a percentage of our total revenue.

	Year Ended December 31,		
	2022	2023	2024
	(in RMB thousands, except for percentages)		
Loss for the year	**(123,503)**	**(232,105)**	**(308,986)**
Add:			
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Share-based compensation	124,183	14,793	84,831
Adjusted profit/(loss) for the year (a non-IFRS measure)	**680**	**(217,312)**	**(224,155)**
Adjusted net margin (a non-IFRS measure)	*0.1%*	*(30.2)%*	*(25.1)%*

Our share-based compensation decreased from RMB124.2 million in 2022 to RMB14.8 million in 2023, and further increased to RMB84.8 million in 2024. We recorded a relatively lower share-based compensation in 2023, primarily due to the reassessment and extension of the vesting period for certain grants. Initially, the vesting period was set to end by December 31, 2023, and it was subsequently extended to December 31, 2025. As a result a recalculation of the share-based compensation expenses over the longer vesting period is required. As a result, the cumulative expenses to be recognized were redistributed over the revised total service period. For 2023, the share-based compensation was adjusted to reflect the difference between the cumulative expenses that should have been recognized by the end of the year and the amount already recognized in prior years. This adjustment led to a reversal of any over-accrued expenses from prior periods, which contributed to the lower share-based compensation recorded in 2023.

PRINCIPAL COMPONENTS OF RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we mainly generated revenue from sales of (i) AMOLED DDICs and (ii) Micro-OLED display backplanes/drivers.

By Product

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
AMOLED DDICs	361,017	65.5	601,437	83.5	816,033	91.6
Micro-OLED display backplanes/drivers	189,113	34.3	118,833	16.5	75,039	8.4
Others[(1)]	1,160	0.2	134	0.0	232	0.0
Total	**551,290**	**100.0**	**720,404**	**100.0**	**891,304**	**100.0**

Note:

(1) Including board cards and technical service offerings.

During the Track Record Period, revenue generated from the sales of AMOLED DDICs accounted for a substantial majority of our total revenue and represented our principal source of revenue. In addition to the sales of AMOLED DDICs, we also derived revenue from sales of Micro-OLED display backplanes/drivers. To maintain strong relationships with our key downstream customers and address their diverse needs, we also provided other products and services, which primarily included board cards and customised development and technology licensing services related to AMOLED DDICs upon demand of our customers.

Sales Volume and Average Selling Price

	Year Ended December 31,					
	2022		2023		2024	
	Sales volume[(1)]	Average selling price[(2)]	Sales volume[(1)]	Average selling price[(2)]	Sales volume[(1)]	Average selling price[(2)]
	(Units'000)	*(RMB)*	*(Units'000)*	*(RMB)*	*(Units'000)*	*(RMB)*
AMOLED DDICs	14,060	25.7	32,287	18.6	51,350	15.9

	Year Ended December 31,					
	2022		2023		2024	
	Sales volume[(1)]	Average selling price[(2)]	Sales volume[(1)]	Average selling price[(2)]	Sales volume[(1)]	Average selling price[(2)]
	(Pieces)	*(RMB)*	*(Pieces)*	*(RMB)*	*(Pieces)*	*(RMB)*
Micro-OLED backplanes/drivers	9,086	20,813.7	5,459	21,768.3	3,326	22,561.3

Notes:

(1) Sales volume of AMOLED DDICs is measured by the number of individual chips, while the sales volume of Micro-OLED backplanes/drivers is measured by the number of wafer pieces. This difference arises from the distinct packaging and delivery requirements of these two product types.

For AMOLED DDICs, the mainstream packaging method involves cutting the wafer into individual chips before delivery. As a result, sales are calculated based on the number of chips sold.

In contrast, due to the specific manufacturing processes required by Micro-OLED panel manufacturers, our Micro-OLED backplanes/drivers are typically delivered in the form of whole wafers, without being cut or packaged into individual chips. This is because downstream panel manufacturers need to directly process the wafers to produce the Micro-OLED displays. Consequently, unlike our DDICs, which are sold on a per-chip basis, our Micro-OLED backplanes/drivers are sold on a per-wafer basis, and "wafers" are used as the unit of measurement for sales volume.

Additionally, since panel manufacturers fabricate the Micro-OLED display devices directly on the backplane chips, the size of the Micro-OLED display modules supported by the chips is essentially determined at the time of delivery. This unique characteristic further differentiates the sales and delivery of Micro-OLED products from that of AMOLED DDICs.

(2) The average selling price of our product is calculated by dividing revenue generated from sale of such product by the sales volume of such product.

By Geographical Location

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Mainland China[(1)]	523,682	95.0	703,491	97.7	862,724	96.8
Hong Kong and Taiwan, China[(1)]	27,608	5.0	16,913	2.3	28,580	3.2
Total	**551,290**	**100.0**	**720,404**	**100.0**	**891,304**	**100.0**

Notes:

(1) Geographical location is solely based on the physical location where we delivered products to such customer.

By Sales Channel

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Direct sale	524,951	95.2	214,287	29.7	234,638	26.3
Distributor	26,339	4.8	506,117	70.3	656,666	73.7
Total	**551,290**	**100.0**	**720,404**	**100.0**	**891,304**	**100.0**

During the Track Record Period, our downstream customers are primarily AMOLED panel manufacturers and brand companies based in mainland China. However, we engaged distributors primarily to accelerate our cash collection cycle. See "Business — Sales and Marketing — Our Distributors" for further details.

Cost of Sales

Our cost of sales primarily consists of (i) cost of wafer as the primary raw material of our product, (ii) cost of packaging and testing, and (iii) others, mainly include the depreciation of fixed assets and amortization of intangible assets. We also recorded write-down of inventories under cost of sales.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Wafer	287,490	76.6	531,697	74.1	668,794	76.9
Packaging and testing	60,542	16.1	122,106	17.0	169,407	19.5
Others	11,188	3.0	10,245	1.4	5,916	0.7
Subtotal	359,220	95.7	664,048	92.6	844,117	97.1
Write-off of inventories	16,274	4.3	53,163	7.4	25,279	2.9
Total	**375,494**	**100.0**	**717,211**	**100.0**	**869,396**	**100.0**

According to Frost & Sullivan, cost of raw materials is primarily affected by fluctuations in the market prices of wafers, which may vary depending on global supply and demand dynamics as well as geopolitical factors. The costs of packaging and testing are closely correlated with our production volume, as higher production levels results in increased spending in these areas. Inventory write-downs are recorded when the estimated net realizable value of our inventory is lower than its cost, which is typically driven by factors such as the decreasing selling prices.

The industry in which we operate is characterized by rapid technology evolution and iteration. More specifically, brand companies typically refresh their smartphone offerings every year, and we may need to roll out new products in response to their product iterations. Once a new generation of smartphones and DDICs are rolled out, the demand and its selling price for the previous generation of DDICs would typically decrease. Such pattern typically results in write-off of value on unsold previous generation DDICs. In 2022, there was a global capacity shortage in foundries which drove up our wafer procurement costs. However, in 2023, the global consumer electronics industry experienced a downturn, which resulted in lower demand for smartphones, which in turn resulted in the purchase order being lower than the sales forecast and our procurement and a larger inventory of previous generation AMOLED DDICs. In 2024, as our bargaining power grew with our scale and the consumer electronics industry gradually recovered, we experienced a much lower level of inventory write-down.

Gross Profit and Gross Margin

By Product

We recorded gross profit as revenue less cost of sales. We recorded gross margin as gross profit divided by revenue, expressed as a percentage.

	Year Ended December 31,					
	2022		2023		2024	
	Gross profit	Gross margin	Gross profit/(loss)	Gross margin	Gross profit	Gross margin
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
AMOLED DDICs	117,851	32.6	(8,714)[2]	(1.4)[2]	2,259	0.3
Micro-OLED display backplanes/drivers	57,125	30.2	11,846	10.0	19,436	25.9
Others[1]	820	70.7	61	45.5	213	91.8
Total/Overall	**175,796**	**31.9**	**3,193**	**0.4**	**21,908**	**2.5**

Notes:

(1) Including board cards and technical service offerings.

(2) We recorded gross loss of RMB8.7 million from AMOLED DDICs in 2023 due to inventory write-offs. See also "— Cost of Sales."

By Sales Channel

	Year Ended December 31,					
	2022		2023		2024	
	Gross profit	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Direct sale	184,166	35.1	12,005	5.6	39,566	16.9
Distributor	7,904	30.0	44,351	8.8	7,621	1.2
Write-off of inventories	(16,274)		(53,163)		(25,279)	
Total/Overall	**175,796**	**31.9**	**3,193**	**0.4**	**21,908**	**2.5**

Other Income and Gains

Our other income and gains consist of (i) interest income, (ii) additional deduction for value-added tax, (iii) government grants, (iv) gains on disposal of items of property, plant and equipment, (v) gains on disposal and fair value of financial assets at fair value through profit or loss, (vi) foreign exchange gains, net and (vii) others.

	Year Ended December 31,					
	2022		2023		2024	
	(in RMB thousands, except for percentages)					
Interest income	7,426	37.6	7,262	30.2	17,529	47.0
Government grants	37	0.2	5,885	24.4	11,430	30.7
Gains on disposal of items of property, plant and equipment	89	0.5	2	0.0	–	–
Gains on disposal and fair value of financial assets at fair value through profit or loss	12,116	61.3	10,008	41.6	5,911	15.9
Foreign exchange gains, net	–	–	–	–	2,415	6.5
Others	102	0.5	927	3.8	–	–
Total	**19,770**	**100.0**	**24,084**	**100.0**	**37,285**	**100.0**
as % of total revenue	*3.6*		*3.3*		*4.0*	

Selling and Distribution Expenses

Our selling and distribution expenses include (i) staff expenses, including employee remuneration and benefits, (ii) share-based compensation to our selling and market staff, (iii) marketing expenses, including expenses associated with promotional activities, advertising campaigns, and other brand-building initiatives, and (iv) depreciation and amortization, including the allocation of expenses associated with property, plant, and equipment, as well as intangible assets related to sales and marketing activities.

	Year Ended December 31,					
	2022		2023		2024	
	(in RMB thousands, except for percentages)					
Staff expenses	10,681	25.6	11,346	74.4	11,281	34.7
Share-based compensation	28,593	68.6	40	0.3	18,671	57.5
Marketing expenses	1,913	4.6	3,247	21.3	1,808	5.6
Depreciation and amortization	482	1.2	620	4.1	735	2.3
Total	**41,669**	**100.0**	**15,253**	**100.0**	**32,495**	**100.0**
as % of total revenue	*7.6*		*2.1*		*3.6*	

Administrative Expenses

Our administrative expenses include (i) staff expenses, including employee remuneration and benefits, (ii) share-based compensation to our administrative staff, (iii) office expenses, (iv) consultancy fees, and (v) others, including depreciation and amortization of long-term assets, rental and property management expenses related to administrative function, and bank charges.

	Year Ended December 31,					
	2022		2023		2024	
	(in RMB thousands, except for percentages)					
Staff expenses	33,915	40.9	37,157	59.0	39,826	47.5
Share-based compensation	34,390	41.5	3,492	5.5	20,421	24.3
Office expenses	4,414	5.3	6,436	10.2	9,731	11.6
Consultancy fees	4,960	6.0	11,090	17.6	7,180	8.6
Others	5,148	6.2	4,757	7.6	6,763	8.1
Total	**82,827**	**100.0**	**62,932**	**100.0**	**83,921**	**100.0**
as % of total revenue	*15.0*		*8.7*		*9.4*	

Research and Development Expenses

Our research and development expenses include (i) staff expenses, including employee remuneration and benefits, (ii) share-based compensation to our R&D staff, (iii) engineering expenses, including expenses incurred for the development, testing, and optimization of our products and technologies, and (iv) others, including depreciation and amortization, office expenses, and rental and property management expenses related to research and development.

	Year Ended December 31,					
	2022		2023		2024	
	(in RMB thousands, except for percentages)					
Staff expenses	96,378	51.3	121,540	68.7	139,900	57.8
Share-based compensation	61,200	32.6	11,261	6.4	45,739	18.9
Engineering expenses	21,255	11.3	32,304	18.2	43,389	17.9
Others	8,976	4.8	11,921	6.7	13,176	5.4
Total	**187,809**	**100.0**	**177,026**	**100.0**	**242,204**	**100.0**
as % of total revenue	*34.1*		*24.6*		*27.2*	

Finance Costs

Our finance costs include interest on interest-bearing bank loans and interest on lease liabilities.

	Year Ended December 31,					
	2022		2023		2024	
	(in RMB thousands, except for percentages)					
Interest on interest-bearing bank borrowings	831	78.1	639	73.1	3,655	94.9
Interest on lease liabilities	233	21.9	235	26.9	198	5.1
Total	**1,064**	**100.0**	**874**	**100.0**	**3,853**	**100.0**
as % of total revenue	*0.2*		*0.1*		*0.4*	

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our impairment of financial assets, net of reversal represents our net impairment losses recognized on trade receivables, financial assets included in prepayments, other receivables and other assets. In 2022, 2023 and 2024, our impairment of financial assets, net amounted to RMB3.3 million, a gain of RMB2.8 million and a gain of RMB70 thousand, representing less than 0.6% of our total revenue in each of the respective years.

OTHER EXPENSES

Our other expenses comprise foreign exchange losses incurred during the Track Record Period due to fluctuation of the currency exchange rate between RMB and US$ and write off of other receivables. Other expenses amounted to RMB2.4 million, RMB6.1 million and RMB5.8 million in 2022, 2023 and 2024, respectively.

Income Tax Expense

Under the PRC Corporate Income Tax Law and the respective regulations, the corporate income tax for our Company and subsidiaries is calculated at a statutory rate of 25%, on their estimated taxable profits for the year/period based on the existing legislations, interpretations and practices in respect thereof. Our subsidiary, Kunshan Yunyinggu Electronic Technology Co., Ltd. was granted the qualification of High and New Technology Enterprises on 13 December 2023 and was entitled to a preferential corporate income tax rate of 15% from December 13, 2023 to December 13, 2026. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Our subsidiaries incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 8.25% for taxable income not exceeding HK$2,000,000, and 16.5% for taxable income exceeding HK$2,000,000 on any estimated assessable profits arising in Hong Kong.

YEAR-ON-YEAR COMPARISON OF RESULTS OF OPERATIONS

2024 Compared to 2023

Revenue

	Year Ended December 31,		
	2023	**2024**	***% change***
	(in RMB thousands, except for percentages)		
Revenue			
AMOLED DDICs	601,437	816,033	*35.7*
Micro-OLED display backplanes/drivers	118,833	75,039	*(36.9)*
Others[(1)]	134	232	*73.1*
Total	**720,404**	**891,304**	***23.7***

Note:

(1) Including board cards and technical service offerings.

Our revenue increased by 23.7% from RMB720.4 million in 2023 to RMB891.3 million in 2024, primarily due to the increase in revenue from AMOLED DDICs.

AMOLED DDICs

Our revenue from sales of AMOLED DDICs increased by 35.7% from RMB601.4 million in 2023 to RMB816.0 million in 2024, primarily due to a 59.0% increase in the sales volume of our AMOLED DDICs from 32.3 million units in 2023 to 51.4 million units in 2024, driven by our success in increasing our share in the AMOLED DDICs market as we were able to roll out reliable and high-performance produces at a competitive price. Such increase was partially offset by a 14.7% decrease in the average selling price of our AMOLED DDICs from RMB18.6 per unit in 2023 to RMB15.9 per unit in 2024, which in turn was primarily due to (i) a change in our product mix as we increase the sales of RAM-less AMOLED DDICs due to its increased popularity among brand companies as a highly cost-effective option; and (ii) we reduced our selling price in response to price-cutting by our competitors.

Micro-OLED display backplanes/drivers

Our revenue from sales of Micro-OLED display backplanes/drivers decreased from RMB118.8 million in 2023 to RMB75.0 million in 2024, primarily due to a 36.9% decrease in sales volume of Micro-OLED display backplanes/drivers from 5,459 pieces in 2023 to 3,326 pieces in 2024, which was in turn attributable to a decrease in AR/VR enabled head-mounted devices end-market demand and our key customers' advance procurement earlier based on optimistic future projections, which led to reduced demand in 2024. The decrease was partially offset by an increase in the average selling price of our Micro-OLED display backplanes/drivers increased by 3.6% from RMB21,768.3 per piece in 2023 to RMB22,561.3 per piece in 2024, due to a change in product mix.

Others

Our revenue from sales of other products increased from RMB0.1 million in 2023 to RMB0.2 million in 2024, primarily due to changes in customer demand.

Cost of sales

	Year Ended December 31,		
	2023	**2024**	***% change***
	(in RMB thousands, except for percentages)		
Raw materials	531,697	668,794	*25.8*
Packaging and testing	122,106	169,407	*38.7*
Write-off of inventories	53,163	25,279	*(52.5)*
Others	10,245	5,916	*(42.3)*
Total	**717,211**	**869,396**	***21.2***
as % of total revenue	*99.6%*	*97.5%*	

Our cost of sales increased by 21.2% from RMB717.2 million in 2023 to RMB869.4 million in 2024, primarily due to a 59.0% increase in our sales volume from 2023 to 2024, partially offset by a 52.5% decrease in our inventory write-offs from RMB53.2 million in 2023 to RMB25.3 million in 2024. See "— Principal Components of Results of Operations — Cost of Sales" for further details.

Gross profit/(loss) and gross margin

	Year Ended December 31,			
	2023		2024	
	Gross profit/(loss)	Gross margin	Gross profit	Gross margin
	(in RMB thousands, except for percentages)			
AMOLED DDICs	(8,714)	(1.4)	2,259	0.3
Micro-OLED display backplanes/drivers	11,846	10.0	19,436	25.9
Others[(1)]	61	45.5	213	91.8
Total	**3,193**	**0.4**	**21,908**	**2.5**

Note:

(1) Including board cards and technical service offerings.

Our gross profit increased from RMB3.2 million in 2023 to RMB21.9 million in 2024, primarily due to an increase in our gross margin from 0.4% in 2023 to 2.5% in 2024 and a 23.7% increase in our revenue from 2023 to 2024.

AMOLED DDICs

We recorded a gross loss of RMB8.7 million in 2023 and a gross profit of RMB2.3 million in 2024, primarily due to a 35.7% increase in our revenue from sales of AMOLED DDICs. We recorded a gross margin of 0.3% for sales of AMOLED DDICs in 2024 as opposed to a gross loss margin of 1.4% in 2023. This is primarily due to (i) a decrease in the per unit costs of our AMOLED DDICs as a result of an increase in the revenue contribution of RAM-less AMOLED DDICs due to its increasing popularity; and (ii) a 52.5% decrease in our inventory write-offs from RMB53.2 million in 2023 to RMB25.3 million in 2024. See "— Principal Components of Results of Operations — Cost of Sales" for further details. The increased revenue contribution from RAM-less AMOLED DDICs also resulted in a decrease in the average selling price of our AMOLED DDICs.

Micro-OLED display backplane/drivers

Our gross profit from sales of Micro-OLED backplanes/drivers increased by 64.1% from RMB11.8 million in 2023 to RMB19.4 million in 2024, primarily due to an increase in gross margin from 10.0% in 2023 to 25.9% in 2024 primarily due to a shift in product mix. The effect of margin improvement was partially offset by a 36.9% decrease in our revenue from sales of Micro-OLED backplanes/drivers.

Others

Our gross profit from other products and services increased from RMB61,000 in 2023 to RMB0.2 million in 2024, and gross margin increased from 45.5% in 2023 to 91.8% in 2024 due to the competitiveness and our customers' recognition of our product and service offerings.

Other Income and Gains

Our other income and gains increased from RMB24.1 million in 2023 to RMB37.3 million in 2024, primarily due to an increase in interest income, as we frequently utilized our available funds to purchase short-term US dollar time deposits with maturities of one to six months in 2024.

Selling and Distribution Expenses

	Year Ended December 31,		
	2023	**2024**	***% Change***
	(in RMB thousands, except for percentages)		
Selling and distribution expenses	15,253	32,495	*113.0*
as % of total revenue	*2.1%*	*3.6%*	
Share-based compensation included in selling and distribution expenses	40	18,671	*46,577.5*
as % of total revenue	*0.0%*	*2.1%*	
Selling and distribution expenses excluding share-based compensation	15,213	13,824	*(9.1)*
as % of total revenue	*2.1%*	*1.6%*	

Our selling and distribution expenses increased by 113.0% from RMB15.3 million in 2023 to RMB32.5 million in 2024, primarily due to an increase in share-based compensation to the selling and marketing staff from RMB40 thousand in 2023 to RMB18.7 million in 2024. See "— Non-IFRS Measure" for fluctuation of our shared-based compensation. As a percentage of our revenue, our selling and distribution expenses increased from 2.1% in 2023 to 3.6% in 2024. Without the effect of share-based compensation, our selling and distribution expenses as a percentage of our revenue would have decreased from 2.1% in 2023 to 1.6% in 2024, primarily as we benefited from an improved economies of scale.

Administrative Expenses

	Year Ended December 31,		
	2023	2024	% Change
	(in RMB thousands, except for percentages)		
Administrative expenses	62,932	83,921	*33.4*
as % of total revenue	*8.7%*	*9.4%*	
Share-based compensation included in administrative expenses	3,492	20,421	*484.8*
as % of total revenue	*0.5%*	*2.3%*	
Administrative expenses excluding share-based compensation	59,440	63,500	*6.8*
as % of total revenue	*8.3%*	*7.1%*	

Our administrative expenses increased by 33.4% from RMB62.9 million in 2023 to RMB83.9 million in 2024, primarily due to an increase in share-based compensation to the administrative staff from RMB3.5 million in 2023 to RMB20.4 million in 2024. See "— Non-IFRS Measure" for fluctuation of our shared-based compensation in 2024. As a percentage of our revenue, our administrative expenses increased from 8.7% in 2023 to 9.4% in 2024. Without the effect of share-based compensation, our administrative expenses as percentage of total revenue would have decreased from 8.3% in 2023 to 7.1% in 2024, primarily as we benefited from an improved economies of scale.

Research and Development Expenses

	Year Ended December 31,		
	2023	2024	% Change
	(in RMB thousands, except for percentages)		
Research and development expenses	177,026	242,204	*36.8*
as % of total revenue	*24.6%*	*27.2%*	
Share-based compensation included in research and development expenses	11,261	45,739	*306.2*
as % of total revenue	*1.6%*	*5.1%*	
Research and development expenses excluding share-based compensation	165,765	196,465	*18.5*
as % of total revenue	*23.0%*	*22.0%*	

Our research and development expenses increased by 36.8% from RMB177.0 million in 2023 to RMB242.2 million in 2024, primarily due to an increase in share-based compensation to the R&D staff from RMB11.3 million in 2023 to RMB45.7 million in 2024. See "— Non-IFRS Measure" for fluctuation of our shared-based compensation in 2024. As a percentage of our revenue, our research and development expenses increased from 24.6% in 2023 to 27.2% in 2024. Without the effect of share-based compensation, our research and development expenses would have remained relatively stable.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our impairment of financial assets under expected credit losses model, net of reversal increased from a gain of RMB2.8 million in 2023 to a gain of RMB70 thousand in 2024, primarily due to an increase in the balance of our trade receivables and other financial assets as of December 31, 2024 as compared to December 31, 2023.

Other Expenses

Our other expenses decreased from RMB6.1 million in 2023 to RMB5.8 million in 2024, primarily due to the decrease in foreign exchange loss.

Finance Costs

Our finance costs increased from RMB0.9 million in 2023 to RMB3.9 million in 2024, primarily due to the increase in interest costs as result of the increase in the principal amount of our interest-bearing bank borrowings.

Income Tax Expenses

We did not record any income tax expenses in 2023 and 2024, as we did not record taxable profit in those years.

Loss for the Year

As result of the foregoing, our loss for the year increased from RMB232.1 million in 2023 to RMB309.0 million in 2024. Loss margin increased from 32.2% in 2023 to 34.7% in 2024.

2023 Compared to 2022

Revenue

	Year Ended December 31,		
	2022	**2023**	***% change***
	(in RMB thousands, except for percentages)		
Revenue			
AMOLED DDICs	361,017	601,437	*66.6*
Micro-OLED display backplanes/drivers	189,113	118,833	*(37.2)*
Others[(1)]	1,160	134	*(88.4)*
Total	**551,290**	**720,404**	***30.7***

Note:

(1) Including board cards and technical service offerings.

Our revenue increased from RMB551.3 million in 2022 to RMB720.4 million in 2023, primarily due to an increase in revenue from sales of AMOLED DDICs.

AMOLED DDICs

Our revenue from sales of AMOLED DDICs increased by 66.6% from RMB361.0 million in 2022 to RMB601.4 million in 2023, primarily due to a 129.6% increase in the sales volume of our AMOLED DDICs from 14.1 million units in 2022 to 32.3 million units in 2023, driven by our success in expanding our market share by offering reliable and high-performance products at competitive prices. Such an increase was partially offset by a 27.5% decrease in the average selling price of our AMOLED DDICs from RMB25.7 per unit in 2022 to RMB18.6 per unit in 2023, which in turn was primarily due price adjustments in response to competitive pricing pressure in the market aimed at growing our market share.

Micro-OLED display backplane/drivers

Revenue from sales of Micro-OLED display backplanes/drivers decreased by 37.2% from RMB189.1 million in 2022 to RMB118.8 million in 2023, primarily due to a 39.9% decrease in sales volume of Micro-OLED display backplanes/drivers from 9,086 pieces in 2022 to 5,459 pieces in 2023, which was in turn attributable to a decline in AR/VR enabled head-mounted devices end-market demand. The decrease was partially offset by an increase in the average selling price of our Micro-OLED display backplanes/drivers by 4.6% from RMB20,813.7 per piece in 2022 to RMB21,768.3 per piece in 2023, primarily due to a change in product mix.

Others

Our revenue from others decreased from RMB1.2 million in 2022 to RMB0.1 million in 2023, primarily due to change in demand of our other products and services by our customers.

Cost of sales

	Year Ended December 31,		
	2022	**2023**	***% change***
	(in RMB thousands, except for percentages)		
Raw materials	287,490	531,697	*84.9*
Packaging and testing	60,542	122,106	*101.7*
Write-off of inventories	16,274	53,163	*226.7*
Others	11,188	10,245	*(8.4)*
Total	**375,494**	**717,211**	***91.0***
as % of total revenue	*68.1%*	*99.6%*	

Our cost of sales increased by 32.7% from RMB375.5 million in 2022 to RMB717.2 million in 2023, primarily due to a 129.5% increase in our sales volume from 2022 to 2023, partially offset by a 226.7% decrease in our inventory write-offs from RMB16.3 million in 2022 to RMB53.2 million in 2023. See "— Principal Components of Results of Operations — Cost of Sales" for further details.

Gross profit/(loss) and gross margin

	Year Ended December 31,			
	2022		**2023**	
	Gross profit	**Gross margin**	**Gross profit/(loss)**	**Gross margin**
	(in RMB thousands, except for percentages)			
AMOLED DDICs	117,851	32.6	(8,714)	(1.4)
Micro-OLED display backplane/drivers	57,125	30.2	11,846	10.0
Others[(1)]	820	70.7	61	45.5
Total	**175,796**	**31.9**	**3,193**	**0.4**

Note:

(1) Including board cards and technical service offerings.

Our gross profit decreased from RMB175.8 million in 2022 to RMB3.2 million in 2023 despite an increase in our revenue, primarily as our gross margin decreased from 31.9% in 2022 to 0.4% in 2023.

AMOLED DDICs

We recorded a gross profit from sales of AMOLED DDICs of RMB117.9 million in 2022 and a gross loss of RMB8.7 million in 2023, and we recorded a gross margin of 32.6% in 2022 and a gross loss margin of 1.4% in 2023. The gross loss in 2023 was primarily attributable to (i) a decrease in the average selling price of our AMOLED DDICs as a result of our competitive pricing strategy to acquire market share; and (ii) a 226.7% increase in our inventory write-offs from RMB16.3 million in 2022 to RMB53.2 million in 2023, as we adjusted our inventory valuation to reflect changes in market demand. See "— Principal Components of Results of Operations — Cost of Sales" for further details. In addition, in 2022, the AMOLED DDIC market experienced strong demand that exceeded supply, particularly for high-specification products. This supply-demand imbalance allowed us to charge higher prices to customers, resulting in a higher gross margin in 2022.

Micro-OLED display backplane/drivers

Our gross profit from sales of Micro-OLED backplanes/drivers decreased by 79.3% from RMB57.1 million in 2022 to RMB11.8 million in 2023, primarily due to a 37.2% decrease in our revenue from sales of Micro-OLED backplanes/drivers and a decrease in gross margin from 30.2% in 2022 to 10.0% in 2023. The decrease in gross margin was primarily due to lower economies of scale as a result of reduced sales volume, as well as increased competition in the market. Additionally, the decline was driven by a shift in product mix, as we sold a higher proportion of lower-margin products during the year.

Others

Gross profit from sales of other products decreased from RMB0.8 million in 2022 to RMB0.06 thousand in 2023, and the gross margin decreased from 70.7% in 2022 to 45.5% in 2023 primarily due to a decrease in customer demand, which led to a reduction in the prices of our other products and services offered.

Other Income and Gains

Our other income and gains increased from RMB19.8 million in 2022 to RMB24.1 million in 2023, primarily driven by an increase in government grants from RMB40 thousand in 2022 to RMB5.8 million in 2023. Fair value gains on financial assets at fair value through profit or loss decreased from RMB12.1 million in 2022 to RMB10.0 million in 2023, due to market fluctuations that impacted the valuation of our financial investments.

Selling and Distribution Expenses

	Year Ended December 31,		
	2022	2023	*% Change*
	(in RMB thousands, except for percentages)		
Selling and distribution expenses	41,669	15,253	*(63.4)*
as % of total revenue	*7.6%*	*2.1%*	
Share-based compensation included in selling and distribution expenses	28,593	40	*(99.9)*
as % of total revenue	*5.2%*	*0.0%*	
Selling and distribution expenses excluding share-based compensation	13,076	15,213	*16.3*
as % of total revenue	*2.4%*	*2.1%*	

Our selling and distribution expenses decreased by 63.4% from RMB41.7 million in 2022 to RMB15.3 million in 2023, primarily due to a significant decrease in share-based compensation to the selling and marketing staff from RMB28.6 million in 2022 to RMB40 thousand in 2023. See "— Non-IFRS Measure" for fluctuation of our share-based compensation in 2023. As a percentage of our revenue, our selling and distribution expenses decreased from 7.6% in 2022 to 2.1% in 2023. Without the effect of share-based compensation, our selling and distribution expenses as a percentage of our revenue would have decreased from 2.4% in 2022 to 2.1% in 2023, as our economies of scale improved.

Administrative Expenses

	Year Ended December 31,		
	2022	2023	*% Change*
	(in RMB thousands, except for percentages)		
Administrative expenses	82,827	62,932	*(24.0)*
as % of total revenue	*15.0%*	*8.7%*	
Share-based compensation included in administrative expenses	34,390	3,492	*(89.8)*
as % of total revenue	*6.2%*	*0.5%*	
Administrative expenses excluding share-based compensation	48,437	59,440	*22.7*
as % of total revenue	*8.8%*	*8.3%*	

Our administrative expenses decreased by 24.0% from RMB82.8 million in 2022 to RMB62.9 million in 2023, primarily due to a significant decrease in share-based compensation to administrative staff from RMB34.4 million in 2022 to RMB3.5 million in 2023. See "— Non-IFRS Measure" for fluctuation of our share-based compensation in 2023. As a percentage of our revenue, our administrative expenses decreased from 15.0% in 2022 to 8.7% in 2023. Without the effect of share-based compensation, our administrative expenses as a percentage of total revenue would have remained stable.

Research and Development Expenses

	Year Ended December 31,		
	2022	**2023**	***% Change***
	(in RMB thousands, except for percentages)		
Research and development expenses	187,809	177,026	*(5.7)*
as % of total revenue	*34.1%*	*24.6%*	
Share-based compensation included in research and development expenses	61,200	11,261	*(81.6)*
as % of total revenue	*11.1%*	*1.6%*	
Research and development expenses excluding share-based compensation	126,609	165,765	*30.9*
as % of total revenue	*23.0%*	*23.0%*	

Our research and development expenses decreased by 5.7% from RMB187.8 million in 2022 to RMB177.0 million in 2023, primarily due to a significant decrease in share-based compensation to the R&D staff from RMB61.2 million in 2022 to RMB11.3 million in 2023. See "— Non-IFRS Measure" for fluctuation of our share-based compensation in 2023. As a percentage of our revenue, our research and development expenses decreased from 34.1% in 2022 to 24.6% in 2023. Without the effect of share-based compensation, our research and development expenses as a percentage of total revenue would have been the same.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Impairment of financial assets under expected credit losses model, net of reversal decreased from RMB3.3 million in 2022 to RMB2.8 million in 2023, primarily due to the decrease in the balance of our trade receivables and other financial assets as of December 31, 2023 as compared to December 31, 2022.

Other Expenses

Our other expenses increased from RMB2.4 million in 2022 to RMB6.1 million in 2022, primarily due to the increase in foreign exchange loss from RMB1.5 million in 2022 to RMB5.8 million in 2023.

Finance Costs

Our finance costs decreased from RMB1.1 million in 2022 to RMB0.9 million in 2023, primarily due to the decrease in interest costs as result of the decrease in the principal amount of our interest-bearing bank borrowings.

Income Tax Expenses

In 2022 and 2023, we did not record any income tax expenses as we did not record taxable profit in those years.

Loss for the Year

As result of the foregoing, loss for the year increased from RMB123.5 million in 2022 to RMB232.1 million in 2023. Loss margin increased from 22.4% in 2022 to 32.2% in 2023.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our operations primarily through a combination of cash generated from operations and financing activities. As of December 31, 2024 and April 30, 2025, we had cash and cash equivalents of RMB104.8 million and RMB272.8 million, respectively. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of cash generated from operations and net [**REDACTED**] from the [**REDACTED**].

Taking into account the net [**REDACTED**] from the [**REDACTED**] and cash generated from operations, 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,
	2022	2023	2024	2025
	(in RMB thousands)			*(unaudited)*
Current assets				
Inventories	255,388	373,205	321,859	309,650
Trade receivables	229,431	64,698	102,661	179,502
Contract assets	–	–	–	–
Prepayments, other receivables and other assets	95,299	71,188	92,813	103,919
Financial assets at fair value through profit or loss	469,722	247,461	415,441	211,575
Derivative financial instruments	–	1,308	558	1,963
Time deposits	131,102	136,821	21,916	81,565
Restricted bank deposits	15,370	7,083	9,194	9,194
Cash and cash equivalents	132,265	189,741	104,831	272,826
Prepaid income tax	690	–	–	–
Total current assets	**1,329,267**	**1,091,505**	**1,069,273**	**1,170,194**
Current liabilities				
Trade payable	31,781	48,492	34,171	94,210
Other payable and accruals	57,149	33,728	40,221	47,159
Interest-bearing bank loans	15,370	30,026	150,815	141,029
Lease liabilities	3,143	3,411	3,427	4,058
Tax payable	–	–	–	–
Contract liabilities	21,337	7,039	4,655	6,846
Provision	4,002	4,168	2,041	410
Total current liabilities	**132,782**	**126,864**	**235,330**	**293,712**
Net current assets	**1,196,485**	**964,641**	**833,943**	**876,482**

Comparison between April 30, 2025 and December 31, 2024

Our net current assets increased from RMB833.9 million as of December 31, 2024 to RMB876.4 million as of April 30, 2025, primarily due to (i) an increase in trade receivables from RMB102.7 million as of December 31, 2024 to RMB179.5 million as of April 30, 2025, (ii) an increase in time deposits from RMB21.9 million as of December 31, 2024 to RMB81.6 million as of April 30, 2025, partially offset by an increase in trade payable from RMB34.2 million as of December 31, 2024 to RMB94.2 million as of April 30, 2025.

Comparison between December 31, 2024 and December 31, 2023

Our net current assets decreased from RMB964.6 million as of December 31, 2023 to RMB833.9 million as of December 31, 2024, primarily due to (i) an increase in interest-bearing bank loans from RMB30.0 million as of December 31, 2023 to RMB150.8 million as of December 31, 2024, (ii) a decrease in time deposit from RMB136.8 million as of December 31, 2023 to RMB21.9 million as of December 31, 2024, partially offset by an increase in financial assets at fair value through profit or loss from RMB247.5 million as of December 31, 2023 to RMB415.4 million as of December 31, 2024.

Comparison between December 31, 2023 and December 31, 2022

Our net current assets decreased from RMB1,196.5 million as of December 31, 2022 to RMB964.6 million as of December 31, 2023, primarily due to (i) an decrease in trade receivables from RMB229.4 million as of December 31, 2022 to RMB64.7 million as of December 31, 2023, (ii) a decrease in other payable and accruals from RMB57.1 million as of December 31, 2022 to RMB33.7 million as of December 31, 2023, partially offset by an increase in inventories from RMB255.4 million as of December 31, 2022 to RMB373.2 million as of December 31, 2023.

SELECTED ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Inventories

Our inventories include raw materials, work in progress and finished. 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	34,077	76,522	122,489
Work in progress	133,243	234,882	164,711
Finished goods	105,873	126,955	78,183
Less: (provision for impairment)	(17,805)	(65,154)	(43,524)
Total	**255,388**	**373,205**	**321,859**

Our inventories increased from RMB255.4 million as of December 31, 2022 to RMB373.2 million as of December 31, 2023, primarily due to: (i) an increase in work in progress from RMB133.2 million as of December 31, 2022 to RMB234.9 million as of December 31, 2023, reflecting higher production activity; (ii) an increase in finished goods from RMB105.6 million as of December 31, 2022 to RMB127.0 million as of December 31, 2023, due to a build-up of inventory in anticipation of future sales; and (iii) an increase in raw materials from RMB34.1 million as of December 31, 2022 to RMB76.5 million as of December 31, 2023, driven by higher production requirements.

Our inventories decreased from RMB373.2 million as of December 31, 2023 to RMB321.9 million as of December 31, 2024, primarily due to: (i) a decrease in finished goods from RMB127.0 million as of December 31, 2023 to RMB78.2 million as of December 31, 2024; (ii) a decrease in raw materials from RMB76.5 million as of December 31, 2023 to RMB122.5 million as of December 31, 2024; and (iii) a decrease in work in progress from RMB234.9 million as of December 31, 2023 to RMB164.7 million as of December 31, 2024, as fewer materials were required in 2024.

Turnover Days

The table below sets forth the turnover days of our inventories for the year indicated. Our inventory turnover days for each period equals the average of the beginning and ending balances of inventories divided by cost of sales for that year and multiplied by 365 days.

	Year ended December 31,		
	2022	**2023**	**2024**
Inventories turnover days	124	160	146

Our inventory turnover days increased from 124 days in 2022 to 160 days in 2023, primarily due to a buildup of inventory in anticipation of higher sales demand. In 2024, inventory turnover days decreased to 146 days, as we adjusted our inventory management strategy to better align with actual sales trends and market demand. Improved sales performance and more efficient inventory control measures contributed to the reduction in turnover days, reflecting a more balanced inventory level.

Subsequent Utilization

As of April 30, 2025, 65.1% of our total inventories as of December 31, 2024, or RMB209.4 million, were utilized or sold.

Financial Assets at Fair Value Through Profit or Loss

	As of December 31,		
	2022	**2023**	**2024**
	(in RMB thousands)		
Structured deposits, at fair value	87,863	67,041	30,020
Wealth management products, at fair value	381,859	180,420	385,421
Total	**469,722**	**247,461**	**415,441**

Financial assets at fair value through profit or loss decreased from RMB469.7 million as of December 31, 2022, to RMB247.5 million as of December 31, 2023, primarily due to: (i) a decrease in structured deposits from RMB87.9 million as of December 31, 2022, to RMB67.0 million as of December 31, 2023; and (ii) a decrease in wealth management products from RMB381.9 million as of December 31, 2022, to RMB180.4 million as of December 31, 2023. Financial assets at fair value through profit or loss increased from RMB247.5 million as of December 31, 2023, to RMB415.4 million as of December 31, 2024, primarily due to: (i) an increase in structured deposits from RMB67.0 million as of December 31, 2023, to RMB30.0 million as of December 31, 2024; and (ii) an increase in wealth management products from RMB180.4 million as of December 31, 2023, to RMB385.4 million as of December 31, 2024.

Trade Receivables

Trade receivables primarily arise from sales of our products. The table below sets for the breakdown of trade receivables as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	(in RMB thousands)		
Gross carrying amount	235,945	68,436	106,874
Less: (Impairment)	(6,514)	(3,738)	(4,123)
Total	**229,431**	**64,698**	**102,661**

Trade receivables decreased from RMB229.4 million as of December 31, 2022 to RMB64.7 million as of December 31, 2023, primarily due to a decrease in carrying amount of accounts receivables from RMB235.9 million as of December 31, 2022 to RMB68.4 million as of December 31, 2023, driven by involvement of distributor, and increased to RMB102.7 million as of December 31, 2024, primarily due to an increase in carrying amount of accounts receivables from RMB68.4 million as of December 31, 2023 to RMB106.9 million as of December 31, 2024, due to higher sales toward the end of the year, resulting in an increase in outstanding receivables at year-end.

Aging Analysis

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 3 months	163,252	52,984	85,236
3 to 6 months	19,576	6,507	15,256
6 to 9 months	45,216	5,035	2,169
9 to 12 months	1,387	172	–
Total	**229,431**	**64,698**	**102,661**

Turnover Days

The table below sets forth the turnover days of our trade receivables for the year indicated. Our trade receivables turnover days for each period equals the average of the beginning and ending balances of trade receivables for that period divided by revenue for that period and multiplied by 365 days.

	Year ended December 31,		
	2022	**2023**	**2024**
Trade receivables turnover days	137	75	34

Our trade receivables turnover days decreased from 137 days in 2022 to 75 days in 2023, and further decreased to 34 days in 2024, primarily due to our improved credit control measures and stricter payment terms implemented during the period. These measures included closer monitoring of customer payment cycles and prioritizing customers with strong creditworthiness.

Subsequent Settlement

As of April 30, 2025, 91.2% of our total trade receivables as of December 31, 2024, or RMB97.5 million, were settled.

Trade Payables

The table below sets for our trade payables as of the dates indicated.

	As of December 31,		
	2022	**2023**	**2024**
	(in RMB thousands)		
Trade payables	31,781	48,492	34,171
Total	**31,781**	**48,492**	**34,171**

Our trade payables increased from RMB31.8 million as of December 31, 2022 to RMB48.5 million as of December 31, 2023 and decreased to RMB34.2 million as of December 31, 2024. Given the short payment cycles with our suppliers, the fluctuations in the balance of our trade payables were largely driven by the purchase order we received in the fourth quarter of any given year.

Aging Analysis

The table below sets forth an aging analysis of our trade payables as of the dates indicated.

	As of December 31,		
	2022	**2023**	**2024**
	(in RMB thousands)		
Within 1 year	31,781	48,492	34,171
1 to 2 years	2,786	1,077	–
Total	**34,567**	**49,569**	**34,171**

Turnover Days

The table below sets forth the turnover days of our trade payables for the year indicated. Our trade payables turnover days for each period equals the average of the beginning and ending balances of trade payables for that period divided by cost of sales for that period and multiplied by 365 days.

	Year ended December 31,		
	2022	**2023**	**2024**
Trade payables turnover days	26	21	18

Our trade payables turnover days decreased from 26 days in 2022 to 21 days in 2023, and further decreased to 18 days in 2024, primarily due to the acceleration of payment cycles to suppliers. This was driven by our stronger financial position that enabled us to take advantage of early payment discounts.

Subsequent Settlement

As of April 30, 2025, 72.9% of our total trade payables as of December 31, 2024, or RMB4.9 million, were settled.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets include other receivables, prepayments, advance talent retention bonus and impairment allowance. The table below sets forth the breakdown of our prepayments and other receivables as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	(in RMB thousands)		
Non-current			
Value-added-tax recoverable	7,195	18,853	27,374
Other receivables	12,824	1,136	872
Prepayments for equipment	1,199	2,040	1,070
Less: (Impairment allowance)	(608)	–	–
Subtotal	**20,610**	**22,029**	**29,316**
Current			
Other receivables	2,307	12,516	7,167
Prepayments	83,381	49,268	75,145
Advance talent retention bonus	9,627	10,002	10,557
Less: (Impairment allowance)	(16)	(598)	(56)
Subtotal	**95,299**	**71,188**	**92,813**
Total	**115,909**	**93,217**	**122,129**

Our prepayments, other receivables, and other assets decreased from RMB115.9 million as of December 31, 2022 to RMB93.2 million as of December 31, 2023, primarily due to a decrease in prepayments from RMB83.4 million as of December 31, 2022 to RMB49.3 million as of December 31, 2023, as a result of reduced advance payments for services or supplies. This was partially offset by an increase in other receivables from RMB2.3 million as of December 31, 2022 to RMB12.5 million as of December 31, 2023, reflecting higher recoverable amounts from third parties. Additionally, value-added-tax recoverable increased from RMB7.2 million as of December 31, 2022 to RMB18.9 million as of December 31, 2023, due to higher VAT credits available for offset.

Our prepayments, other receivables, and other assets increased from RMB93.2 million as of December 31, 2023 to RMB122.1 million as of December 31, 2024, primarily due to an increase in prepayments, which rose from RMB49.3 million as of December 31, 2023 to RMB75.1 million as of December 31, 2024, reflecting higher advance payments made for services or supplies. Value-added-tax recoverable also increased from RMB18.9 million as of December 31, 2023 to RMB27.4 million as of December 31, 2024, due to higher VAT credits. Other receivables (current) decreased from RMB12.5 million as of December 31, 2023 to RMB7.2 million as of December 31, 2024, reflecting reduced recoverable amounts during the period.

Time Deposits

Our time deposits primarily include time deposits with original maturities of over three months and due within one year and time deposits with original maturities over one year.

The table below sets forth the breakdown of our time deposits as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	(in RMB thousands)		
Short-term time deposits with original maturities of over three months and due within one year	131,102	136,821	21,916
Time deposits with original maturities over one year	20,682	40,792	61,591
Total	**151,784**	**177,613**	**83,507**

Our time deposits increased from RMB151.8 million as of December 31, 2022 to RMB177.6 million as of December 31, 2023, primarily due to an increase in time deposits with original maturities over one year from RMB20.7 million as of December 31, 2022 to RMB40.8 million as of December 31, 2023. Our time deposits then decreased to RMB83.5 million as of December 31, 2024, primarily due to a decrease in time deposits with original maturities of over three months and due within one year from RMB136.8 million as of December 31, 2023 to RMB21.9 million as of December 31, 2024.

CASH FLOWS

The table below sets forth our cash flows for the years indicated.

	Year ended December 31,		
	2022	2023	2024
	(in RMB thousands)		
Operating cash flows before movements in working capital	15,916	(161,141)	(196,077)
Changes in working capital	(196,542)	(5,335)	(55,127)
Interest received	5,642	5,067	15,587
Income tax refund/(paid)	(690)	690	–
Net cash used in operating activities	(175,674)	(160,719)	(235,617)
Net cash (used in)/generated from investing activities	(184,185)	192,512	(92,765)

	Year ended December 31,		
	2022	2023	2024
	(in RMB thousands)		
Net cash generated from financing activities	336,649	24,875	242,585
Net increase (decrease) in cash and cash equivalents	**(23,210)**	**56,668**	**(85,797)**
Cash and cash equivalents as of the beginning of year	153,017	132,265	189,741
Effect of foreign exchange rate changes, net	2,458	808	887
Cash and cash equivalents as of the end of the year	**132,265**	**189,741**	**104,831**

Operating Activities

In 2024, we had net cash used in operating activities of RMB235.6 million, primarily consisting of our loss before tax of RMB309 million, adjusted for non-operating and non-cash items mainly including (i) the share-based compensation expenses of RMB84.8 million, (ii) a provision for inventories of RMB25.3 million, and partially offset by (iii) an interest income of RMB17.5 million. The amount was offset by change in working capital, including (i) an increase in trade receivables of RMB36.1 million, (ii) an increase in prepayments, other receivables and other assets of RMB32.2 million and (iii) a decrease in trade payables of RMB14.3 million.

In 2023, we had net cash used in operating activities of RMB160.7 million, primarily consisting of our loss before tax of RMB232.1 million, adjusted for non-operating and non-cash items mainly including (i) a provision for inventories of RMB53.2 million, (ii) the share-based compensation expenses of RMB14.8 million, and partially offset by (iii) an interest income of RMB7.3 million. The amount was partially offset by change in working capital, including (i) an increase in inventories of RMB171.0 million, (ii) a decrease in other payables and accruals of RMB23.4 million, and partially offset by (iii) a decrease in trade receivables of RMB165.3 million.

In 2022, we had net cash used in operating activities of RMB175.7 million, primarily consisting of loss before tax of RMB123.5 million, adjusted for non-operating and non-cash items mainly including (i) the share-based compensation expenses of RMB124.2 million, (ii) a provision for inventories of RMB16.3 million, and partially offset by (iii) fair value gains on financial assets at fair value through profit or loss of RMB12.1 million. The amount was offset by change in working capital, including (i) an increase in inventories of RMB168.3 million, (ii) an increase in trade receivables of RMB34.7 million, and partially offset by (iii) an increase in other payables and accruals of RMB22.7 million.

Investing Activities

In 2024, we had net cash used in investing activities of RMB92.8 million, primarily consisting of purchases of wealth management products and structured deposits of RMB1,833.9 million and purchase of other intangible assets of RMB18.5 million, partially offset by maturity of wealth management products and structured deposits of RMB1,672.5 million.

In 2023, we had net cash generated from investing activities of RMB192.5 million, primarily consisting of maturity of wealth management products and structured deposits of RMB1,788.0 million and maturity of from time deposits with original maturity more than three months of RMB130.0 million, partially offset by purchases of wealth management products and structured deposits of RMB1,557.0 million.

In 2022, we had net cash used in investing activities of RMB184.2 million, primarily consisting of purchases of wealth management products and structured deposits of RMB2,866.1 million and placement of time deposits with original maturity more than three months of RMB121.8 million, partially offset by maturity of wealth management products and structured deposits of RMB2,805.6 million.

Financing Activities

In 2024, we had net cash generated from financing activities of RMB242.6 million, primarily consisting of new interest-bearing bank loans of RMB150.0 million and issue of shares of RMB130.0 million, partially offset by repayments of interest-bearing bank loans of RMB29.2 million.

In 2023, we had net cash generated from financing activities of RMB24.9 million, primarily consisting of new interest-bearing bank loans of RMB90.0 million and decrease in pledged deposits of RMB15.4 million, partially offset by repayments of interest-bearing bank loans of RMB75.3 million.

In 2022, we had net cash generated from financing activities of RMB336.6 million, primarily consisting of new interest-bearing bank loans of RMB75.4 million, capital contribution from the shareholders of RMB181.8 million, and issue of shares of RMB159.2 million, partially offset by repayments of interest-bearing bank loans of RMB60.0 million.

INDEBTEDNESS

The table below sets forth our indebtedness as of the dates indicated.

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	(in RMB thousands)			*(unaudited)*
Current				
Borrowings	15,370	30,026	150,815	141,029
Lease liabilities	3,143	3,411	3,427	4,058
Non-current				
Lease liabilities	3,396	2,441	1,325	622
Total	**21,909**	**35,878**	**155,567**	**145,709**

Borrowings

As of December 31, 2022, 2023 and 2024 and as of April 30, 2025, we had borrowings of RMB15.4 million, RMB30.0 million and RMB150.8 million, and RMB161.0 million, respectively. The table below sets for the categories of our borrowings as of the dates indicated.

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	(in RMB thousands)			*(unaudited)*
Bank loans – unsecured	15,370	–	90,000	90,000
Bank loans – secured	–	30,026	60,815	51,029
Total	**15,370**	**30,026**	**150,815**	**141,029**

Subsequent Utilization

As of April 30, 2025, 52.2% of our total banking facilities as of December 31, 2024, or RMB180.0 million, were subsequently utilized.

Lease liabilities

Our lease liabilities decreased from RMB6.5 million as of December 31, 2022 to RMB5.9 million as of December 31, 2023 and our lease liabilities decreased from RMB5.9 million as of December 31, 2023 to RMB4.8 million as of December 31, 2024, primarily due to the decrease in the value of new leases and the absence of early cancelation of leases in those years.

Contingent liabilities

As of April 30, 2025, we did not have any contingent liabilities. Save as disclosed above, we did not have any bank and other loan, or any loan capital issued and outstanding or agreed to be issued, bank overdraft, borrowing or similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases or finance lease commitments, guarantees or other material contingent liabilities as of the latest practicable date for our indebtedness statement. We did not have any material covenants and undertakings on outstanding debts, guarantees, pledge of key assets or other contingent obligations, and breaches during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that there has not been any material change in our indebtedness since the April 30, 2025 up to the date of this document. Our Directors confirm that we did not have any material defaults on trade and non-trade payables and borrowings, or breaches of covenants during the Track Record Period and up to the date of this document.

CAPITAL EXPENDITURE AND COMMITMENTS

Capital Expenditure

The table below sets forth our capital expenditure for the years indicated.

	Year ended December 31,		
	2022	2023	2024
	(in RMB thousands)		
Purchase of property, plant and equipment	28,093	6,956	6,851
Purchase of other intangible assets	5,622	779	18,532
Total	**33,715**	**7,735**	**25,383**

During the Track Record Period, our capital expenditure was primarily for purchase of property, plant and equipment and intangible assets. In 2022, in response to certain capacity shortage at our OSAT providers, we purchased certain equipment to be used in our OSAT providers' facilities. The intangible assets we purchased were primarily IC design softwares.

Capital Commitments

The table below sets forth our capital commitment for the years indicated.

	Year ended December 31,		
	2022	2023	2024
	(in RMB thousands)		
Contracted, but not provided for:			
Furniture and fixtures	–	1,380	–
Total	**–**	**1,380**	**–**

KEY FINANCIAL RATIOS

The table below sets forth our key financial ratio for the years or as of the dates indicated.

	For the year ended/As of December 31,		
	2022	2023	2024
Gross margin[(1)]	31.9%	0.4%	2.5%
Net profit margin[(2)]	(22.4)%	(32.2)%	(34.7)%
Current ratio[(3)]	10.0%	8.6%	4.5%
Quick ratio[(4)]	8.1%	5.7%	3.2%

Notes:

(1) Gross margin is calculated as gross profit/(loss) for the year divided by revenue for the corresponding year and multiplied by 100%.

(2) Net profit margin is calculated as loss for the year divided by revenue for the corresponding year and multiplied by 100%.

(3) Current ratio is calculated as total current assets as at the end of the year divided by total current liabilities as of the end of the corresponding year and multiplied by 100%.

(4) Quick ratio is calculated as total current assets less inventories as at the end of the year and divided by total current liabilities as at the end of the corresponding year and multiplied by 100%.

DISCLOSURE ABOUT FINANCIAL RISKS

We are exposed to a variety of financial risks including currency risk, credit risk and liquidity risk. For details of our risk exposure and sensitivity analysis, see note 36 to "Appendix I — Accountants' Report."

Currency Risk

Currency risk arises when recognized financial assets and liabilities are denominated in a currency that is not the same as an entity's functional currency. We have certain sales, purchases denominated in foreign currencies, which exposes us to currency risk. We manage and monitor our exposure to currency risk to ensure appropriate measures are implemented in a timely and effective manner.

Credit Risk

Credit risk refers to the risk that our counterparties may default on their contractual obligations resulting in financial losses to us. Our credit risk exposures primarily relate to our trade receivables and time deposits.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting financial obligations due to shortage of funds. To manage our liquidity risk, we monitor and maintain a level of bank balances and cash deemed adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flows.

Capital Management

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 overall strategy remained unchanged during the Track Record Period. Our capital structure consists of debt, which includes borrowings and lease liabilities.

Our management reviews our capital structure on a regular basis. As part of this review, they make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the dividend payment to shareholders might be adjusted and new capitals might be issued.

OFF-BALANCE SHEET ARRANGEMENTS

During the Track Record Period, we did not enter into any off-balance sheet arrangements.

DIVIDENDS

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

There is no assurance that dividends of any amount will be declared or be distributed in any year. As of the Latest Practicable Date, we did not have any dividend policy. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that it is required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. We will pay dividends according to the applicable PRC laws and our Articles of Association.

DISTRIBUTABLE RESERVE

As of December 31, 2024, we did not have distributable reserves.

DISCLOSURE REQUIRED UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

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 Listing Rules.

RELATED-PARTY TRANSACTIONS

Related party transactions are set out in note 33 to "Appendix I — Accountants' Report." Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and at arm's length basis. For related party loans, advances, guarantees and/or pledges of securities including the terms and the plans for these arrangements after the Listing, if any, see also note 33 to "Appendix I — Accountants' Report."

UNAUDITED [REDACTED] FINANCIAL INFORMATION

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

[**REDACTED**]

[**REDACTED**] represent professional fees, [**REDACTED**] and fees incurred in connection with the [**REDACTED**] and the [**REDACTED**]. During the Track Record Period, we did not incur any [**REDACTED**].

Our [**REDACTED**] are estimated to be approximately HK$[**REDACTED**] million (including [**REDACTED**]), accounting for [**REDACTED**]% of the gross [**REDACTED**] of the [**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the [**REDACTED**] range stated in this document, and no exercise of the [**REDACTED**]). Among our [**REDACTED**], approximately HK$[**REDACTED**] million is directly attributable to the issuance of H Shares and will be charged to equity upon completion of the [**REDACTED**], and approximately HK$[**REDACTED**] million has been or will be charged to our consolidated statements of profit or loss and other comprehensive income. The [**REDACTED**] we incurred during the Track Record Period and expect to incur would consist of approximately HK$[**REDACTED**] million [**REDACTED**] related expenses and fees (including but not limited to [**REDACTED**] and fees), approximately HK$[**REDACTED**] million [**REDACTED**] expenses and fees of the Joint Sponsors, legal advisors and reporting accountant and approximately HK$[**REDACTED**] million for other [**REDACTED**] fees and expenses. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

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.

OVERVIEW

As of the Latest Practicable Date, Dr. Gu Jing, chairman of the Board and an executive Director, was entitled to control approximately 13.03% of the total issued Shares through Shenzhen Yishi and Yisheng No. 2, representing approximately 59.97% of the aggregate voting power at the Company's general meetings taking into account the weighted voting rights attached to the 36,204,584 Class A Ordinary Shares and 12,636,372 Class A Ordinary Shares held by Shenzhen Yishi and Yisheng No. 2, respectively. See "History, Development and Corporate Structure — Weighted Voting Rights Structure."

Upon the [**REDACTED**], the Articles of Association will take effect, under which the Company will no longer have a weighted voting rights structure and all Class A Ordinary Shares will be converted and re-designated as Shares without any weighted voting rights on an one-to-one basis. Accordingly, each of the then issued Shares of the Company will entitle its holder to one vote at the Company's general meetings.

Upon the [**REDACTED**], the general partner of Yisheng No. 1 shall be changed from Mr. Han Xu to Dr. Gu Jing. See "History, Development and Corporate Structure — Establishment and Evolvement of the Shareholding Platforms of the Company." Accordingly, immediately following the completion of the [**REDACTED**] and upon the conversion and re-designation of Class A Ordinary Shares as Shares without any weighted voting rights on an one-to-one basis (assuming the [**REDACTED**] is not exercised), Dr. Gu Jing will be entitled to control approximately [**REDACTED**]% of the total issued Shares of the Company through Shenzhen Yishi, Yisheng No. 1 and Yisheng No. 2, representing approximately [**REDACTED**]% of the aggregate voting power at the Company's general meetings. Accordingly, Dr. Gu Jing will be our Single Largest Shareholder upon the [**REDACTED**].

INDEPENDENCE FROM THE SINGLE LARGEST SHAREHOLDER

Having considered the following factors, the Directors are satisfied that the Group is capable of carrying on its business independently from the Single Largest Shareholder upon the [**REDACTED**].

Management Independence

The business of the Group is managed and conducted by the Board and senior management of the Company. The Board consists of seven Directors, three of whom are independent non-executive Directors. See "Directors, Supervisors and Senior Management."

The Directors are of the view that the Board and senior management of the Company are able to manage the business of the Group independently from the Single Largest Shareholder for the following reasons:

(i) each of the Directors is aware of his/her fiduciary duties and responsibilities under the Listing Rules as a director, which require that he/she acts in the best interests of the Company and the Shareholders as a whole;

(ii) all decisions of the Board require the approval of a majority vote from the Board;

(iii) the Company's daily management and operations are carried out by the senior management, all of whom have substantial experience in the industry where the Company operates, and will therefore be able to make business decisions that are in the best interests of the Group;

(iv) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Company and the Directors or their respective associates, the interested Director(s) is (are) required to declare the nature of such interest before voting at the relevant Board meetings in respect of such transactions;

(v) the Company has appointed three independent non-executive Directors to provide a balance of the number of potentially interested and independent Directors with a view to promote the interests of the Company and the Shareholders as a whole. The independent non-executive Directors will be entitled to engage professional advisors at our cost for advice on matters relating to any potential conflict of interest arising out of any transaction to be entered into between the Company and the Directors or their respective close associates; and

(vi) we have adopted other corporate governance measures to manage conflicts of interest, if any, between the Group and the Single Largest Shareholder. See "— Corporate Governance Measures."

Operational Independence

The Group holds all the relevant material licenses, qualifications and permits required for conducting its business. The Group has sufficient capital, facilities and employees to operate its business independently from the Single Largest Shareholder. The Group also has independent access to its clients. The Group has its own accounting and financial department, human resources and administration department, internal control department and technology department. In addition, the Group has established its internal organizational and management structure which includes Shareholders' meetings, the Board and its committees and formulated the terms of reference of these bodies in accordance with the requirements of the applicable laws and regulations, the Listing Rules and the Articles of Association, so as to establish a regulated and effective corporate governance structure with independent departments, each with specific areas of responsibilities.

Based on the above, the Directors are of the view that the Group will be able to operate independently from the Single Largest Shareholder and his respective close associates after the [**REDACTED**].

Financial Independence

The Group has an independent financial system. The Group makes financial decisions according to its own business needs and the Single Largest Shareholder will not intervene with the Group's use of funds. The Group has opened accounts with banks independently and do not share any bank account with the Single Largest Shareholder or his respective close associates. The Group has made tax filings and paid tax independently from the Single Largest Shareholder pursuant to applicable laws and regulations. The Group has established an independent finance department as well as implemented sound and independent audit, accounting and financial management systems. The Group has adequate internal resources and credit profile to support its daily operations.

As of the Latest Practicable Date, save for the guarantee provided by Dr. Gu Jing for our credit facility from a commercial bank in the PRC of RMB70 million in aggregate, which is expected to be released before the [**REDACTED**], the Group has no loans, advances and balances of non-trade nature due to or from the Single Largest Shareholder, and none of the loans of the Group is guaranteed or secured by the Single Largest Shareholder, nor any loan of the Single Largest Shareholder is guaranteed or secured by Group.

Based on the above, the Directors are of the view that the Group will be financially independent from the Single Largest Shareholder after the [**REDACTED**].

COMPETITION

As of the Latest Practicable Date, neither Dr. Gu Jing nor any of the Directors, was interested in any business, other than our Group, which, competes or is likely to compete, either directly or indirectly, with the Group's business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of our Shareholders, the Group will adopt the following corporate governance measures to manage any potential conflicts of interest with the Single Largest Shareholder:

(i) where a Shareholders' meeting is held pursuant to the Listing Rules to consider proposed transactions or arrangements in which the Single Largest Shareholder or any of his associates has a material interest, the Single Largest Shareholder shall abstain from voting and their votes shall not be counted;

(ii) the Company has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if the Company enters into connected transactions with the Single Largest Shareholder or any of his associates, the Company will comply with the applicable requirements under the Listing Rules;

(iii) the Company is committed that the Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). The Company has appointed three independent non-executive Directors, and the Company believes the independent non-executive Directors possess sufficient experiences and are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of the Shareholders as a whole. For details of the independent non-executive Directors, see "Directors, Supervisors and Senior Management — Directors — Independent Non-executive Directors;"

(iv) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between the Group and the Single Largest Shareholder (the "**Annual Review**") and provide impartial and professional advice to protect the interests of minority Shareholders;

(v) the Single Largest Shareholder will provide all information necessary or requested by the independent non-executive Directors for the Annual Review, including all relevant financial, operational and market information;

(vi) 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 the Listing Rules;

(vii) where the Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expense;

(viii) the Company has appointed Gram Capital Limited as the Compliance Advisor, which will provide advice and guidance to the Company in respect of compliance with the applicable laws and Listing Rules including various requirements relating to directors' duties and corporate governance; and

(ix) the Company has established Audit Committee, Nomination Committee and Remuneration Committee with written terms of reference in compliance with the Listing Rules.

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 Single Largest Shareholder, and to protect the minority Shareholders' interests after the [**REDACTED**].

This section presents certain information regarding the Company's share capital before and upon completion of the [**REDACTED**].

BEFORE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of the Company was RMB374,919,750, comprising 374,919,750 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately following the completion of the [**REDACTED**] and the [**REDACTED**] of Unlisted Shares into H Shares (assuming that the [**REDACTED**] is not exercised) the issued share capital of the Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of the Company
		(%)
Unlisted Shares in issue	[**REDACTED**]	[**REDACTED**]
H Shares to be [**REDACTED**] from Unlisted Shares	[**REDACTED**]	[**REDACTED**]%
H Shares to be [**REDACTED**] under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.00**

Immediately following the completion of the [**REDACTED**] and the [**REDACTED**] of Unlisted Shares into H Shares (assuming that the [**REDACTED**] is fully exercised) the issued share capital of the Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of the Company
		(%)
Unlisted Shares in issue	[**REDACTED**]	[**REDACTED**]
H Shares to be [**REDACTED**] from Unlisted Shares	[**REDACTED**]	[**REDACTED**]%
H Shares to be [**REDACTED**] under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.00**

OUR VOTING STRUCTURE BEFORE AND AFTER THE [REDACTED]

Under the Weighted Voting Rights Structure, the Company's share capital comprises Class A Ordinary Shares and Class B Ordinary Shares. As of the Latest Practicable Date, all the 48,840,956 Class A Ordinary Shares were held by Shenzhen Yishi and Yisheng No. 2, being entities controlled by Dr. Gu Jing. Each Class A Ordinary Share entitles its holder to ten votes at the Company's general meetings. Each Class B Ordinary Share entitles its holder to one vote at the Company's general meetings.

Upon the [**REDACTED**], the Articles of Association will take effect, under which the Company will no longer have a weighted voting rights structure and all Class A Ordinary Shares will be converted and re-designated as Shares without any weighted voting rights on an one-to-one basis. Upon the completion of the re-designation, each of the then issued Shares of the Company will entitle its holder to one vote at the Company's general meetings.

For further details, see "Summary of the Articles of Association" in Appendix III to this document.

RANKING

Upon the completion of the [**REDACTED**], the Company would have only one class of Shares. H Shares and Unlisted Shares are all ordinary Shares in the share capital of the Company. However, except for certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold the H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for or traded between legal or natural persons of the PRC. Unlisted Shares and H Shares will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all 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 Renminbi, Hong Kong dollars or in the form of Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC, the holders of the Unlisted Shares may, at their own option, authorize the Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the required filings with the securities regulatory authorities of the State Council for the conversion, listing and trading of such converted Shares have been completed. Additionally, such conversion, trading and listing shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be [**REDACTED**], listed and traded as H Shares on the Stock Exchange, the filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth below, the Company can apply for the listing of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the [**REDACTED**] to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As the listing of additional Shares after the [**REDACTED**] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for listing at the time of the Company's listing in Hong Kong. No class Shareholder voting is required for the conversion of such Shares or the listing and trading of such converted Shares on an overseas stock exchange. Any application for listing of the converted shares on the Stock Exchange after the Company's initial [**REDACTED**] is subject to prior notification by way of announcement to inform the Shareholders and the public of any proposed conversion.

After all the requisite filings have been completed and approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and the Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on the H Share register of the Company will be on the conditions that (i) the H Share Registrar lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be traded on the Stock Exchange complies with the Listing Rules and the [**REDACTED**] and the [**REDACTED**] in force from time to time.

Until the converted Shares are re-registered on the H Share register of the Company, such Shares would not be [**REDACTED**] as H Shares. For details of the existing Shareholders' proposed [**REDACTED**] of Unlisted Shares into H Shares, see "History, Development and Corporate Structure — Capitalization" in this document.

RESTRICTIONS OF SHARE TRANSFER

Pursuant to the PRC Company Law, the Shares issued prior to the [**REDACTED**] shall not be transferred within one year from the [**REDACTED**].

Shares transferred by the Directors, Supervisors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in the Company. The Shares that the aforementioned persons hold in the Company cannot be transferred within one year from the date on which the Shares are listed and traded, nor within half a year after they leave their positions as Directors, Supervisors and members of the senior management in the Company.

GENERAL MANDATE TO (I) ISSUE SHARES AND (II) SELL AND/OR TRANSFER OF TREASURY SHARES AND REPURCHASE MANDATE

Subject to the [**REDACTED**] becoming unconditional, the Directors have been granted general unconditional mandates to issue the Shares and sell and/or transfer of treasury shares as well as repurchase the Shares. For further details, see "Statutory and General Information — Further Information about the Company — Resolutions of the Shareholders" in Appendix IV to this document.

SHAREHOLDERS' GENERAL MEETING

For details of circumstances under which the Shareholders' general meeting is required, see "Summary of the Articles of Association" in Appendix III to this document.

So far as the Directors are aware, immediately following the completion of the [**REDACTED**], the [**REDACTED**] of Unlisted Shares to H Shares and assuming the [**REDACTED**] is not exercised, the following persons will have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly interested in 5% or more of the nominal value of any class of the Company's share capital carrying rights to vote in all circumstances at general meetings of the Company:

			As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name of Shareholder	**Type of Shares**	**Nature of interest[1]**	**Number of Shares**	**Approximate percentage of shareholding in the relevant type of Shares**	**Number of Shares**	**Approximate percentage of shareholding in the relevant type of Shares**	**Approximate percentage in the total issued share capital of the Company**
Dr. Gu Jing[2][3][4][5] (顧晶博士)	H Shares	Interest in controlled corporation	–	–	[REDACTED]	[REDACTED]	[REDACTED]
	Unlisted Shares	–	48,840,956	13.03%	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Yishi[2]	H Shares	Beneficial owner	–	–	[REDACTED]	[REDACTED]	[REDACTED]
	Unlisted Shares	–	36,204,584	9.66%	[REDACTED]	[REDACTED]	[REDACTED]
Yisheng No. 1[3]	H Shares	Beneficial owner	–	–	[REDACTED]	[REDACTED]	[REDACTED]
	Unlisted Shares	–	23,843,783	6.36%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Zhan Jing[2][3][4][5] (詹靜女士)	H Shares	Interest of spouse	–	–	[REDACTED]	[REDACTED]	[REDACTED]
	Unlisted Shares	–	48,840,956	13.03%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Jia Jing (賈靜女士)[6][7][8]	H Shares	Interest in controlled corporation Interest of spouse	–	–	[REDACTED]	[REDACTED]	[REDACTED]
	Unlisted Shares	–	47,688,757	12.72%	[REDACTED]	[REDACTED]	[REDACTED]

			As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name of Shareholder	Type of Shares	Nature of interest[1]	Number of Shares	Approximate percentage of shareholding in the relevant type of Shares	Number of Shares	Approximate percentage of shareholding in the relevant type of Shares	Approximate percentage in the total issued share capital of the Company
Mr. Li Changshun (李長順先生)[6][7][8]	H Shares	Interest in controlled corporation Interest of spouse	–	–	[REDACTED]	[REDACTED]	[REDACTED]
	Unlisted Shares	–	47,688,757	12.72%	[REDACTED]	[REDACTED]	[REDACTED]
HSG	H Shares	Beneficial owner	–	–	[REDACTED]	[REDACTED]	[REDACTED]
	Unlisted Shares	–	23,718,425	6.33%	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) All interest stated are long positions.

(2) As of the Latest Practicable Date, Dr. Gu Jing was the general partner of Shenzhen Yishi. See "History, Development and Corporate Structure — Employee Shareholding Platforms." By virtue of the SFO, Dr. Gu Jing is deemed to be interested in the Shares held by Shenzhen Yishi.

(3) Upon the [**REDACTED**], the general partner of Yisheng No. 1 shall be changed from Mr. Han Xu to Dr. Gu Jing. See "History, Development and Corporate Structure — Employee Shareholding Platforms." By virtue of the SFO, Dr. Gu Jing shall be then deemed to be interested in the Shares held by Yisheng No. 1.

(4) As of the Latest Practicable Date, Dr. Gu Jing was the general partner of Yisheng No. 2. See "History, Development and Corporate Structure — Employee Shareholding Platforms." By virtue of the SFO, Dr. Gu Jing is deemed to be interested in the Shares held by Yisheng No. 2.

(5) Dr. Gu Jing and Ms. Zhan Jing are spouses. By virtue of the SFO, Dr. Gu Jing and Ms. Zhan Jing are deemed to be interested in the Shares held by each other.

(6) As of the Latest Practicable Date, Ms. Jia Jing was the general partner of Qicheng Zhiyuan and Ningbo Yuhang. As of the same date, Hefei Tianze was owned as to 54.91% by Qicheng Zhiyuan as a limited partner. See "History, Development and Corporate Structure — Capitalization." By virtue of the SFO, Ms. Jia Jing is deemed to be interested in the Shares held by Qicheng Zhiyuan, Ningbo Yuhang and Hefei Tianze.

(7) As of the Latest Practicable Date, Mr. Li Changshun was the general partner of Xiamen Zhiyi. See "History, Development and Corporate Structure — Capitalization." By virtue of the SFO, Mr. Li Changshun is deemed to be interested in the Shares held by Xiamen Zhiyi.

(8) Ms. Jia Jing and Mr. Li Changshun are spouses. By virtue of the SFO, Ms. Jia Jing and Mr. Li Changshun are deemed to be interested in the Shares held by each other.

Save as disclosed above, the Directors are not aware of any person who will, immediately following completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), have any interest and/or short position in the Shares or underlying Shares of the Company which will be required to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of the Group.

OVERVIEW

Upon the [**REDACTED**], the Board will consist of seven Directors, comprising two executive Directors, two non-executive Directors and three independent non-executive Directors.

DIRECTORS

The following table sets forth the information about the Directors:

Name	Age	Position	Time of joining the Group	Date of appointment as a Director	Roles and responsibilities
Dr. Gu Jing (顧晶博士)	44	Executive Director, chairman of the Board, general manager and chief executive officer	June 2012	March 28, 2013	Overall strategic planning, business development and management of the Group
Mr. Han Zhiyong (韓志勇先生)	63	Executive Director and president	November 2020	November 20, 2020	Overall strategic planning and management of the Group
Ms. Zhan Jing (詹靜女士)	38	Non-executive Director	June 2012	November 20, 2020	Providing advice on the operation and management of the Group
Mr. Zhou Zhifeng (周志峰先生)	47	Non-executive Director	September 2019	September 23, 2019	Providing advice and judgment to the Board
Dr. Jiang Yimin (蔣毅敏博士)	52	Independent non-executive Director	June 2013	December 20, 2022	Supervising and providing independent opinion and judgment to the Board
Ms. Zhou Xinru (周欣如女士)	42	Independent non-executive Director	December 2022	December 20, 2022	Supervising and providing independent opinion and judgment to the Board
Mr. Chang Eric Jackson (張世澤先生)	45	Independent non-executive Director	June 2025	June 12, 2025	Supervising and providing independent opinion and judgment to the Board

Save as Dr. Gu Jing and Ms. Zhan Jing are spouses, none of the Directors, Supervisors and members of senior management of the Company is related to other Directors, Supervisors or members of senior management.

Save as disclosed in this section, (i) none of the Directors held any directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this document; (ii) to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there were no other matters with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders and there was no information relating to the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Executive Directors

Dr. Gu Jing (顧晶博士), aged 44, is an executive Director, chairman of the Board, the general manager and the chief executive officer of the Company. Dr. Gu joined the Group in June 2012 and has been serving as a Director since March 28, 2013. Dr. Gu was redesignated as an executive Director on June 12, 2025. He is primarily responsible for the overall strategic planning, business development and management of the Group.

Other than his positions in the Company, Dr. Gu has also been concurrently serving a number of executive roles in the Company's subsidiaries, including the director of Viewtrix Hong Kong, the director and general manager of Viewtrix Kunshan and the executive director and manager of Viewtrix Chengdu.

Prior to joining the Group, Dr. Gu was proactively exploring entrepreneurship initiatives upon his graduation. Dr. Gu ever successively served as the executive director of Shanghai Jingwei Electronic Technology Company Limited* (上海晶為電子科技有限公司) and Shenzhen Jingwei Huayue Technology Company Limited* (深圳晶為華悦科技有限公司).

Dr. Gu obtained a bachelor's degree in electronic information engineering and a master's degree in information and communication engineering from Tsinghua University (清華大學) in the PRC in July 2003 and July 2005, respectively. Dr. Gu obtained a doctoral degree in engineering and applied science from Harvard University in the United States in October 2010.

Mr. Han Zhiyong (韓志勇先生), aged 63, is an executive Director and the president of the Company. Mr. Han joined the Group in November 2020 and has been serving as a Director and the president since then. Mr. Han was redesignated as an executive Director on June 12, 2025. He is primarily responsible for the overall strategic planning and management of the Group.

Mr. Han is a seasoned veteran with nearly 40 years of experience in the technology industry. Prior to joining the Group, Mr. Han ever served as the general manger of China of GlobalFoundries China (Shanghai) Co., Ltd.* (格羅方德半導體科技(上海)有限公司).

Mr. Han obtained a bachelor's degree in physics from Peking University (北京大學) in the PRC in July 1983, a master's degree in semiconductor physics from University of Science and Technology of China (中國科學技術大學) in the PRC in January 1987 and a doctoral degree in semiconductor physics from Nanyang Technological University (新加坡南洋理工大學) in Singapore in July 1998.

Non-Executive Directors

Mr. Zhou Zhifeng (周志峰先生), aged 47, has been serving as a Director since September 2019 and was redesignated as a non-executive Director on June 12, 2025. He is responsible for providing advice and judgment to the Board.

Mr. Zhou has been serving in Qiming Venture Partners (啟明創投), an institution principally engaged in providing venture capital and asset management services since May 2014, and currently serves as a managing partner, focusing on investments in emerging technologies in areas such as artificial intelligence, robotics, AR/VR, semiconductor, autotech, enterprise software, etc. Mr. Zhou has been serving as a director of Beijing HyperStrong Technology Co., Ltd. (北京海博思創科技股份有限公司) (stock code: 688411.SH) and a non-executive director of UBTECH ROBOTICS CORP LTD (深圳市優必選科技股份有限公司) (stock code: 09880. HK) , since June 2020 and August 2015, respectively.

Mr. Zhou obtained a bachelor's degree in computer science and technology from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in July 2000 and a master's degree in business administration from Columbia University (美國哥倫比亞大學) in the United States in May 2011.

Ms. Zhan Jing (詹靜女士), aged 38, is a non-executive Director and the human resources manager of the Company. Ms. Zhan joined the Group in June 2012 as the administrative manager of the Company. Ms. Zhan was appointed as a Director in November 2020 and has been serving as a Director since then. Ms. Zhan was redesignated as a non-executive Director on June 12, 2025. She is primarily responsible for providing advice on the operation and management of the Group.

Ms. Zhan has served a number of positions in the Group. Ms. Zhan served as the human resources manager of the Company from June 2012 to May 2016 and the human resources manager of Shanghai Viewtric Technology Company Limited* (上海雲英谷科技有限公司), a then wholly-owned subsidiary of the Company, from June 2016 to May 2021. Ms. Zhan has been serving as the human resources manger of the Group since June 2021.

Ms. Zhan obtained a bachelor's degree in radio, television and news from Jinggangshan University (井岡山大學) in the PRC in July 2009.

Independent Non-Executive Directors

Dr. Jiang Yimin (蔣毅敏博士), aged 52, has been serving as an independent Director since December 2022 and was redesignated as an independent non-executive Director on June 12, 2025. He is responsible for supervising and providing independent opinion and judgment to the Board.

From June 2013 to May 2021, Dr. Jiang served as a Director of the Company, nominated by White Cloud Valley. His role during this period was non-executive in nature, acting solely as a shareholder representative. Throughout his tenure, he did not hold any management position and was not involved in the Company's then daily operations or executive decision-making process. Since February 2015, Dr, Jiang has been serving as a director in Shanghai Anlogic Infotech Co., Ltd.* (上海安路信息科技股份有限公司) (stock code: 688107.SH). Since November 2012, Dr. Jiang has been serving as a director of Xi'an Peri Power Semiconductor Converting Technology Co., Ltd.* (西安派瑞功率半導體變流技術股份有限公司) (stock code: 300831.SZ).

Dr. Jiang obtained a bachelor's degree in electronic engineering from Tsinghua University (清華大學) in the PRC in July 1996, a master's degree in electrical engineering and a doctoral degree in electrical engineering from University of Maryland in the United States in May 1998 and August 2000, respectively.

Ms. Zhou Xinru (周欣如女士), aged 42, has been serving as an independent Director since December 2022 and was redesignated as an independent non-executive Director on June 12, 2025. She is responsible for supervising and providing independent opinion and judgment to the Board.

Ms. Zhou has extensive experience in legal and compliance affairs. For the periods from July 2005 to July 2009 and from July 2010 to December 2013, Ms. Zhou served at the Shanghai office of Clifford Chance LLP (高偉紳律師事務所), where she started her professional career and held the last position as a senior associate. From January 2014 to March 2016, Ms. Zhou served in Greater China region of General Electric Medical Investment (China) Investment Company Limited* (通用電氣(中國)投資有限公司). Ms. Zhou also ever served in Philips (China) Investment Company Limited* (飛利浦(中國)投資有限公司). Since May 2019, Ms. Zhou has been serving as the executive director of Shanghai Fajia Education Technology Company Limited* (上海法嘉教育科技有限公司) and Shanghai Fachang Education Technology Company Limited* (上海法暢教育科技有限公司).

Ms. Zhou obtained a bachelor's degree in law from Fudan University (復旦大學) in the PRC in July 2005 and a master's degree in law from Harvard University in the United States in May 2010.

Mr. Chang Eric Jackson (張世澤先生) (formerly known as Chang Eric Jackson (張再祖)), aged 45, He is responsible for supervising and providing independent opinion and judgment to the Board.

Mr. Chang has over 20 years of experience in accounting, finance and business advisory work. He is a member of the Hong Kong Institute of Certified Public Accountants since September 2005 and the American Institute of Certified Public Accountants since January 2005.

Mr. Chang has been an independent non-executive director of Yik Wo International Holdings Limited (易和國際控股有限公司) (stock code: 8659.HK) since June 2022. Mr. Chang has been an independent non-executive director of DL Holdings Group Limited (德林控股集團有限公司) (previously known as Season Pacific Holdings Ltd) (stock code: 1709.HK) since May 2018. From December 2022 to September 2024, Mr. Chang served as an independent non-executive director of Datang Group Holdings Limited (大唐集團控股有限公司) (stock code: 2117.HK), which was delisted from the Stock Exchange in October 2024. From September 2019 to May 2020, Mr. Chang served the independent non-executive director of Centenary United Holdings Limited (世紀聯合控股有限公司) (stock code: 1959.HK). From July 2019 to December 2021, Mr. Chang served as the chief finance officer and company secretary of Sanxun Holdings Group Limited (三巽控股集團有限公司) (stock code: 6611.HK). Since December 2017, Mr. Chang has been serving as the independent non-executive director of Transmit Entertainment Limited (傳遞娛樂有限公司) (stock code: 1326.HK). From July 2015 to April 2017, Mr. Chang served as the chief finance officer and executive director of Zensun Enterprises Limited (正商置業有限公司) (previously known as ZH International Holdings Limited) (stock code: 185.HK). From October 2013 to July 2015, Mr. Chang served as the chief finance officer of Henan Zensun Enterprises Company Limited* (河南正商置業有限公司). From September 2002 to October 2013, Mr. Chang served at PricewaterhouseCoopers, where his last position was senior manager.

Mr. Chang obtained his bachelor's degree of Commerce from the University of British Columbia in May 2002.

SUPERVISORS

The following table provides information about the Supervisors:

Name	Age	Position	Time of joining the Group	Date of appointment as a Supervisor	Roles and responsibilities
Mr. Liu Xiaoqiang (劉小強先生).	47	Supervisor	October 2018	December 20, 2022	Supervise the finances of the Group and exercise supervision over the Directors and senior management
Mr. Xu Haining (徐海寧先生).	40	Supervisor	June 2012	December 20, 2022	Supervise the finances of the Group and exercise supervision over the Directors and senior management
Ms. Gao Xiaoqing (高曉慶女士).	35	Supervisor	March 2014	December 20, 2022	Supervise the finances of the Group and exercise supervision over the Directors and senior management

Mr. Liu Xiaoqiang (劉小強先生), aged 47, has been a Supervisor since December 20, 2022 and is primarily responsible for supervision of the finances of the Group and supervision over the Directors and senior management.

Mr. Liu joined the Group in October 2018 and is currently serving as the deputy director of product application and quality control. Prior to that, he served as the manager of Novatek Electronic Technology (Shuzhou) Company Limited* (聯詠電子科技(蘇州)有限公司) from March 2003 to September 2018. From January 2002 to March 2003, he served in Kunshan Yiteng Plane Imaging Company Limited* (昆山翊騰平面顯像有限公司). He also served in Kunshan Guangzhi Electronics Company Limited* (昆山廣志電子有限公司) from March 2001 to January 2002.

Mr. Liu obtained a bachelor's degree in detection technology & instrument and meter from Shenyang University of Technology (瀋陽工業大學) in the PRC in July 2001.

Mr. Xu Haining (徐海寧先生), aged 40, has been a Supervisor since December 20, 2022 and is primarily responsible for supervision of the finances of the Group and supervision over the Directors and senior management.

Mr. Xu joined the Company in June 2012 and is currently serving as a senior manager in the digital design department. Mr. Xu has been serving as an executive director at Shanghai Zhili Education Technology Company Limited* (上海至理教育科技有限責任公司) since December 2020.

Mr. Xu obtained a bachelor's degree in microelectronics from Shanghai Jiaotong University (上海交通大學) in the PRC in July 2008 and a master's degree in microelectronics from Mines Saint-Étienne (法國聖太田國立高等礦業學校) in France in November 2010.

Ms. Gao Xiaoqing (高曉慶女士), aged 35, has been a Supervisor since December 20, 2022 and is primarily responsible for supervision of the finances of the Group and supervision over the Directors and senior management.

Ms. Gao served as an administrative assistant of the Company from March 2014 to July 2015. Ms. Gao ever served as a finance specialist of Etonkids International Kindergartens Co., Ltd.* (北京伊頓國際幼兒園有限公司). Ms. Gao is currently serving as a procurement specialist of the Company.

Ms. Gao obtained bachelor's degrees in Korean language and finance management from Qingdao University (青島大學) in the PRC in June 2013.

SENIOR MANAGEMENT

The following table provides information about members of the senior management of the Company (other than the executive Directors):

Name	Age	Position	Time of joining the Group	Date of appointment as a senior management	Responsibilities
Mr. Han Xu (韓旭先生)	59	Vice president	June 2012	December 20, 2022	Responsible for the overall marketing strategy and product sales
Mr. Peng Yu-Hsun (彭昱勳先生).	43	Vice president	August 2016	December 20, 2022	Responsible for the research and development of the Group and management of products and technology initiatives

Mr. Han Xu (韓旭先生), aged 59, has been the vice president of the Company since June 2012. He is primarily responsible for the overall marketing strategy and product sales.

Prior to joining the Group, Mr. Han served as the sales director of Adtran Networks China Office (亞卓網絡(中國)辦事處) from November 2008 to May 2012. From January 2005 to October 2008, Mr. Han served as the sales director of Proxim Network China Office (普羅克西姆(中國)辦事處). Mr. Han served as a regional sales manager of Redback Networks China Office (力博通信(中國)辦事處) from April 2000 to December 2004. From June 1997 to March 2000, Mr. Han served as the sales director of Beijing Ellister Network Integration Company Limited* (北京艾利斯特網絡集成有限公司). From January 1993 to May 1997, Mr. Han served as the vice president in charge of marketing of Beijing Sanxian Electronic Technology Company Limited* (北京三先電子科技有限公司). From January 1990 to December 1992, Mr. Han served as a sales staff of Beijing Jingmei Electronic Technology Company Limited* (北京京美電子科技有限公司). From August 1988 to December 1989, Mr. Han served as a system engineer of China Electronic System Technology Company Limited* (中國電子系統工程公司).

Mr. Han graduated from Beijing University of Posts and Telecommunications (北京郵電大學) in the PRC in July 1988.

Mr. Peng Yu-Hsun (彭昱勳先生), aged 43, has been the vice president of the Company since September 2016. He is primarily responsible for the research and development of the Group and management of products and technology initiatives.

Prior to joining the Group, Mr. Peng served as the senior manager of Novatek Microelectronic Corp. (聯詠科技股份有限公司) (stock code: 3034.TW).

Mr. Peng obtained a bachelor's degree in telecommunication engineering from National Yang Ming Chiao Tung University (國立陽明交通大學) in Taiwan, China in June 2004 and a master's degree in electronic engineering from National Taiwan University (國立臺灣大學) in Taiwan, China in June 2006.

For the biographies of the executive Directors, including Dr. Gu Jing and Mr. Han Zhiyong, see the section headed "— Directors — Executive Directors" above.

COMPANY SECRETARY

Ms. Chu Cheuk Ting (朱卓婷), is the company secretary of the Company. Ms. Chu currently serves a manager of the listing services department of TMF Hong Kong Limited and is responsible for the provision of corporate secretarial and compliance services to listed company clients. She has over 12 years of experience in the corporate service field. Ms. Chu is an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Chu holds a bachelor of arts degree from The Hong Kong Polytechnic University and a master of science in professional accounting and corporate governance from the City University of Hong Kong.

CONFIRMATION FROM THE DIRECTORS

Rule 3.09D of the Listing Rules

Each of the Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in June 2025 and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she had no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there were no other factors that may affect his or her independence at the time of his/her appointments.

Rule 8.10 of the Listing Rules

Each of the Directors (excluding our independent non-executive Directors) confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

The Company has established three Board committees in accordance with the relevant laws and regulations in mainland China, the Articles of Association and the code of corporate governance practices under the Listing Rules, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. The functions of the Board committees are summarized as follows:

Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and provide advice and comments to the Board. The Audit Committee comprises three members, namely Mr. Chang Eric Jackson, Dr. Jiang Yimin and Ms. Zhan Jing, with Mr. Chang Eric Jackson as the chairperson and the Director appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration Committee

The Company has established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to the Directors and other senior management. The Remuneration Committee comprises three members, namely Dr. Jiang Yimin, Ms. Zhou Xinru and Dr. Gu Jing, with Dr. Jiang Yimin as the chairperson.

Nomination Committee

The Company has established the Nomination Committee with written terms of reference in compliance with the Code on Corporate Governance in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of Board succession. The Nomination Committee comprises three members, namely Dr. Jiang Yimin, Ms. Zhou Xinru and Dr. Gu Jing, with Dr. Jiang Yimin as the chairperson.

Corporate Governance Code

The Company aims to implement a high standard of corporate governance, which the Company believes is crucial to safeguard the interests of the Shareholders. To accomplish this, the Company expects to comply with the Corporate Governance Code set out in Appendix C1 of the Listing Rules after the [**REDACTED**], save that Dr. Gu Jing will serve as both the chairman of the Board and general manager as discussed below.

Pursuant to code provision A.2.1 of the Corporate Governance Code, companies listed on the Hong Kong Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive should be segregated and should not be performed by the same individual. The Company does not have a separate chairman and chief executive and Dr. Gu Jing currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the general manager of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

Board Diversity

The Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company's competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. In particular, the Company currently has two female Director in the Board and will continue to work towards enhancing the gender diversity of the Board. The Directors have a balanced mix of knowledge and skills, and the Company has five non-executive Directors, including three independent non-executive Directors, with different industry backgrounds. Taking into account the Group's existing business model and specific needs as well as the different background of the Directors, the composition of the Board satisfies the Company's board diversity policy. Pursuant to the board diversity policy, the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

REMUNERATION

The Directors, Supervisors and senior management of the Company receive their remuneration in the form of basic annual payments and performance-related annual payments, including fees, salaries, share-based compensation, pension schemes contribution and other benefits in kind.

For the years ended 31 December 2022, 2023 and 2024, the total remuneration paid to the Directors and Supervisors amounted to RMB19.0 million, RMB8.6 million and RMB14.4 million, respectively. None of the Directors or Supervisors waived or agreed to waive any emolument during the same years.

Under the arrangements in force as of the date of this document, the Company estimates the total remuneration payable to, and benefits in kind receivable by, the Directors and Supervisors by the Group for the year ended December 31, 2025 to be approximately RMB31.5 million.

The five highest paid individuals of the Group for the years ended December 31, 2022, 2023 and 2024 included one, two and one Directors, respectively. During the same years, the aggregate amount of remuneration of the remaining four, three and four individuals who are neither Directors, Supervisors nor the chief executive of the Company were RMB50.9 million, RMB10.5 million and RMB36.7 million, respectively.

During the Track Record Period, no remuneration was paid to, or received by, the Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining the Group. No compensation was paid to, or received by, the Directors, former Directors, Supervisors, former Supervisors or the five highest paid individuals for the loss of office as a Director or Supervisor of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group.

Save as disclosed above, no other payments have been made or are payable by the Group to the Directors or Supervisors in respect of the Track Record Period.

COMPLIANCE ADVISOR

The Company has appointed Gram Capital Limited as the Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide the Company with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will, amongst other things, advise the Company in the following circumstances:

(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 and share repurchases;

(c) where the Group proposes to use the [**REDACTED**] of the [**REDACTED**] in a manner different from that detailed in this document or where the business activities, development or results of the Group deviate from any forecast, estimate or other information in this document; and

(d) where the Stock Exchange makes an inquiry of the Company concerning unusual movements in the price or trading volume of its listed securities or any other matters under Rule 13.10 of the 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 Listing Rules in respect of its financial results for the first full financial year commencing after the [**REDACTED**].

FUTURE PLANS

For a detailed description of our future plans, see "Business — Our Growth 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**] million from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expense in connection with the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). We intend to use our [**REDACTED**] for the purposes and in the amounts set forth below.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to support the research and development and optimization of AMOLED TDDI chips. We intend to maintain our technological leadership, while broadening our product portfolio of display driver chips and expanding their downstream application scenarios, thereby establishing a diversified and multi-dimensional product matrix. We aim to enhance the performance, efficiency and reliability of our AMOLED TDDI chips, and further expand their adoption in smartphones in line with evolving customer requirements and technological trends. See also "Business — Our Growth Strategies — Continue to Increase R&D Investment to Promote Technological Innovation and Iteration." In particular:

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**] million will be used to expand and strengthen our R&D team in the next three years, including covering staff costs for the existing team and hiring lab engineers, product development engineers, and field application engineers.

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**] million will be used for design expenditures, including costs related to intellectual property licenses, technical services and associated design activities.

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**] million will be used for tape-out expenditures, covering expenses for wafer fabrication, including mask production and research materials.

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**] million will be used for new product verification, encompassing testing and validation costs, such as tester fees and third-party verification services.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to support the research and development and optimization of Micro-OLED and Micro-LED display backplanes/drivers. We aim to advance our technical capabilities in next-generation display technologies and enhance the performance, integration and commercial viability of Micro-OLED and Micro-LED solutions. See also "Business — Our Growth Strategies — Continue to Increase R&D Investment to Promote Technological Innovation and Iteration." In particular:

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**] million will be used to expand and strengthen our R&D team in the next three years, including covering staff costs for the existing team and hiring lab engineers, product development engineers, and field application engineers.

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**] million will be used for design expenditures, including costs related to intellectual property licenses, technical services, and associated design activities.

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**] million will be used for tape-out expenditures, covering expenses for wafer fabrication, including mask production and research materials.

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**] million will be used for new product verification, encompassing testing and validation costs, such as tester fees and third-party verification services.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for strategic investments or acquisitions to capture future growth opportunities. Such investments will primarily target upstream and downstream participants in the display driver chip industry value chain, in line with our long-term expansion plans. Specifically, we intend to invest in or acquire targets with established display driver chip products, customer bases and sales channels, with a view to accelerating the development of our emerging businesses and expanding into new markets and application scenarios. As of the Latest Practicable Date, we have not selected any specific investments or acquisitions targets.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for working capital and other general corporate purposes, including day-to-day operation and general corporate expenditures.

The additional net [**REDACTED**] that we would receive if the [**REDACTED**] were exercised in full would be HK$[**REDACTED**]million.

In the event that the [**REDACTED**] is fixed at a higher or lower level compared to the midpoint of the range of the [**REDACTED**] stated in this Document, the net [**REDACTED**] from the [**REDACTED**] will be allocated to the above purposes on a pro rata basis.

To the extent that the net [**REDACTED**] of the [**REDACTED**] are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we will only deposit such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdiction). In such event, we will comply with the appropriate disclosure requirements under the Hong Kong Listing Rules.

[**REDACTED**]

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The following is the text of a report received from our Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in the document.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF VIEWTRIX TECHNOLOGY CO., LTD., CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED.

Introduction

We report on the historical financial information of Viewtrix Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages [●] to [●], which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2022, 2023 and 2024 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages [●] to [●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the "Document") in connection with the initial [**REDACTED**] of the 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 the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the 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 the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 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, 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 financial position of the Group and the Company as at 31 December 2022, 2023 and 2024 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange 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 [●] have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]
Certified Public Accountants
Hong Kong
[Date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information are 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

	Notes	Year ended 31 December		
		2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
REVENUE	*5*	551,290	720,404	891,304
Cost of sales		(375,494)	(717,211)	(869,396)
Gross profit		175,796	3,193	21,908
Other income and gains	*5*	19,770	24,084	37,285
Selling and marketing expenses		(41,669)	(15,253)	(32,495)
Administrative expenses		(82,827)	(62,932)	(83,921)
Research and development expenses	*6*	(187,809)	(177,026)	(242,204)
Impairment losses on financial assets, net	*6*	(3,303)	2,814	70
Other expenses	*6*	(2,397)	(6,111)	(5,776)
Finance costs	*7*	(1,064)	(874)	(3,853)
LOSS BEFORE TAX	*6*	(123,503)	(232,105)	(308,986)
Income tax expense	*10*	–	–	–
LOSS FOR THE YEAR		(123,503)	(232,105)	(308,986)
Attributable to:				
Owners of the parent		(123,503)	(232,105)	(308,986)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*12*			
Basic (RMB)		(0.34)	(0.63)	(0.83)
Diluted (RMB)		(0.34)	(0.63)	(0.83)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
LOSS FOR THE YEAR	(123,503)	(232,105)	(308,986)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	7,410	3,628	55
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	7,410	3,628	55
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	7,410	3,628	55
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(116,093)	(228,477)	(308,931)
Attributable to:			
Owners of the parent	(116,093)	(228,477)	(308,931)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December		
		2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	54,228	49,787	43,970
Right-of-use assets	*14(a)*	6,376	5,693	4,738
Other intangible assets	*15*	8,258	4,387	16,833
Prepayments, other receivables and other assets	*16*	20,610	22,029	29,316
Time deposits	*21(c)*	20,682	40,792	61,591
Total non-current assets		110,154	122,688	156,448
CURRENT ASSETS				
Inventories	*18*	255,388	373,205	321,859
Trade receivables	*19*	229,431	64,698	102,661
Prepayments, other receivables and other assets	*16*	95,299	71,188	92,813
Prepaid income tax		690	–	–
Financial assets at fair value through profit or loss	*17*	469,722	247,461	415,441
Derivative financial instruments	*20*	–	1,308	558
Time deposits	*21(c)*	131,102	136,821	21,916
Pledged deposits	*21(b)*	15,370	7,083	9,194
Cash and cash equivalents	*21(a)*	132,265	189,741	104,831
Total current assets		1,329,267	1,091,505	1,069,273
CURRENT LIABILITIES				
Trade payables	*22*	31,781	48,492	34,171
Other payables and accruals	*23*	57,149	33,728	40,221
Contract liabilities	*24*	21,337	7,039	4,655
Interest-bearing bank loans	*25*	15,370	30,026	150,815
Lease liabilities	*14(b)*	3,143	3,411	3,427
Provision	*26*	4,002	4,168	2,041
Total current liabilities		132,782	126,864	235,330
NET CURRENT ASSETS		1,196,485	964,641	833,943
TOTAL ASSETS LESS CURRENT LIABILITIES		1,306,639	1,087,329	990,391
NON-CURRENT LIABILITIES				
Lease liabilities	*14(b)*	3,396	2,441	1,325
Provision	*26*	3,310	915	270
Trade payables	*22*	2,786	1,077	–
Total non-current liabilities		9,492	4,433	1,595
Net assets		1,297,147	1,082,896	988,796
EQUITY				
Equity attributable to owners of the parent				
Share capital	*27*	369,070	369,070	374,920
Reserves	*29*	928,077	713,826	613,876
Total equity		1,297,147	1,082,896	988,796

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent						
	Share capital	Paid-in capital	Capital reserve*	Exchange fluctuation reserve*	Share-based payment reserve*	Accumulated losses*	Total equity
	RMB'000 (note 27)	*RMB'000* (note 27)	*RMB'000* (note 29)	*RMB'000*	*RMB'000* (note 28)	*RMB'000*	*RMB'000*
At 1 January 2022	–	44,922	1,304,364	(9,063)	37,823	(430,049)	947,997
Loss for the year	–	–	–	–	–	(123,503)	(123,503)
Other comprehensive income for the year:							
Exchange differences on translation of foreign operations	–	–	–	7,410	–	–	7,410
Total comprehensive income for the year	–	–	–	7,410	–	(123,503)	(116,093)
Contribution from shareholders	–	8,252	173,592	–	–	–	181,844
Conversion into a joint stock company	360,000	(53,174)	(874,077)	–	–	567,251	–
Issue of shares	9,070	–	150,146	–	–	–	159,216
Share-based payments	–	–	–	–	124,183	–	124,183
At 31 December 2022 and 1 January 2023	369,070	–	754,025	(1,653)	162,006	13,699	1,297,147
Loss for the year	–	–	–	–	–	(232,105)	(232,105)
Other comprehensive income for the year:							
Exchange differences on translation of foreign operations	–	–	–	3,628	–	–	3,628
Total comprehensive income for the year	–	–	–	3,628	–	(232,105)	(228,477)
Issue of shares	–	–	(567)	–	–	–	(567)
Share-based payments	–	–	–	–	14,793	–	14,793
At 31 December 2023 and 1 January 2024	369,070	–	753,458	1,975	176,799	(218,406)	1,082,896
Loss for the year	–	–	–	–	–	(308,986)	(308,986)
Other comprehensive income for the year:							
Exchange differences on translation of foreign operations	–	–	–	55	–	–	55
Total comprehensive income for the year	–	–	–	55	–	(308,986)	(308,931)
Issue of shares	5,850	–	124,150	–	–	–	130,000
Share-based payments	–	–	–	–	84,831	–	84,831
At 31 December 2024	374,920	–	877,608	2,030	261,630	(527,392)	988,796

* These reserve accounts represent the total consolidated reserves of RMB928,077,000, RMB713,826,000 and RMB613,876,000 in the consolidated statements of financial position as at 31 December 2022, 2023 and 2024, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		
		2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(123,503)	(232,105)	(308,986)
Adjustments for:				
Finance costs	*7*	1,064	874	3,853
Interest income	*5*	(7,426)	(7,262)	(17,529)
Fair value gains on financial assets at fair value through profit or loss	*5*	(12,116)	(10,008)	(5,911)
Gains on disposal of items of property, plant and equipment	*5*	(89)	(2)	–
Depreciation of property, plant and equipment	*13*	7,200	8,907	9,695
Depreciation of right-of-use assets	*14*	3,643	3,706	4,206
Amortisation of other intangible assets	*15*	4,320	4,651	6,087
Impairment/(reversal of impairment) of trade receivables	*19*	3,361	(2,777)	475
Impairment/(reversal of impairment) of other receivables	*16*	(58)	(37)	(545)
Write-off of other receivables		–	–	5,770
Provision for inventories	*26*	16,274	53,163	25,279
Share-based compensation	*6*	124,183	14,793	84,831
Exchange losses/(gains), net		(937)	4,956	(3,302)
		15,916	(161,141)	(196,077)
(Increase)/decrease in trade receivables		(34,749)	165,312	(36,011)
(Increase)/decrease in prepayments, other receivables and other assets		(35,755)	23,570	(32,199)
(Increase)/decrease in inventories		(168,314)	(170,980)	26,067
Increase/(decrease) in contract liabilities		2,938	(14,298)	(2,384)
Increase/(decrease) in provisions		4,232	(2,229)	(2,772)
Increase/(decrease) in trade payables		12,433	16,711	(14,321)
Increase/(decrease) in other payables and accruals		22,673	(23,421)	6,493
Cash used in operations		(180,626)	(166,476)	(251,204)
Interest received		5,642	5,067	15,587
Tax (paid)/refund		(690)	690	–
Net cash flows used in operating activities		(175,674)	(160,719)	(235,617)

	Notes	Year ended 31 December 2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment		(28,093)	(6,956)	(6,851)
Purchase of other intangible assets		(5,622)	(779)	(18,532)
Proceeds from disposal of property, plant and equipment		–	3	–
Placement of time deposits with original maturity more than three months		(121,784)	(155,829)	(41,312)
Maturity of time deposits with original maturity more than three months		30,000	130,000	135,418
Purchases of wealth management products and structured deposits		(2,866,050)	(1,557,000)	(1,833,866)
Maturity of wealth management products and structured deposits		2,805,580	1,787,961	1,672,547
Placement of pledged deposits		–	(7,083)	(9,433)
Maturity of pledged deposits		–	–	7,322
Interest received from time deposits with original maturity more than three months		1,784	2,195	1,942
Net cash flows (used in)/from investing activities		(184,185)	192,512	(92,765)
CASH FLOWS FROM FINANCING ACTIVITIES				
New interest-bearing bank loans		75,370	90,000	150,000
Repayments of interest-bearing bank loans		(60,000)	(75,344)	(29,211)
Interest paid for interest-bearing bank loans		(831)	(639)	(3,655)
Placement of pledged deposits		(15,370)	–	–
Maturity of pledged deposits		–	15,370	–
Lease payments including interests		(3,580)	(3,945)	(4,549)
Capital contribution from the shareholders		181,844	–	–
Issue of shares		159,216	–	130,000
Payment of share issue expenses		–	(567)	–
Net cash flows from financing activities		336,649	24,875	242,585
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(23,210)	56,668	(85,797)
Cash and cash equivalents at beginning of year		153,017	132,265	189,741
Effect of foreign exchange rate changes, net		2,458	808	887
CASH AND CASH EQUIVALENTS AT END OF YEAR		132,265	189,741	104,831
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances		278,737	333,645	135,941
Less: Time deposits	*21(c)*	131,102	136,821	21,916
Less: Pledged deposits	*21(b)*	15,370	7,083	9,194
Cash and cash equivalents as stated in the statement of financial position and statement of cash flows		132,265	189,741	104,831

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December		
		2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	1,253	1,172	706
Right-of-use assets	*14(a)*	4,580	4,912	3,428
Other intangible assets	*15*	4,449	2,427	2,074
Investments in subsidiaries	*1*	119,667	216,404	342,646
Prepayments, other receivables and other assets	*16*	102,366	6,273	7,203
Time deposits	*21(c)*	20,682	30,745	51,301
Total non-current assets		252,997	261,933	407,358
CURRENT ASSETS				
Inventories	*18*	214	193	190
Trade receivables	*19*	87,857	1,705	17,080
Prepayments, other receivables and other assets	*16*	418,583	856,460	962,787
Financial assets at fair value through profit or loss	*17*	469,722	67,041	30,020
Time deposits	*21(c)*	120,766	20,682	–
Pledged deposits	*21(b)*	15,370	–	–
Cash and cash equivalents	*21(a)*	97,795	59,822	16,201
Total current assets		1,210,307	1,005,903	1,026,278
CURRENT LIABILITIES				
Trade payables	*22*	80,257	108,222	130,848
Other payables and accruals	*23*	9,792	6,067	10,977
Interest-bearing bank loans	*25*	15,370	30,026	80,815
Lease liabilities	*14(b)*	2,080	2,808	2,754
Contract liabilities	*24*	4,550	4,550	4,550
Provision	*26*	265	253	135
Total current liabilities		112,314	151,926	230,079
NET CURRENT ASSETS		1,097,993	853,977	796,199
TOTAL ASSETS LESS CURRENT LIABILITIES		1,350,990	1,115,910	1,203,557
NON-CURRENT LIABILITIES				
Lease liabilities	*14(b)*	2,639	2,286	798
Trade payables	*22*	2,786	–	–
Provision	*26*	3,310	915	270
Total non-current liabilities		8,735	3,201	1,068
Net assets		1,342,255	1,112,709	1,202,489
EQUITY				
Equity attributable to owners of the parent				
Share capital	*27*	369,070	369,070	374,920
Reserves	*29*	973,185	743,639	827,569
Total equity		1,342,255	1,112,709	1,202,489

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Viewtrix Technology Co., Ltd. (formerly known as "Shenzhen Viewtrix Technology Co., Ltd.", hereinafter "the Company") was registered in the People's Republic of China (hereinafter referred to as "PRC") as a limited liability company in 2012. In December 2022, the Company was converted into a joint stock limited company. The registered office of the Company is located at No. 20 GaoXin South 7th Road, High-Tech Zone Community, Yuehai Subdistrict, Nanshan District, Shenzhen.

During the Relevant Periods, the Company and its subsidiaries (collectively, the "Group") were principally engaged in the research, design, and sale of organic light-emitting diode ("OLED") display driver chips and technical services.

As at the date of this report, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of the subsidiaries are set out below:

Name	*Notes*	Place and date of incorporation/ registration and place of business	Issued ordinary/ registered share capital	Percentage of equity directly attributable to the Company	Principal activities
Kunshan Yunyinggu Electronic Technology Co., Ltd.* (昆山雲英谷電子科技有限公司)	*a*	PRC/Mainland China 22 June 2018	RMB60,000,000	100%	Research, design and sale of chip products
Hong Kong Viewtrix Technology Limited (香港精優電子科技有限公司)	*b*	Hong Kong 27 September 2019	USD100,000	100%	Research, design and sale of chip products
Chengdu Yunyinggu Technology Co., Ltd.* (成都雲英谷科技有限公司)	*c*	PRC/Mainland China 14 April 2024	RMB100,000,000	100%	Research, design and sale of chip products

Notes:

(a) The statutory financial statements of this entity for the year ended 31 December 2022 prepared in accordance with the China Accounting Standards for Business Enterprises were audited by Asia Pacific (Group) CPAs (Special General Partnership) (亞太(集團)會計師事務所(特殊普通合夥)), certified public accountants registered in the Mainland China. The statutory financial statements of this entity for the years ended 31 December 2023 and 2024 prepared in accordance with the China Accounting Standards for Business Enterprises were audited by Beijing Huameng Accounting Firm (General Partnership) (北京華盟會計師事務所(普通合夥)), certified public accountants registered in the Mainland China.

(b) The statutory financial statements of this entity for the year ended 31 December 2022 prepared in accordance with the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants were audited by Yeung Wai Certified Public Accountant (Practising). No audited financial statements have been prepared for this entity for the years ended 31 December 2023 and 2024.

(c) The statutory financial statements of this entity for the year ended 31 December 2024 prepared in accordance with the China Accounting Standards for Business Enterprises were audited by Beijing Huameng Accounting Firm (General Partnership) (北京華盟會計師事務所(普通合夥)), certified public accountants registered in the Mainland China.

* The English names of the PRC companies above represent management's best efforts in translating the Chinese names of these companies as no English names have been registered.

The Company

The carrying amounts of the Company's investments in subsidiaries are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Investments, at cost	119,667	216,404	342,646

2.1 BASIS OF PREPERATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations as issued by the International Accounting Standards Board ("IASB").

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2024, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and derivative financial instruments which have been measured at fair value at the end of each of the Relevant Periods.

Basis of consolidation

The consolidated financial statement includes the financial statements of the Group for the Relevant Periods. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

Amendments to IAS 21	*Lack of Exchangeability*[1]
IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
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 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Annual Improvements to IFRS Accounting Standards Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and Standards-IAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual periods beginning on or after 1 January 2027

4 No mandatory effective date yet determined but available for adoption

The application of IFRS 18 will have no impact on the consolidated statements of financial position of the Group, but will have impact on the presentation of the consolidated statements of profit or loss and other comprehensive income. Except for IFRS 18, the directors of the Company anticipate that the application of these new and revised IFRS Accounting Standards will have no material impact on the Group's financial performance and financial position in the foreseeable future.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its certain of wealth management products, structure deposits and derivative financial instruments at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) 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 parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Categories	Principal annual rates
Machinery	12%
Electronic equipment	19%-32%
Motor vehicles	24%
Furniture and fixtures	19%-32%
Leasehold improvements	33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 2 to 10 years.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	24 to 73 months

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings and machinery (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The Group assesses on a forward looking basis the expected credit losses and the impairment methodology applied depends on whether there has been a significant increase in credit risk.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and interest-bearing bank loans.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (Trade payables, other payables and interest-bearing bank loans)

After initial recognition, trade payables, other payables and interest-bearing bank loans are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as foreign exchange option and currency swap, to hedge its foreign currency risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the OLED display driver chips. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of compensation expenses. The estimation is reviewed on an ongoing basis and is revised when appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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.

(a) Sale of goods

The Group sells active matrix organic light emitting diode ("AMOLED") display driver integrated circuit ("DDIC") and Micro-OLED display backplanes/drivers. Sales revenue are recognised when control of the goods has been transferred to the customers, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

The Group provides sales rebate and discounts to certain customers for sales of AMOLED DDIC and Micro-OLED display backplanes/drivers, and the relevant revenue is recognised based on contract consideration net of the estimated sales rebate and discount amount.

AMOLED DDIC and Micro-OLED display backplanes/drivers are often sold with volume rebates. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

(b) Rendering of services

The services rendered include technology support services. Should one of the following conditions is satisfied, service provided by the Group, is a performance obligation performed within a certain period of time. The Group recognises revenue within a period of time in accordance with the progress of contract performance.

Other 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.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates several equity-settled, share-based compensation plans (the "Plan"). Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer based on investors' recent capital contribution price and valuation models, further details of which are given in note 28 to the Historical Financial Information.

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 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.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statements of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Borrowing costs

All borrowing costs are expensed in the periods in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

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 financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information required management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group had tax losses arising in Mainland China of RMB411,248,000, RMB599,194,000, and RMB764,131,000 as at the end of each of the Relevant Periods, respectively. These losses related to the Company and subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The Company and the subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. Further details are included in note 10 to the Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables

Provision for impairment of trade receivables is made based on an assessment of expected credit losses on trade receivables. The assessment of expected credit losses requires management's judgement and estimates. Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade receivables are grouped based on ageing of bills from various customer segments with similar loss patterns and are collectively assessed for impairment allowance.

Under the collective approach, the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on ageing analysis of customers that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At end of Relevant Periods, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 19 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Warranty provisions

Provisions for warranties granted by the Group for the AMOLED DDIC and Micro-OLED display backplanes/drivers sold are recognised based on sales volumes and past experiences of compensation expenses. The estimate of unit warranty cost may not be equal to the actual warrant costs in the future. The Group reassesses the unit warranty cost at least annually and the unit warranty cost is revised when appropriate. The information about the provisions for warranties is disclosed in note 26 to the Historical Financial Information.

Net realizable value of inventories

Inventories are stated at the lower of cost and net realizable value at the end of each reporting period. The net realisable value is the estimated selling price in the current course of business, less applicable costs, selling expenses and tax charges. Management of the Group make the best estimate on the net realizable value and the corresponding impairment of inventory, while the impairment assessment may still be significantly changed due to the change of market conditions.

Share-based payments

The Group operates employee incentive schemes for the purpose of providing incentives to the Company's directors and the Group's employees. The grant date fair value of the shares of the employee incentive schemes was determined by Black-Scholes Model based on investors' recent capital injection price. The Group estimates the number of share awards contingently issuable when determining the share-based payment expenses, which depends on the achievement of certain non-market performance targets of the Group under employee incentive schemes. This requires an estimation of the performance targets to be achieved by the Group, including the completion of [**REDACTED**]. Further details are contained in note 28 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

Management has determined the operating segment based on the information reviewed by the Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment. The chief operating decision maker has been identified as the executive directors of the Company.

For management purposes, the Group is organised into one single business unit that is the research, design, and sale of AMOLED DDIC and Micro-OLED display backplanes/drivers in the PRC (including Hong Kong and Taiwan). Management reviews the overall results and financial position of the Group as a whole based on the same accounting policies set out in note 3. Accordingly, the Group has only a single operating segment and no further analysis of the single segment is presented.

Geographical information

As the Group generated all of its revenues in the PRC (including Hong Kong and Taiwan) and its non-current assets were located in PRC (including Hong Kong and Taiwan) during the Relevant Periods, no geographical information is presented.

Information about major customers

The revenue generated from sales to customers which individually amounted to more than 10% of the Group's total revenue during each of the Relevant Periods is set out below:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Customer A	113,185	*	*
Customer B	102,517	112,190	*
Customer C	83,019	*	*
Customer D	59,221	*	*
Customer E	*	347,464	*
Customer F	*	138,812	174,042
Customer G	*	*	482,624

* Less than 10% of the Group's revenue.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers	551,290	720,404	891,304

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Sales of AMOLED DDICs	361,017	601,437	816,033
Sales of Micro-OLED display backplanes/drivers	189,113	118,833	75,039
Others	1,160	134	232
Total	551,290	720,404	891,304
Timing of revenue recognition			
Transferred at a point in time	551,276	720,373	891,304
Transferred over time	14	31	–
Total	551,290	720,404	891,304

The following table shows the amounts of revenue recognised in each of the reporting periods that were included in the contract liabilities at the beginning of each reporting period:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Sales of goods or services	16,084	16,134	2,489

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of AMOLED DDIC and Micro-OLED display backplanes/drivers

The Group mainly manufactures and sells AMOLED DDIC and Micro-OLED display backplanes/drivers to its customers. Sales revenue are recognised when control of the goods is transferred to the customers, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Payment is generally due from 30 to 90 days from delivery.

All contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to the unsatisfied contracts is not disclosed.

Others

The performance obligation is satisfied upon delivery of goods and rendering of services, and payment is generally due on receipt of goods and completion of services. There was no unsatisfied performance obligation at the end of each of the Relevant Periods.

Other income and gains

An analysis of other income and gains is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Interest income	7,426	7,262	17,529
Government grants	37	5,885	11,430
Others	102	927	–
Sub-total other income	7,565	14,074	28,959
Gains			
Gains on disposal of items of property, plant and equipment	89	2	–
Fair value gains on financial assets at fair value through profit or loss	12,116	10,008	5,911
Foreign exchange gains, net	–	–	2,415
Sub-total gains	12,205	10,010	8,326
Total other income and gains	19,770	24,084	37,285

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		
		2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
Cost of inventories sold		359,220	664,048	844,117
Depreciation of property, plant and equipment*	*13*	7,200	8,907	9,695
Amortisation of other intangible assets*	*15*	4,320	4,651	6,087
Depreciation of right-of-use assets*	*14(a)*	3,643	3,706	4,206
Research and development expenses		187,809	177,026	242,204
Lease payments not included in the measurement of lease liabilities	*14(c)*	131	354	373
Auditor's remuneration		158	190	308
Employee benefit expense (including directors' and supervisors' remuneration)				
Wages and salaries		128,659	152,820	169,246
Pension scheme contributions		10,529	14,437	17,264
Share-based payment expenses		124,183	14,793	84,831
Impairment of financial assets, net:				
Impairment/(reversal of impairment) of trade receivables	*19*	3,361	(2,777)	475
Impairment of financial assets included in prepayments, other receivables and other assets	*16*	(58)	(37)	(545)
Write-off of other receivables		–	–	5,770
Write-down of inventories to net realisable value		16,274	53,163	25,279
Foreign exchange differences, net		1,521	5,764	(2,415)
Provision/(reversal of provision)	*26*	4,566	3,165	(2,326)

* The depreciation of property, plant and equipment, amortisation of other intangible assets, depreciation of right-of-use assets and employee benefit expense are included in "Cost of sales", "Selling and marketing expenses", "Administrative expenses", and "Research and development expenses" in the consolidated statements of profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Interest on interest-bearing bank loans	831	639	3,655
Interest on lease liabilities	233	235	198
Total	1,064	874	3,853

8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

Directors', chief executive's and supervisors' remuneration for the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Fees	20	240	240
Other emoluments:			
Salaries, allowances, bonuses and benefits in kind*	8,712	8,390	8,381
Share-based compensation expenses	10,276	(56)	5,730
Sub-total	18,988	8,334	14,111
Total	19,008	8,574	14,351

* Certain executive directors and supervisors of the Company are entitled to bonus payments which are related to the decision of remuneration committee.

Certain directors were granted shares, in respect of their services to the Group, under the share-based compensation plan of the Company, further details of which are set out in note 28 to the Historical Financial Information. The fair value of the share-based compensation, which is recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information during the Relevant Periods is included in the above directors' and supervisors' remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Mr. Jiang Yimin	10	120	120
Ms. Zhou Xinru	10	120	120
Total	20	240	240

These independent non-executive directors of the Company were appointed on 20 December 2022.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods.

(b) Executive directors, non-executive directors and supervisors

	Fees	Salaries, allowances, bonuses and benefits in kind	Share-based compensation expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2022				
Executive directors:				
Mr. Han Zhiyong[(i)]	–	2,421	6,273	8,694
Mr. Gu Jing[(ii)]	–	2,324	–	2,324
Sub-total	–	4,745	6,273	11,018
Non-executive directors:				
Ms. Zhan Jing[(iii)]	–	647	476	1,123
Mr. Zhou Zhifeng[(iv)]	–	–	–	–
Sub-total	–	647	476	1,123
Supervisors:				
Mr. Liu Xiaoqiang[(v)]	–	1,489	3,336	4,825
Mr. Xu Haining[(v)]	–	1,516	191	1,707
Ms. Gao Xiaoqing[(v)]	–	315	–	315
Sub-total	–	3,320	3,527	6,847
Total	–	8,712	10,276	18,988
Year ended 31 December 2023				
Executive directors:				
Mr. Han Zhiyong[(i)]	–	2,260	78	2,338
Mr. Gu Jing[(ii)]	–	2,380	–	2,380
Sub-total	–	4,640	78	4,718
Non-executive directors:				
Ms. Zhan Jing[(iii)]	–	643	(3)	640
Mr. Zhou Zhifeng[(iv)]	–	–	–	–
Sub-total	–	643	(3)	640
Supervisors:				
Mr. Liu Xiaoqiang[(v)]	–	1,495	(62)	1,433
Mr. Xu Haining[(v)]	–	1,302	(69)	1,233
Ms. Gao Xiaoqing[(v)]	–	310	–	310
Sub-total	–	3,107	(131)	2,976
Total	–	8,390	(56)	8,334

	Fees	Salaries, allowances, bonuses and benefits in kind	Share-based compensation expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024				
Executive directors:				
Mr. Han Zhiyong[(i)]	–	2,559	3,773	6,332
Mr. Gu Jing[(ii)]	–	2,157	–	2,157
Sub-total	–	4,716	3,773	8,489
Non-executive directors:				
Ms. Zhan Jing[(iii)]	–	681	240	921
Mr. Zhou Zhifeng[(iv)]	–	–	–	–
Sub-total	–	681	240	921
Supervisors:				
Mr. Liu Xiaoqiang[(v)]	–	1,348	1,701	3,049
Mr. Xu Haining[(v)]	–	1,306	16	1,322
Ms. Gao Xiaoqing[(v)]	–	330	–	330
Sub-total	–	2,984	1,717	4,701
Total	–	8,381	5,730	14,111

(i) Mr. Han Zhiyong was appointed as an executive director of the Company on 17 November 2020 and acts as president of the Company.

(ii) Mr. Gu Jing was appointed as an executive director of the Company on 28 March 2013 and acts as chairman of the board and chief executive officer of the Company.

(iii) Mr. Zhou Zhifeng was appointed as a non-executive director of the Company on 23 September 2019.

(iv) Ms. Zhan Jing was appointed as a non-executive director of the Company on 17 November 2020.

(v) These supervisors of the Company were appointed on 20 December 2022.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five individuals whose remunerations were the highest in the Group for the years ended 31 December 2022, 2023 and 2024 included 1, 2 and 1 director respectively, details of whose remuneration are set out in note 8(b) above. Details of the remunerations of the remaining 4, 3 and 4 individuals who are neither directors, supervisors nor the chief executive of the Company during the years ended 31 December 2022, 2023 and 2024, respectively, are as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances, bonuses and benefits in kind	10,961	7,489	11,577
Share-based compensation expenses	39,939	3,046	25,138
Total	50,900	10,535	36,715

The number of non-director, non-supervisor and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees Year ended 31 December		
	2022	2023	2024
Nil to HKD3,000,000	–	1	–
HKD3,500,001 to HKD4,000,000	–	1	–
HKD4,500,001 to HKD5,000,000	–	–	1
HKD5,500,001 to HKD6,000,000	–	1	–
HKD6,000,001 to HKD6,500,000	–	–	–
HKD6,500,001 to HKD7,000,000	1	–	1
HKD10,500,001 to HKD11,000,000	1	–	–
HKD11,500,001 to HKD12,000,000	–	–	1
HKD14,000,001 to HKD14,500,000	1	–	–
HKD17,500,001 to HKD18,000,000	–	–	1
HKD27,000,001 to HKD27,500,000	1	–	–
Total	4	3	4

During the years ended 31 December 2022, 2023 and 2024, shares were granted to non-director, non-supervisor and non-chief executive highest paid employees in respect of their services to the Group, under the share-based compensation plan of the Company, further details of which are included in the disclosures in note 28 to the Historical Financial Information. The fair value of the share-based compensation, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the years ended 31 December 2022, 2023 and 2024 is included in the above non-director, non-supervisor and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Mainland China

Under the PRC Corporate Income Tax Law and the respective regulations, the corporate income tax for the Company and its subsidiaries is calculated at a statutory rate of 25%, on their estimated taxable profits for the year/period based on the existing legislations, interpretations and practices in respect thereof.

A subsidiary of the Group, Kunshan Yunyinggu Electronic Technology Co., Ltd. was granted the qualification of high and new technology enterprises ("HNTE") on 13 December 2023 and was entitled to a preferential corporate income tax rate of 15% from 13 December 2023 to 13 December 2026. This qualification is subject to review by the relevant tax authority in the PRC every three years.

Hong Kong

The subsidiaries incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 8.25% for taxable income not exceeding HKD2,000,000, and 16.5% for taxable income exceeding HKD2,000,000 on any estimated assessable profits arising in Hong Kong.

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Current income tax	–	–	–

A reconciliation of the income tax expense applicable to loss before tax at the statutory tax rate in PRC in which the Company is domiciled to the income tax expense at the effective tax rate is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Loss before tax	(123,503)	(232,105)	(308,986)
Tax at PRC statutory tax rate of 25%	(30,876)	(58,026)	(77,247)
Effect of preferential or different tax rate	(517)	9,148	15,340
Share-based payment not deductible for tax	31,046	3,698	21,208
Expenses not deductible for tax	46	181	132
Effect of super deduction for research and development costs	(9,349)	(24,217)	(12,916)
Utilisation of tax losses not recognised in previous periods	(17,350)	(16)	–
Tax losses and deductible temporary differences not recognised	27,000	69,232	53,483
Tax charge at the Group's effective rate	–	–	–

The Group had accumulated tax losses arising in Mainland China of RMB411,248,000, RMB599,194,000, and RMB764,131,000 as at 31 December 2022, 2023 and 2024, respectively, that would expire in one to ten years for offsetting against future taxable profits of the Group.

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as they have arisen in the subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in the foreseeable future will be available against which the tax losses can be utilised.

11. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the losses attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares during the Relevant Periods.

As the Group incurred losses for the years ended 31 December 2022, 2023 and 2024, the potential ordinary shares were not included in the calculation of diluted loss per share as the potential ordinary shares had an anti-dilutive effect on the basic loss per share. Accordingly, the diluted loss per share amounts for the years ended 31 December 2022, 2023 and 2024 were the same as the basic loss per share amounts.

The weighted average numbers of ordinary shares in issue before the conversion into a joint stock company were determined assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio as upon transformation into a joint stock company in December 2022.

The calculation of basic and diluted loss per share are based on:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Loss			
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	(123,503)	(232,105)	(308,986)

	Number of shares Year ended 31 December		
	2022	2023	2024
Shares			
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	360,000,433	369,069,750	370,875,898

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery	Electronic equipment	Motor vehicles	Furniture and fixtures	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022						
As at 1 January 2022:						
Cost	31,807	1,660	710	2,842	454	37,473
Accumulated depreciation	(1,574)	(446)	(225)	(797)	(320)	(3,362)
Net carrying amount	30,233	1,214	485	2,045	134	34,111
As at 1 January 2022, net of accumulated depreciation	30,233	1,214	485	2,045	134	34,111
Additions	23,285	3,045	350	323	574	27,577
Disposal	–	–	(348)	–	–	(348)
Depreciation	(5,158)	(1,438)	(136)	(258)	(210)	(7,200)
Exchange realignment	–	60	–	28	–	88
As at 31 December 2022, net of accumulated depreciation	48,360	2,881	351	2,138	498	54,228
As at 31 December 2022:						
Cost	55,092	4,812	712	3,222	1,028	64,866
Accumulated depreciation	(6,732)	(1,931)	(361)	(1,084)	(530)	(10,638)
Net carrying amount	48,360	2,881	351	2,138	498	54,228

	Machinery	Electronic equipment	Motor vehicles	Furniture and fixtures	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023						
As at 1 January 2023:						
Cost	55,092	4,812	712	3,222	1,028	64,866
Accumulated depreciation	(6,732)	(1,931)	(361)	(1,084)	(530)	(10,638)
Net carrying amount	48,360	2,881	351	2,138	498	54,228
As at 1 January 2023, net of accumulated depreciation	48,360	2,881	351	2,138	498	54,228
Additions	–	466	–	3,940	–	4,406
Disposal	–	(1)	–	–	–	(1)
Depreciation	(6,542)	(1,173)	(39)	(961)	(192)	(8,907)
Exchange realignment	–	34	–	27	–	61
As at 31 December 2023, net of accumulated depreciation	41,818	2,207	312	5,144	306	49,787
As at 31 December 2023:						
Cost	55,092	5,324	712	7,198	1,028	69,354
Accumulated depreciation	(13,274)	(3,117)	(400)	(2,054)	(722)	(19,567)
Net carrying amount	41,818	2,207	312	5,144	306	49,787
31 December 2024						
As at 1 January 2024:						
Cost	55,092	5,324	712	7,198	1,028	69,354
Accumulated depreciation	(13,274)	(3,117)	(400)	(2,054)	(722)	(19,567)
Net carrying amount	41,818	2,207	312	5,144	306	49,787
As at 1 January 2024, net of accumulated depreciation	41,818	2,207	312	5,144	306	49,787
Additions	–	912	–	2,487	437	3,836
Depreciation	(6,542)	(1,232)	(114)	(1,590)	(217)	(9,695)
Exchange realignment	–	21	–	21	–	42
As at 31 December 2024, net of accumulated depreciation	35,276	1,908	198	6,062	526	43,970
As at 31 December 2024:						
Cost	55,092	6,293	712	9,737	1,465	73,299
Accumulated depreciation	(19,816)	(4,385)	(514)	(3,675)	(939)	(29,329)
Net carrying amount	35,276	1,908	198	6,062	526	43,970

The Company

	Electronic equipment	Motor vehicles	Furniture and fixtures	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022					
As at 1 January 2022:					
Cost	1,038	–	169	454	1,661
Accumulated depreciation	(613)	–	(61)	(320)	(994)
Net carrying amount	425	–	108	134	667
As at 1 January 2022, net of accumulated depreciation	425	–	108	134	667
Additions	67	350	11	574	1,002
Depreciation	(157)	(21)	(28)	(210)	(416)
As at 31 December 2022, net of accumulated depreciation	335	329	91	498	1,253
As at 31 December 2022:					
Cost	1,105	350	180	1,028	2,663
Accumulated depreciation	(770)	(21)	(89)	(530)	(1,410)
Net carrying amount	335	329	91	498	1,253
31 December 2023					
As at 1 January 2023:					
Cost	1,105	350	180	1,028	2,663
Accumulated depreciation	(770)	(21)	(89)	(530)	(1,410)
Net carrying amount	335	329	91	498	1,253
As at 1 January 2023, net of accumulated depreciation	335	329	91	498	1,253
Additions	98	–	305	–	403
Depreciation	(145)	(83)	(64)	(192)	(484)
As at 31 December 2023, net of accumulated depreciation	288	246	332	306	1,172
As at 31 December 2023:					
Cost	1,203	350	485	1,028	3,066
Accumulated depreciation	(915)	(104)	(153)	(722)	(1,894)
Net carrying amount	288	246	332	306	1,172
31 December 2024					
As at 1 January 2024:					
Cost	1,203	350	485	1,028	3,066
Accumulated depreciation	(915)	(104)	(153)	(722)	(1,894)
Net carrying amount	288	246	332	306	1,172
As at 1 January 2024, net of accumulated depreciation	288	246	332	306	1,172
Additions	4	–	–	–	4
Depreciation	(114)	(83)	(82)	(191)	(470)
As at 31 December 2024, net of accumulated depreciation	178	163	250	115	706
As at 31 December 2024:					
Cost	1,207	350	485	1,028	3,070
Accumulated depreciation	(1,029)	(187)	(235)	(913)	(2,364)
Net carrying amount	178	163	250	115	706

14. LEASES

The Group as a lessee

The Group has lease contracts for items of buildings. Leases of buildings generally have lease terms with from 24 to 73 months. Other equipment generally has lease terms of 12 months or less or is individually of low value.

(a) Right-of-use assets

The Group

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Buildings
	RMB'000
As at 1 January 2022	6,381
Additions	5,154
Depreciation	(3,643)
Early cancellation of leases	(1,516)
As at 31 December 2022 and 1 January 2023	6,376
Additions	3,023
Depreciation	(3,706)
As at 31 December 2023 and 1 January 2024	5,693
Additions	3,251
Depreciation	(4,206)
As at 31 December 2024	4,738

The Company

The carrying amounts of the Company's right-of-use assets and the movements during the Relevant Periods are as follows:

	Buildings
	RMB'000
As at 1 January 2022	2,601
Additions	3,921
Depreciation	(1,942)
As at 31 December 2022 and 1 January 2023	4,580
Additions	3,023
Depreciation	(2,691)
As at 31 December 2023 and 1 January 2024	4,912
Additions	1,674
Depreciation	(3,158)
As at 31 December 2024	3,428

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year	6,337	6,539	5,852
New leases	5,154	3,023	3,251
Accretion of interest recognised during the year	233	235	198
Payments	(3,580)	(3,945)	(4,549)
Early cancellation of leases	(1,605)	–	–
Carrying amount at the end of the year	6,539	5,852	4,752
Analysed into:			
Current portion	3,143	3,411	3,427
Non-current portion	3,396	2,441	1,325

The Company

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year	2,759	4,719	5,094
New leases	3,921	3,023	1,674
Accretion of interest recognised during the year	121	190	151
Payments	(2,082)	(2,838)	(3,367)
Carrying amount at the end of the year	4,719	5,094	3,552
Analysed into:			
Current portion	2,080	2,808	2,754
Non-current portion	2,639	2,286	798

The maturity analysis of lease liabilities is disclosed in note 36 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

The Group

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	233	235	198
Depreciation of right-of-use assets	3,643	3,706	4,206
Expense relating to short-term leases and leases of low-value assets	131	354	373
Total amount recognised in profit or loss	4,007	4,295	4,777

The Company

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	121	190	151
Depreciation of right-of-use assets	1,942	2,691	3,158
Expense relating to short-term leases and leases of low-value assets	33	64	18
Total amount recognised in profit or loss	2,096	2,945	3,327

(d) The total cash outflow for leases are disclosed in note 30(c) to the Historical Financial Information.

15. OTHER INTANGIBLE ASSETS

The Group

	Software
	RMB'000
31 December 2022	
As at 1 January 2022:	
Cost	8,538
Accumulated amortisation	(1,589)
Net carrying amount	6,949
At 1 January 2022, net of accumulated amortisation	6,949
Additions	5,622
Amortisation	(4,320)
Exchange realignment	7
At 31 December 2022, net of accumulated amortisation and impairment	8,258
As at 31 December 2022 and at 1 January 2023:	
Cost	14,187
Accumulated amortisation and impairment	(5,929)
Net carrying amount	8,258
31 December 2023	
At 1 January 2023, net of accumulated amortisation	8,258
Additions	779
Amortisation	(4,651)
Exchange realignment	1
At 31 December 2023, net of accumulated amortisation and impairment	4,387
As at 31 December 2023 and at 1 January 2024:	
Cost	14,971
Accumulated amortisation and impairment	(10,584)
Net carrying amount	4,387
31 December 2024	
At 1 January 2024, net of accumulated amortisation	4,387
Additions	18,532
Amortisation	(6,087)
Exchange realignment	1
At 31 December 2024, net of accumulated amortisation and impairment	16,833
At 31 December 2024:	
Cost	33,509
Accumulated amortisation and impairment	(16,676)
Net carrying amount	16,833

The Company

	Software
	RMB'000
31 December 2022	
As at 1 January 2022:	
Cost	8,274
Accumulated amortisation	(1,415)
Net carrying amount	6,859
At 1 January 2022, net of accumulated amortisation	6,859
Additions	160
Amortisation	(2,570)
At 31 December 2022, net of accumulated amortisation and impairment	4,449
As at 31 December 2022 and at 1 January 2023:	
Cost	8,434
Accumulated amortisation and impairment	(3,985)
Net carrying amount	4,449
31 December 2023	
At 1 January 2023, net of accumulated amortisation	4,449
Additions	778
Amortisation	(2,800)
At 31 December 2023, net of accumulated amortisation and impairment	2,427
As at 31 December 2023 and at 1 January 2024:	
Cost	9,212
Accumulated amortisation and impairment	(6,785)
Net carrying amount	2,427
31 December 2024	
At 1 January 2024, net of accumulated amortisation	2,427
Additions	1,849
Amortisation	(2,202)
At 31 December 2024, net of accumulated amortisation and impairment	2,074
At 31 December 2024:	
Cost	11,061
Accumulated amortisation and impairment	(8,987)
Net carrying amount	2,074

16. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Non-current portion			
Value-added-tax recoverable	7,195	18,853	27,374
Other receivables	12,824	1,136	872
Prepayments for equipment	1,199	2,040	1,070
Impairment allowance	(608)	–	–
Subtotal	20,610	22,029	29,316
Current portion			
Other receivables	2,307	12,516	7,167
Prepayments	83,381	49,268	75,145
Advance talent retention bonus	9,627	10,002	10,557
Impairment allowance	(16)	(598)	(56)
Subtotal	95,299	71,188	92,813
Total	115,909	93,217	122,129

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Non-Current portion			
Prepayments for equipment	449	–	–
Value-added-tax recoverable	1,376	5,386	6,532
Other receivables from third parties	541	887	671
Other receivables from a subsidiary	100,000	–	–
Subtotal	102,366	6,273	7,203
Current portion			
Other receivables from subsidiaries	314,216	855,751	932,154
Prepayments to subsidiaries	103,481	–	29,484
Other receivables from third parties	422	344	553
Prepayments to third parties	465	365	598
Impairment allowance	(1)	–	(2)
Subtotal	418,583	856,460	962,787
Total	520,949	862,733	969,990

As at 31 December 2022, 2023 and 2024, all remaining balances due from subsidiaries recorded in other receivables were non-trade related, while prepayments to subsidiaries were trade related.

At the end of each of the Relevant Periods, the ECLs of the financial assets included in prepayments, other receivables and other assets were measured based on the 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss. An impairment analysis was performed at the end of each of the Relevant Periods.

Deposits and other receivables had no historical default. Deposits and other receivables were categorised in stage 1 at the end of each of the Relevant Periods. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data.

Other receivables are unsecured, non-interest-bearing and have no fixed terms of repayment, except for one two-year entrusted loan of the Company to a subsidiary.

The movements in the loss allowance for impairment of other receivables are as follows:

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	(629)	(624)	(598)
Impairment losses, net	58	37	545
Foreign exchange realignment	(53)	(11)	(3)
At end of year	(624)	(598)	(56)

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	(21)	(1)	–
Impairment, net	20	1	(2)
At end of year	(1)	–	(2)

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Structured deposits, at fair value	87,863	67,041	31,020
Wealth management products, at fair value	381,859	180,420	384,421
Total	469,722	247,461	415,441

The structured deposits and wealth management products were issued by banks in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Structured deposits, at fair value	87,863	67,041	30,020
Wealth management products, at fair value	381,859	–	–
Total	469,722	67,041	30,020

18. INVENTORIES

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	34,077	76,522	122,489
Work in progress	133,243	234,882	164,711
Finished goods	105,873	126,955	78,183
Less: Provision for impairment	(17,805)	(65,154)	(43,524)
Total	255,388	373,205	321,859

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	505	508	502
Finished goods	512	508	489
Less: Provision for impairment	(803)	(823)	(801)
Total	214	193	190

19. TRADE RECEIVABLES

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	235,945	68,436	106,874
Impairment	(6,514)	(3,738)	(4,213)
Net carrying amount	229,431	64,698	102,661

The Group's trading terms with its customers are mainly on credit. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	90,510	4,442	20,168
Impairment	(2,653)	(2,737)	(3,088)
Net carrying amount	87,857	1,705	17,080

An ageing analysis of the trade receivables as at 31 December 2022, 2023, and 2024, based on the time of revenue recognition and net of loss allowance, is as follows:

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 3 months	163,252	52,984	85,236
3 to 6 months	19,576	6,507	15,256
6 to 9 months	45,216	5,035	2,169
9 to 12 months	1,387	172	–
Total	229,431	64,698	102,661

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 3 months	87,857	930	14,589
3 to 6 months	–	486	2,491
6 to 9 months	–	117	–
9 to 12 months	–	172	–
Total	87,857	1,705	17,080

The movements in the loss allowance for impairment of trade receivables are as follows:

The Group

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	(3,152)	(6,514)	(3,738)
Impairment losses, net *(note 6)*	(3,361)	2,777	(475)
Exchange realignment	(1)	(1)	–
At end of year	(6,514)	(3,738)	(4,213)

The Company

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	(2,762)	(2,653)	(2,737)
Impairment losses, net	109	(84)	(351)
At end of year	(2,653)	(2,737)	(3,088)

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Group overall considers the characteristics of the shared credit risk and the ageing of the trade receivables to measure the expected credit losses. The expected credit losses of trade receivables are assessed on an individual or portfolio basis. Considering the credit risk characteristics of different customers, the Group assesses the expected credit losses of trade receivables with shared risk characteristics based on their ageing portfolio, adjusted as appropriate to reflect current and forward-looking information.

The information about the credit risk exposure on the Group's trade receivables is set out below:

The Group

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2022				
Provision on a collective basis				
Within 3 months	0.06%	163,350	98	163,252
3 to 6 months	0.14%	19,603	27	19,576
6 to 9 months	3.60%	46,905	1,689	45,216
9 to 12 months	60.22%	3,487	2,100	1,387
Provision on an individual basis – others	100.00%	2,600	2,600	–
		235,945	6,514	229,431
As at 31 December 2023				
Provision on a collective basis				
Within 3 months	0.22%	53,102	118	52,984
3 to 6 months	0.85%	6,563	56	6,507
6 to 9 months	14.49%	5,888	853	5,035
9 to 12 months	39.22%	283	111	172
Provision on an individual basis – others	100.00%	2,600	2,600	–
		68,436	3,738	64,698

The Group

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2024				
Provision on a collective basis				
Within 3 months	0.72%	85,854	618	85,236
3 to 6 months	1.35%	15,465	209	15,256
6 to 9 months	16.80%	2,607	438	2,169
Over 1 year	100.00%	348	348	–
Provision on an individual basis – others	100.00%	2,600	2,600	–
		106,874	4,213	102,661

The information about the credit risk exposure on the Company's trade receivables is set out below:

The Company

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2022				
Provision on a collective basis				
Within 3 months	0.06%	87,910	53	87,857
Provision on an individual basis	100.00%	2,600	2,600	–
		90,510	2,653	87,857
As at 31 December 2023				
Provision on a collective basis				
Within 3 months	0.21%	932	2	930
3 to 6 months	0.82%	490	4	486
6 to 9 months	14.60%	137	20	117
9 to 12 months	39.22%	283	111	172
Provision on an individual basis	100.00%	2,600	2,600	–
		4,442	2,737	1,705
As at 31 December 2024				
Provision on a collective basis				
Within 3 months	0.72%	14,695	106	14,589
3 to 6 months	1.35%	2,525	34	2,491
Over 1 year	100.00%	348	348	–
Provision on an individual basis	100.00%	2,600	2,600	–
		20,168	3,088	17,080

20. DERIVATIVE FINANCIAL INSTRUMENTS

The Group

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Foreign exchange option	–	1,308	–
Currency swap	–	–	558
	–		

The foreign exchange option and currency swap are not designated for hedging and are measured at fair value through profit or loss. Changes in the fair value of the foreign exchange option and currency swap amounting to nil, RMB1,308,000 and RMB558,000 were charged to the statements of profit or loss for the years ended 31 December 2022, 2023 and 2024, respectively.

21. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND PLEDGED DEPOSITS

The Group

(a) Cash and cash equivalents

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents	132,265	189,741	104,831

Denominated in:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
RMB	99,627	126,074	48,828
United States Dollar	32,638	63,667	55,957
Hong Kong Dollar	–	–	46
Total	132,265	189,741	104,831

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

(b) Pledged deposits

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Pledged cash balances for a letter of credit	15,370	–	–
Pledged cash balances for a foreign exchange swap	–	7,083	9,194
Total	15,370	7,083	9,194
Pledged deposits denominated in RMB	15,370	7,083	9,194

(c) Time deposits

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Short-term time deposits with original maturities of over three months and due within one year	131,102	136,821	21,916
Time deposits with original maturities of over one year	20,682	40,792	61,591
Total	151,784	177,613	83,507

Denominated in:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
RMB	151,784	61,474	61,591
United States Dollar	–	116,139	21,916
Total	151,784	177,613	83,507

The Company

(a) Cash and cash equivalents

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents	97,795	59,822	16,201
Denominated in:			
RMB	95,331	57,315	3,445
United States Dollar	2,464	2,507	12,756
Total	97,795	59,822	16,201

(b) Pledged deposits

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Pledged cash balances for a letter of credit	15,370	–	–
Pledged deposits denominated in RMB	15,370	–	–

(c) Time deposits

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Short-term time deposits with original maturities of over three months and due within one year	120,766	20,682	–
Time deposits with original maturities of over one year	20,682	30,745	51,301
Total	141,448	51,427	51,301
Time deposits denominated in RMB	141,448	51,427	51,301

22. TRADE PAYABLES

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Non-Current portion			
Trade payables	2,786	1,077	–
Current portion			
Trade payables	31,781	48,492	34,171
Total	34,567	49,569	34,171

An ageing analysis of the trade payables of the Group as at 31 December 2022, 2023, and 2024, based on the time of purchase, is as follows:

Trade payables

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	31,781	48,492	34,171
1 to 2 years	2,786	1,077	–
Total	34,567	49,569	34,171

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 180 days after acceptance of invoices.

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Non-Current portion			
Trade payables to third parties	2,786	–	–
Current portion			
Trade payables to subsidiaries	80,225	107,155	129,436
Trade payables to third parties	32	1,067	1,412
Subtotal	80,257	108,222	130,848
Total	83,043	108,222	130,848

An ageing analysis of the trade payables of the Company as at 31 December 2022, 2023, and 2024, based on the time of purchase, is as follows:

Trade payables

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	80,257	108,222	130,848
1 to 2 years	2,786	–	–
Total	83,043	108,222	130,848

As at 31 December 2022, 2023 and 2024, all the remaining balances due to subsidiaries recorded in trade payables were trade related, non-interest-bearing, unsecured and had no fixed terms of settlement.

23. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payable	37,864	26,956	35,099
Deposit from a distributor	17,610	–	–
Other tax payables	304	714	616
Other payables	529	173	66
Sales rebate to customers	–	4,049	3,388
Payables for expense	842	1,836	1,052
Total	57,149	33,728	40,221

Other payables in current portion are non-interest-bearing and the terms of repayment is within 12 months.

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payable	9,481	5,767	10,511
Other tax payables	173	294	265
Other payables	138	6	201
Total	9,792	6,067	10,977

24. CONTRACT LIABILITIES

The Group

	As at 1 January	As at 31 December		
	2022	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advance payments from customers	18,399	21,337	7,039	4,655

The Company

	As at 1 January	As at 31 December		
	2022	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advance payments from customers	1,976	4,550	4,550	4,550

Contract liabilities represented advances received to deliver products. The increase in contract liabilities in the year 2022 was mainly due to the increase in several large short-term advances received from customers in relation to the sales of products at the end of the period. The decrease in contract liabilities from 2022 to 2024 was mainly due to the fulfilment of the performance obligations of delivering goods.

25. INTEREST-BEARING BANK LOANS

The Group

	As at 31 December 2022		
	Weighted average interest rate (%)	*Maturity*	*RMB'000*
Bank loans – unsecured	1.19	2023	15,370

	As at 31 December 2023		
	Weighted average interest rate (%)	*Maturity*	*RMB'000*
Bank loans – secured	2.80	2024	30,026

	As at 31 December 2024		
	Weighted average interest rate (%)	*Maturity*	*RMB'000*
Bank loans – unsecured	0.78-0.90	2025	90,000
Bank loans – secured	2.65-2.75	2025	60,815
			150,815

The Company

	As at 31 December 2022		
	Weighted average interest rate (%)	*Maturity*	*RMB'000*
Bank loans – unsecured	1.19	2023	15,370

	As at 31 December 2023		
	Weighted average interest rate (%)	*Maturity*	*RMB'000*
Bank loans – secured	2.80	2024	30,026

	As at 31 December 2024		
	Weighted average interest rate (%)	*Maturity*	*RMB'000*
Bank loans – unsecured	0.78	2025	20,000
Bank loans – secured	2.65-2.75	2025	60,815
			80,815

The carrying amounts of borrowings are denominated in RMB.

As of 31 December 2023, the Group and the Company's outstanding borrowings were jointly guaranteed by its subsidiary Kunshan Yunyinggu Electronic Technology Co., Ltd. and Dr. Gu Jing, with the aggregate guaranteed amount of RMB30,026,000.

As of 31 December 2024, the Group and the Company's outstanding borrowings were secured by a pledge of patents and guaranteed by Dr. Gu Jing, with the aggregate guaranteed amount of RMB60,815,000.

26. PROVISION

The Group

	As at 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Warranties	7,312	5,083	2,311
Less: Current Portion	4,002	4,168	2,041
Non-current portion	3,310	915	270

(a) Warranties

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year	3,079	7,312	5,083
Additional provision/reserve	4,566	3,165	(2,326)
Amounts utilised during the year	(333)	(5,394)	(446)
At the end of the year	7,312	5,083	2,311
Less: Current portion	4,002	4,168	2,041
Non-current portion	3,310	915	270

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Warranties	3,575	1,168	405
Less: Current Portion	265	253	135
Non-current portion	3,310	915	270

(a) Warranties

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year	859	3,575	1,168
Additional provision/reserve	2,716	1,176	(763)
Amounts utilised during the year	–	(3,583)	–
At the end of the year	3,575	1,168	405
Less: Current portion	265	253	135
Non-current portion	3,310	915	270

27. SHARE CAPITAL/PAID-IN CAPITAL

The Group and the Company

A summary of movements in the Company's paid-in capital/share capital is as follows:

	Notes	Numbers of ordinary shares	Paid-in capital/ Share capital
			RMB'000
As at 1 January 2022		N/A	44,922
Capital contribution from shareholders	*(a)*	N/A	8,252
Issue of ordinary shares upon conversion into a joint stock company	*(b)*	360,000,000	306,826
Issue of shares	*(c)*	9,069,750	9,070
As at 31 December 2022 and 1 January 2023		369,069,750	369,070
As at 31 December 2023 and 1 January 2024		369,069,750	369,070
Issue of shares	*(d)*	5,850,000	5,850
As at 31 December 2024		374,919,750	374,920

Notes:

(a) In July 2022, the Company issued 8,252,000 shares with a par value of RMB1.00 each to HSG Venture VIII Holdco G, Ltd., Shenzhen Yishi No. 1 Enterprise Management Center (Limited Partnership), Shenzhen Yisheng No. 1 Enterprise Management Center (Limited Partnership) and Shenzhen Yisheng No. 2 Enterprise Management Center (Limited Partnership). The total proceeds were received in 2022, with approximately RMB8,252,000 and RMB173,592,000 credited to the Company's paid-in capital and capital reserves, respectively.

(b) In December 2022, pursuant to the resolution in the shareholders' meeting, the shareholders of the Company approved the conversion of the Company into a joint stock company with limited liabilities. The net assets of the Company as of the conversion base date under PRC GAAP amounting to RMB1,242,542,000, which were audited by BDO China Shu Lun Pan Certified Public Accountants LLP, were converted into 360,000,000 ordinary shares at a ratio of 1:0.2897. The excess of net assets converted over nominal value of the ordinary shares was credited to the Company's capital reserves.

(c) In December 2022, the Company issued 9,069,750 shares with a par value of RMB1.00 each to Guangdong Semiconductor and Integrated Circuit Industry Investment Fund Partnership Enterprise (Limited Partnership), Huahui Dianke (Tianjin) Industrial Management Partnership Enterprise (Limited Partnership), Suzhou High Hope Ruilian Venture Capital Partnership Enterprise (Limited Partnership), Shenzhen Dinghong Growth Investment Enterprise (Limited Partnership), Hainan Yuxin Taojin No. 2 Equity Investment Fund Partnership Enterprise (Limited Partnership) and Shenzhen Yisheng No. 2 Enterprise Management Center (Limited Partnership). The total proceeds were received in 2022, with approximately RMB9,070,000 and RMB150,146,000 credited to the Company's share capital and capital reserves, respectively.

(d) In August 2024, the Company issued 5,850,000 shares in total with par value of RMB1.00 each to Xiangfeng Phase II (Xiamen) Equity Investment Partnership Enterprise (Limited Partnership) and Chengdu Ceyuan Guangyi Electronic Information Equity Investment Fund Partnership Enterprise (Limited Partnership). The total proceeds were received in 2024, with approximately RMB5,850,000 and RMB124,150,000 credited to the Company's share capital and capital reserves, respectively.

28. SHARE-BASED PAYMENT

The Group recognised equity-settled share-based compensation expenses of RMB124,183,000, RMB14,793,000 and RMB84,831,000 during the years ended 31 December 2022, 2023 and 2024, respectively.

(a) Share Option Plan

To improve the incentive mechanism of the Group, further enhance the work enthusiasm and creativity of the participants thereto, promote the continued growth of the performance of the Group, and bring economic benefits to the participants while enhancing the value of the Group, so as to realize the common development of the participants and the Group, in 2018, a share incentive scheme (the "Share Option Plan"), which was then supplemented in 2019, was approved by the Shareholders.

Pursuant to the Share Option Plan, each grant of Share Awards needs to meet service requirements from the date of grant to the later of (1) the date of successful IPO of the Company (the "Lock-up Period") and (2) the "Service Period", for most eligible participants of the Share Option Plan, one-third of the Share Awards shall be released on the date of grant, one-third shall be released at the first anniversary of the date of grant, and the remaining one-third shall be released at the second anniversary of the date of grant, upon meeting certain individual performance targets. Once the Service Period meets, the share options exercised to shares which also require to meet the Lock-up Period. After taking into consideration of the best estimation of the IPO, the management determined the vesting period of the relevant Share Option Plan based on the above service requirements. As such, the share-based payment expenses are amortized during the vesting period.

On 24 December 2021, pursuant to the agreement by the Company and the participants, these options were replaced by restricted shares of the Company, further details of which are set out in note 28(b) to the Historical Financial Information. The replacement of the Share Option Plan did not give rise to incremental fair value, and thus no additional share-based payment expenses have been incurred.

(b) Share Incentive Plan

On 30 September 2019, a share incentive scheme (the "Share Incentive Plan"), which was then supplemented in 2020, 2021 and 2022, was approved by the general meeting of shareholders of the Company. Each grant of shares needs to meet service requirements from the date of grant to the later of (1) the date of successful [**REDACTED**] of the Company and (2) five-year period from the date of the entry. After taking into consideration of the best estimation of the [**REDACTED**], the management determined the vesting period of the relevant shares based on the above performance conditions and service requirements. As such, the share-based payment expenses are amortised during the vesting period.

Details of granted shares under the Share Incentive Plan are as follows:

Date of grant	Subscription price per capital/share*	Fair value per share*	Number of shares granted*
20 November 2020	1.00-5.02	3.09-6.22	11,403,172
20 January 2021	7.52	10.75	232,651
24 December 2021	1.62-13.17	6.52-17.22	21,533,359
31 May 2022	0.15-13.17	7.54-20.48	1,036,223
23 December 2022	3.61	22.22	2,274,750

* All numbers of shares of the Company and subscription price per capital/share in this note have been adjusted retrospectively as if the Company's conversion into joint stock limited company in December 2022 as set out in note 27 to the Historical Financial Information had been completed at the beginning of the Relevant Period.

The fair value of the shares granted was measured as the market value at the grant date. With the exception of the shares granted on 23 December 2022, whose fair value was determined based on the investors' recent capital injection prices, the fair values of other shares were determined by a third-party valuer using Black-Scholes Model based on investors' recent capital injection price. The difference between the fair value of the shares granted and the subscription price was recorded in the share-based payment reserve within equity with the corresponding "share-based payment expenses" in profit or loss. The following table lists the inputs to the model used:

	As at 20 November 2020	As at 20 January 2021	As at 24 December 2021	As at 31 May 2022
Expected volatility (%)	53.41	51.78	53.96	55.82
Risk-free interest rate (%)	3.19	3.24	2.80	2.66

Set out below are details of the movements of the outstanding restricted shares granted under the Share Incentive Plan throughout the Relevant Periods.

	As at 31 December		
	2022	2023	2024
At the beginning of the year	32,670,636	34,702,436	34,570,319
Granted during the year	2,427,811	–	–
Forfeited during the year	(396,011)	(132,117)	–
At the end of the year	34,702,436	34,570,319	34,570,319

The weighted average remaining contractual lives for the outstanding restricted shares granted were 3 years, 2 years and 1 year as of the end of each of the Relevant Periods, respectively.

29. RESERVES

The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity in the Historical Financial Information.

(a) Capital reserve

The capital reserve of the Group represents the premium in issuing capitals.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

	Share capital	Paid in capital	Capital reserve	Share-based payment reserve	Accumulated loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	–	44,922	1,327,660	37,823	(333,284)	1,077,121
Loss for the year	–	–	–	–	(206,530)	(206,530)
Total comprehensive loss for the year	–	–	–	–	(206,530)	(206,530)
Contribution from shareholders	–	8,252	173,592	–	–	181,844
Conversion to joint stock company	360,000	(53,174)	(874,077)	–	567,251	–
Issue of new shares	9,070	–	150,146	–	–	159,216
Investment in subsidiary – company	–	–	6,421	–	–	6,421
Share-based payments	–	–	–	124,183	–	124,183
At 31 December 2022 and 1 January 2023	369,070	–	783,742	162,006	27,437	1,342,255
Loss for the year	–	–	–	–	(243,772)	(243,772)
Total comprehensive loss for the year	–	–	–	–	(243,772)	(243,772)
Share-based payments	–	–	–	14,793	–	14,793
Other	–	–	(567)	–	–	(567)
At 31 December 2023 and 1 January 2024	369,070	–	783,175	176,799	(216,335)	1,112,709
Loss for the year	–	–	–	–	(125,051)	(125,051)
Total comprehensive loss for the year	–	–	–	–	(125,051)	(125,051)
Issue of new shares	5,850	–	124,150	–	–	130,000
Share-based payments	–	–	–	84,831	–	84,831
At 31 December 2024	374,920	–	907,325	261,630	(341,386)	1,202,489

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2022. 2023 and 2024, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB5,154,000, RMB3,023,000 and RMB3,251,000, respectively, in respect of lease arrangements for buildings.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank loans	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2022	–	6,337	6,337
Changes from financing cash flows	14,736	(3,580)	11,156
New leases	–	5,154	5,154
Interest expense	634	233	867
Early cancellation of leases	–	(1,605)	(1,605)
At 31 December 2022 and 1 January 2023	15,370	6,539	21,909
Changes from financing cash flows	14,017	(3,945)	10,072
New leases	–	3,023	3,023
Interest expense	639	235	874
At 31 December 2023 and 1 January 2024	30,026	5,852	35,878
Changes from financing cash flows	117,134	(4,549)	112,585
New leases	–	3,251	3,251
Interest expense	3,655	198	3,853
At 31 December 2024	150,815	4,752	155,567

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within operating activities	131	354	373
Within financing activities	3,580	3,945	4,549
Total	3,711	4,299	4,922

31. CONTINGENT LIABILITIES

As of the end of each of the Relevant Periods, the Group did not have any material contingent liabilities.

32. COMMITMENTS

The Group had the following contractual commitments as at 31 December 2022, 2023 and 2024:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for:			
Furniture and fixtures	–	1,380	–

33. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in the Historical Financial Information, the Group had the following transactions with related parties during the Relevant Periods:

Compensation of key management personnel of the Group:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Fee			
Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	10,936	10,233	9,884
Share-based compensation expenses	33,011	(1,351)	20,697
Total compensation paid to key management personnel	43,947	8,882	30,581

Further details of directors' and the supervisors' emoluments are included in note 8 to the Historical Financial Information.

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 December 2022, 2023 and 2024 are as follows:

As at 31 December 2022

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	229,431	229,431
Financial assets included in prepayments, other receivables and other assets	–	14,507	14,507
Financial assets at fair value through profit or loss	469,722	–	469,722
Time deposits	–	151,784	151,784
Pledged deposits	–	15,370	15,370
Cash and cash equivalents	–	132,265	132,265
Total	469,722	543,357	1,013,079

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables	34,567
Financial liabilities included in other payables and accruals	1,371
Interest-bearing bank loans	15,370
Total	51,308

As at 31 December 2023

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	64,698	64,698
Financial assets included in prepayments, other receivables and other assets	–	13,054	13,054
Financial assets at fair value through profit or loss	247,461	–	247,461
Derivative financial instruments	1,308	–	1,308
Time deposits	–	177,613	177,613
Pledged deposits	–	7,083	7,083
Cash and cash equivalents	–	189,741	189,741
Total	248,769	452,189	700,958

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables	49,569
Financial liabilities included in other payables and accruals	2,009
Interest-bearing bank loans	30,026
Total	81,604

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	102,661	102,661
Financial assets included in prepayments, other receivables and other assets	–	7,982	7,982
Financial assets at fair value through profit or loss	415,441	–	415,441
Derivative financial instruments	558	–	558
Time deposits	–	83,507	83,507
Pledged deposits	–	9,194	9,194
Cash and cash equivalents	–	104,831	104,831
Total	415,999	308,175	724,174

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables	34,171
Financial liabilities included in other payables and accruals	1,118
Interest-bearing bank loans	150,815
Total	186,104

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Time deposits- non-current			
Carrying amounts	20,682	40,792	61,591
Fair values	21,079	40,845	63,608

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, the current portion of time deposit, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value management of financial instruments. The corporate finance team reports directly to the chief financial officer and the board of directors. At the end of each of the Relevant Periods, the corporate finance team analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation was reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group invests in represent structured deposit issued by banks in Mainland China. The Group has estimated the fair value of these investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Derivative financial instruments, which represent foreign exchange option and currency swap, are measured using valuation techniques similar to forward pricing models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

The fair values of the non-current portion of time deposits have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Structured deposits, at fair value	–	87,863	–	87,863
Wealth management products, at fair value	381,859	–	–	381,859
Total	381,859	87,863	–	469,722

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Structured deposits, at fair value	–	67,041	–	67,041
Wealth management products, at fair value	180,420	–	–	180,420
Derivative financial instruments	–	1,308	–	1,308
Total	180,420	68,349	–	248,769

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Structured deposits, at fair value	–	31,020	–	31,020
Wealth management products, at fair value	384,421	–	–	384,421
Derivative financial instruments	–	558	–	558
Total	384,421	31,578	–	415,999

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise interest-bearing bank loans and cash and deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The directors meet periodically to analyse and formulate measures to manage the Group's exposure to these risks. Generally, the Group introduces conservative strategies on its risk management. The directors review and agree policies for managing each of these risks and they are summarised below:

(a) Foreign currency risk

The Group is exposed to transactional exchange rate risk. Such risks arise from transactions conducted by operating entities in a currency other than its functional currency.

The following table shows the sensitivity analysis of exchange rate risk, reflecting the impact of reasonable and possible changes in foreign currency USD/RMB exchange rate on net loss before tax under the assumption that other variables remain unchanged:

	Increase/(decrease) in USD/RMB rate	Increase/(decrease) in loss before tax
	%	*RMB'000*
As at 31 December 2022		
If the USD strengthens against the RMB	10	1,595
If the USD weakens against the RMB	10	(1,595)
As at 31 December 2023		
If the USD strengthens against the RMB	10	17,001
If the USD weakens against the RMB	10	(17,001)
As at 31 December 2024		
If the USD strengthens against the RMB	10	10,248
If the USD weakens against the RMB	10	(10,248)

(b) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each reporting period. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	235,945	235,945
Financial assets included in prepayments, other receivables and other assets**	15,131	–	–	–	15,131
Time deposits	151,784	–	–	–	151,784
Pledged deposits – Not yet past due	15,370	–	–	–	15,370
Cash and cash equivalents – Not yet past due	132,265	–	–	–	132,265
Total	314,550	–	–	235,945	550,495

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	68,436	68,436
Financial assets included in prepayments, other receivables and other assets**	13,652	–	–	–	13,652
Time deposits	177,613	–	–	–	177,613
Pledged deposits – Not yet past due	7,083	–	–	–	7,083
Cash and cash equivalents – Not yet past due	189,741	–	–	–	189,741
Total	388,089	–	–	68,436	456,525

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	106,874	106,874
Financial assets included in prepayments, other receivables and other assets**	8,039	–	–	–	8,039
Time deposits	83,507	–	–	–	83,507
Pledged deposits – Not yet past due	9,194	–	–	–	9,194
Cash and cash equivalents – Not yet past due	104,831	–	–	–	104,831
Total	205,571	–	–	106,874	312,445

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19 to the Historical Financial Information.

(c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank loans, and other available sources of financing.

The maturity profile of the Group's financial liabilities as at the end of the each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

Group

	Year ended 31 December 2022			
	Within one year or on demand	In the second year	In the third to fifth year	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities	3,318	2,417	1,060	6,795
Interest-bearing bank loans	15,370	–	–	15,370
Trade payables	34,567	–	–	34,567
Other payables and accruals	1,371	–	–	1,371
Total	54,626	2,417	1,060	58,103

	Year ended 31 December 2023			
	Within one year or on demand	In the second year	In the third to fifth year	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities	3,549	2,098	371	6,018
Interest-bearing bank loans	30,772	–	–	30,772
Trade payables	49,569	–	–	49,569
Other payables and accruals	2,009	–	–	2,009
Total	85,899	2,098	371	88,368

	Year ended 31 December 2024			
	Within one year or on demand	In the second year	In the third to fifth year	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities	3,508	1,274	67	4,849
Interest-bearing bank loans	150,815	–	–	150,815
Trade payables	34,171	–	–	34,171
Other payables and accruals	1,118	–	–	1,118
Total	189,612	1,274	67	190,953

(d) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new capitals.

The Group monitors capital using a gearing ratio, which is debt divided by total assets. Debt includes interest-bearing bank loans and lease liabilities. The gearing ratios as at the end of the Relevant Periods are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Interest-bearing bank loans	15,370	30,026	150,815
Lease liabilities	6,539	5,852	4,752
Debt	21,909	35,878	155,567
Total asset	1,439,421	1,214,193	1,225,721
Gearing ratio	2%	3%	13%

37. EVENTS AFTER THE RELEVANT PERIODS

There are no significant events subsequent to 31 December 2024.

38. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2024.

[**REDACTED**]

[**REDACTED**]

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[**REDACTED**]

[**REDACTED**]

This Appendix is mainly providing investors with an overview on the Articles of Association of our Company. The following information is only a summary, not covering all the information that may be material to investors.

SHARES AND REGISTERED CAPITAL

The issuance of the shares of our Company shall be conducted in the principle of openness, fairness and justness, and each share of the same class shall be entitled to equal rights. For shares issued at the same time and within the same class, it shall be issued in the same conditions and price; and subscribers shall pay the same price for each share they subscribe. The overseas listed shares issued by our Company may be deposited in accordance with applicable laws of Hong Kong and the general practice of securities registration and depository.

INCREASE/DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase/Decrease of Shares

According to the needs for operation and development of our Company, and subject to applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules, and requirements by relevant regulatory authorities upon respective resolution by a Shareholders' meeting, our Company may increase its registered capital by any of the following means:

(1) offering of shares to non-specific targets;

(2) offering of shares to specific targets;

(3) distribution of bonus shares to existing Shareholders;

(4) converting the reserved funds into share capital;

(5) other means stipulated by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules or stipulated by or recognized by the relevant regulatory authorities.

To reduce its registered capital, our Company shall proceed it in compliance with the PRC Company Law, Listing Rules, other relevant applicable laws, administrative regulations, departmental rules, normative documents and the Articles of Association.

Repurchase of Shares

In any of the following circumstances, our Company may repurchase its issued shares in accordance with the PRC Company Law, Listing Rules, other relevant applicable laws, administrative regulations, departmental rules, normative documents and the Articles of Association and subject to the registration or filing with the relevant regulatory authorities:

(1) reducing the registered capital of our Company;

(2) merging with another company holding shares of our Company;

(3) using shares for stock incentive plans and employee stock plans;

(4) acquiring the shares of Shareholders who vote against any resolution adopted at the Shareholders' meeting on the merger or demerger of our Company and request our Company to acquire their shares;

(5) using shares for converting corporate bonds into shares issued by our Company;

(6) as required for our Company to maintain corporate value and Shareholders' interests;

(7) other circumstances approved by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and regulatory authorities.

Any repurchase under circumstances (3), (5) or (6) above, subject to the requirements of Listing Rules and the regulatory rules and guidelines of the Hong Kong Stock Exchange, shall be conducted through open and centralized trading.

A resolution of a Shareholders' meeting is required for repurchasing shares under circumstances (1) or (2) above. In accordance with the provisions of the Articles of Association or the authorization of the Shareholders' meeting, repurchase of shares under circumstances (3), (5) or (6) above may be resolved by a resolution of a meeting of the Board with a quorum of more than two-thirds of Directors, unless otherwise provided by Listing Rules. In compliance with Listing Rules, the shares acquired under the above circumstance (1), shall be de-registered within 10 days from the date of repurchase; the shares acquired under the above circumstances (2) or (4), shall be transferred or de-registered within six months; and the shares acquired under the above circumstances (3), (5) or (6), shall be transferred or de-registered within three years, and the shares held in total by our Company shall not exceed 10% of total shares issued by our Company. Where applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and securities regulatory authorities where our Company's shares are listed provide otherwise regarding the relevant matters involved in the aforementioned share repurchase, those provisions shall prevail.

Where our Company acquires its own shares, it shall fulfill its information disclosure obligations in accordance with relevant laws, regulations, Listing Rules and the relevant provisions of the CSRC and the Hong Kong Stock Exchange.

Transfer of Shares

Unless otherwise required by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association, the fully paid shares of our Company may be transferred freely. The transfer of overseas listed shares shall be registered with the local Hong Kong share registrar entrusted by our Company.

Shares issued by our Company prior to the public offering shall not be transferred within one year from the date our Company's shares are listed and traded on the Hong Kong Stock Exchange.

The Directors, general manager and other senior management of our Company shall report their shareholding in our Company and changes thereof to our Company, and during their tenure determined at the time of taking office, the shares transferred each year shall not exceed 25% of the total number of Company shares held by them; our Company shares held by them shall not be transferred within one year from the date when the shares of our Company are listed and traded. If applicable laws, administrative regulations, departmental rules, normative documents and the Listing Rules provide otherwise, such rules shall apply in the principle of strictness. Within half a year from departure from our Company, the aforesaid persons shall not transfer our Company shares held by them. Where the regulations of securities of the place where our company's shares are listed provide otherwise regarding the transfer restrictions on overseas-listed shares, such provisions shall prevail.

All transfers of overseas listed shares shall adopt the written transfer instrument in general or common format or any other form acceptable to the Board (including the standard transfer format or transfer form prescribed by Hong Kong Stock Exchange from time to time); the written transfer documents may only be manually signed with signatures, or (if the transferor or the transferee is a corporation) stamped with valid seals. If the transferor or transferee of the shares of our Company is a recognised clearing house or its nominee as defined by the relevant regulations in force from time to time under the laws of Hong Kong, the written transfer documents may be signed by hand or machine printing. All transfer documents must be placed at the legal address of our Company, the address of the transfer office or such other place as the Board may designate from time to time. If our Company refuses to register the transfer of shares, our Company shall, within two months from the date of the formal application for transfer, provide the transferor and transferee with a notice of refusal to register the transfer of the shares.

Directors, senior management and Shareholders holding more than 5% of our Company's shares who sell shares or other securities of equity nature of our Company held by them within six months after purchase of the same, or purchase such shares or securities again within six months after sale of the same, shall have the profits gained returned to our Company, and the Board shall reclaim such profits. However, this does not apply under circumstances where securities companies hold more than 5% of the shares due to underwriting and purchasing remaining shares after sale, or other circumstances stipulated by securities regulatory authorities of the place where our Company's shares are listed.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

Shareholders of our Company are persons who lawfully hold shares of our Company and whose names are entered in the register of Shareholders, unless there is evidence to the contrary. Shareholders enjoy rights and assume obligations according to the class of shares they hold; each share of the same class shall bear the same rights and obligations.

The Shareholders of our Company shall be entitled to the following rights:

(1) receiving dividends and other form of interest distribution in proportion to their shareholdings;

(2) requiring, convening, chairing, attending by person or by proxy a Shareholders' meeting pursuant to the laws, and exercising the speaking right, inquiry right and voting right at the meeting;

(3) supervising, presenting suggestions on or making inquiries about the business operation of our Company;

(4) transferring, gifting or pledging the shares held by them, in accordance with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association;

(5) accessing and replicating the Articles of Association, the register of Shareholders, minutes of Shareholders' meeting, resolutions of Board and publicly disclosed financial and accounting reports;

(6) participating in the distribution of residual assets of our Company in proportion to their shareholdings, upon termination or liquidation of our Company;

(7) for Shareholders who vote against any resolution adopted at the Shareholders' meeting on the merger or demerger of our Company, requesting our Company to acquire its shares;

(8) any other rights stipulated by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules or the Articles of Association.

In the event that any resolution by the Shareholders' meeting or the Board meeting violates applicable laws and administrative regulations, the Shareholders may request people's court to invalidate such resolution. In the event that the convening procedures or voting means of the Shareholders' meeting or the Board meeting violate the laws, administrative regulations or the Articles of Association, or any resolution violates the Articles of Association, Shareholders may request people's court to withdraw such resolution within 60 days from the date of resolution, unless there are only minor defects in the convening procedures or voting means of the Shareholders' meeting or the Board meeting, which do not have a material impact on the resolutions.

The Shareholders of our Company shall undertake the following obligations:

(1) abiding by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association;

(2) making payment according to the number of shares subscribed for and the manners of subscription;

(3) not withdrawing the shares, unless otherwise stipulated by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association;

(4) not abusing Shareholder's rights to harm the interests of our Company or other Shareholders; not abusing the independent legal person status of our Company and the limited liability of Shareholders to harm the interests of our Company's creditors;

(5) any other obligations stipulated by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association.

Any Shareholder who abuses Shareholder's rights causing losses to our Company or other Shareholders shall be liable for compensation pursuant to the laws. Any Shareholder who abuses the independent legal person status of our Company and the limited liability of Shareholders to evade debts and severely infringe upon the interests of our Company's creditors shall be held jointly and severally liable for our Company's debts.

The controlling Shareholder or actual controller of our Company shall not utilise its connected relationship against the interests of our Company, or else, shall compensate our Company for any loss incurred.

General Rules for Shareholders' Meetings

The Shareholders' meeting is the organ of authority of our Company, and shall duly exercise following functions and powers:

(1) to elect and remove any Director (not including employee representative(s)), and to determine the remuneration of the relevant Directors;

(2) to review and approve the reports of the Board;

(3) to review and approve our Company's profit distribution plans and loss recovery plans;

(4) to resolve on our Company's increase/decrease of registered capital;

(5) to resolve on our Company's issuance of bonds or any class of shares, warrants and other similar securities as well as the listing;

(6) to resolve on our Company's merger, division, spin-off, dissolution, liquidation or change of its corporate form;

(7) to modify the Articles of Association;

(8) to decide on the engagement or dismissal of the accounting firm and the audit fee of the accounting firm;

(9) to review and approve the motions proposed by Shareholder(s) individually or jointly holding at least 1% voting shares of our Company;

(10) to review and approve the relevant transactions and guarantee matters required to be resolved by the Shareholders' meeting as specifically provided in the Articles of Association;

(11) to review and approve transactions between our Company and its connected persons that meet the requirements for approval by the Shareholders' meeting under Listing Rules;

(12) to review and approve our Company's purchase or disposals of material assets accumulated within one year in the amount exceeding 30% of latest audited total assets of our Company;

(13) to review and approve the change in the use of raised proceeds;

(14) to review and approve the stock incentive plans and employee stock plans;

(15) to adopt resolutions on certain acquisition of our Company's own shares by itself due to the circumstances as specifically provided in the Articles of Association;

(16) other matters to be decided by Shareholders' meeting under applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association.

There are two types of Shareholders' meetings: annual Shareholders' meeting and extraordinary Shareholders' meeting. The annual Shareholders' meeting shall be convened once a year, and shall be held within six months from the end of last accounting year.

The extraordinary Shareholders' meeting shall be convened when necessary. The extraordinary Shareholders' meeting shall be convened within two months from the date of occurrence of any of the following events:

(1) the number of Directors is less than two-thirds of the quorum required by the PRC Company Law, or less than two-thirds of the quorum required by the Articles of Association;

(2) the outstanding losses of our Company account for one-third of our Company's total share capital;

(3) Shareholder(s) individually or jointly holding at least 10% shares of our Company send(s) a written request for meeting;

(4) the Board deems necessary;

(5) the Audit Committee proposes to convene the meeting;

(6) more than two independent non-executive Directors propose to convene the meeting;

(7) other circumstances under applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules, or the Articles of Association.

The motions proposed by the convener shall be included in the agenda of the Shareholders' meeting under circumstances (3), (4), (5) or (6) above.

Convening of Shareholders' Meetings

Independent Non-Executive Directors may propose to convene an extraordinary Shareholders' meeting. In accordance with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association, the Board shall provide written feedback on whether to agree or disagree with the proposal to convene such extraordinary Shareholders' meeting within 10 days after receiving the proposal.

In the event the Board agrees to convene an extraordinary Shareholders' meeting, the Board shall issue an extraordinary Shareholders' meeting notice within five days of making its resolutions. In the event that the Board declines to convene an extraordinary Shareholders' meeting, the Board shall specify the reasons and make an announcement.

The Audit Committee may propose in writing to convene an extraordinary Shareholders' meeting. In accordance with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association, the Board shall provide written feedback on whether to agree or disagree with the proposal to convene such extraordinary Shareholders' meeting within 10 days after receiving the proposal. In the event the Board agrees to convene an extraordinary Shareholders' meeting, the Board shall issue an extraordinary Shareholders' meeting notice within five days of making its resolutions, and any changes to the original proposal in such notice shall be agreed upon by the Audit Committee. In the event that the Board declines to convene an extraordinary Shareholders' meeting or fails to respond within 10 days, it shall be deemed to be unable or to fail to fulfill its duty to convene a Shareholders' meeting and then the Audit Committee may convene and preside over the meeting on its own.

Shareholder(s) individually or jointly holding 10% or more of shares may request in writing to convene an extraordinary Shareholders' meeting to the Board, and specify the subject of the meeting. In accordance with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules, the Articles of Association and the relevant rules of procedure for the meeting, the Board shall provide written feedback on whether to agree or disagree with the request to convene such extraordinary Shareholders' meeting within 10 days after receiving the request. In the event the Board agrees to convene an extraordinary Shareholders' meeting, the Board shall issue an extraordinary Shareholders' meeting notice within five days of making its resolutions, and any changes to the original request in such notice shall be agreed upon by the requesting Shareholder(s). In the event that the Board declines to convene an extraordinary Shareholders' meeting or fails to respond in writing within 10 days after receiving the request, Shareholder(s) individually or jointly holding 10% or more of shares may request in writing to convene an extraordinary Shareholders' meeting to the Audit Committee. In the event the Audit Committee agrees to convene an extraordinary Shareholders' meeting, the Audit Committee shall issue an extraordinary Shareholders' meeting notice within five days of receiving such request, and any changes to the original request in such notice shall be agreed upon by the requesting Shareholder(s). In the event that the Audit Committee fails to issue the notice within the time limit, it shall be deemed to fail to convene and chair a Shareholders' meeting, and then the Shareholder(s) individually or collectively holding 10% or more of shares for at least 90 consecutive days may convene and chair the meeting on its/their own.

In the event of the Audit Committee or the Shareholder(s) convening and holding a Shareholders' meeting on its/their own, the necessary expenses incurred for such meeting shall be borne by our Company.

Notice of Shareholders' Meetings

To hold an annual Shareholders' meeting, the convener shall notify all Shareholders by announcement 21 days in advance. To hold an extraordinary Shareholders' meeting, the convener shall notify all Shareholders by announcement 10 business days or 15 days (whichever is longer) in advance. If applicable laws, administrative regulations, departmental rules, normative documents, the Listing Rules and the Articles of Association provide otherwise, such rules shall apply. The period shall exclude the date on which the meeting is convened.

The notice of Shareholders' meeting shall be made in writing (including paper documents or electronic documents that meet the requirements of the relevant regulatory rules of the place where our Company's securities are listed) and include the following:

(1) the time, place and duration of meeting;

(2) convening method of the meeting;

(3) matters and proposals submitted to the meeting for review;

(4) if any Director, general manager or other senior management has a material interest in the matter to be discussed at the meeting, the nature and degree of interest shall be disclosed; if the implications of the matter to be discussed on such Director, general manager or other senior management in their capacity as Shareholders are different from the implications on other Shareholders, such difference shall be explained;

(5) meeting materials necessary for Shareholder's voting;

(6) a conspicuous statement: all Shareholders have the right to attend the Shareholders' meeting and may appoint proxies in writing to attend the meeting and participate in the voting, and a Shareholder proxy need not be a Shareholder of our Company;

(7) time and address for lodging proxy forms;

(8) record date for determining Shareholders' entitlement to attend the Shareholders' meeting;

(9) the convener and chairman of the meeting, the proposer of an extraordinary Shareholders' meeting and the proposer's written proposal;

(10) name and telephone number of the permanent contact person for meeting affairs;

(11) time and voting procedures for voting online or by other means;

(12) the notice and supplementary notice of Shareholders' meeting shall contain information as required by Listing Rules and the Articles of Association and shall fully, completely and accurately disclose the specific contents of all proposals and all information or explanations necessary for the Shareholders to make reasonable judgment on the proposed matters. Where the opinions of independent non-executive Directors are necessary for matters to be discussed, the opinions and reasons given by independent non-executive Directors shall be disclosed simultaneously when the Shareholders' meeting notice or supplementary notice is issued.

Proposals at Shareholders' Meetings

When our Company convenes a Shareholders' meeting, the Shareholder(s) individually or jointly holding 1% or more of shares of our Company are entitled to put forward new proposals to our Company and submit them in writing to the convener ten days in advance, and the convener of the Shareholders' meeting shall issue a supplemental notice of Shareholders' meeting, announcing the contents of the new proposals, within two days after receiving such proposals, and include the matters in the new proposals that fall within the scope of authorities of the Shareholders' meeting in the agenda of the meeting and submit the same to the Shareholders' meeting for deliberation.

Proxy at Shareholders' Meetings

A Shareholder may appoint a proxy in writing, and the appointing Shareholder or his/her attorney proxy shall sign a proxy form in writing; if the appointing Shareholder is a corporate entity, such appointment shall be signed by its duly authorised representative.

The power of attorney issued by any Shareholder for appointing a proxy to attend the Shareholders' meeting shall include the instructions to vote for, vote against or abstain from each matter to be discussed as listed in the agenda of the Shareholders' meeting. Such power of attorney shall specify whether the proxy may vote at his/her own discretion in absence of instructions from the Shareholder. If it is not specified, it shall be deemed that the proxy is entitled to vote at his/her own discretion.

Where the appointing Shareholder dies, loses the capacity to act, withdraws the power of attorney, withdraws the authorization to sign the power of attorney or where the relevant shares have been assigned before voting, the vote made by the proxy so appointed shall be still valid, as long as our Company did not receive a notice in writing of such events before meeting.

Resolutions of Shareholders' Meetings

There are two kinds of resolutions made at Shareholders' meeting, namely: ordinary resolutions and special resolutions. Ordinary resolutions shall be approved by more than half of voting rights held by the Shareholders (including proxies) attending the Shareholders' meeting. Special resolutions shall be approved by above two-thirds of the voting rights held by Shareholders (including proxies) attending the Shareholders' meeting.

A Shareholder or proxy shall exercise its voting rights pertaining to the voting shares held by it when voting at Shareholders' meeting, and each share shall have one vote. When voting on shares, Shareholders (including their proxies) with two or more voting rights are not required to cast all their votes in favor or against a proposal. However, there is no voting rights attached to the shares held by our Company, and such portion of shares shall not be included in the total number of shares with voting rights at Shareholders' meeting.

When the matters of connected transactions (as defined in Listing Rules) are reviewed at Shareholders' meeting, connected Shareholders or their close associates (as defined in Listing Rules) shall not vote, and the number of voting shares held by them shall not be included in the total number of valid votes. The announcement on resolution of Shareholders' meeting shall fully disclose the voting results of non connected Shareholders. Before the Shareholders' meeting reviews connected transactions, our Company shall determine the scope of connected Shareholders in accordance with relevant laws, regulations, and normative documents. Connected Shareholders or their proxies may attend the Shareholders' meeting and express their views to the attending Shareholders in accordance with the meeting procedures.

If any Shareholder is required to abstain from voting in respect of a certain motion, or any Shareholder is restricted to vote for or against a certain motion in accordance with applicable laws, administrative regulations, departmental rules, Listing Rules, the Articles of Association and relevant rules of procedure for the meeting, such Shareholder shall abstain from voting or vote pursuant to such requirement and restriction. The votes of such Shareholder or its proxy shall not be counted in the event that such requirement or restriction is violated.

The following matters shall be approved by ordinary resolutions at the Shareholders' meeting:

(1) the work report of the Board;

(2) the profit distribution plan and plan for covering losses formulated by the Board;

(3) the election and removal of members of the Board (not being employee representative(s)) and their remunerations and the method of payment thereof;

(4) the engagement or dismissal of the accounting firm and the audit fee of the accounting firm;

(5) the relevant transactions and guarantee matters required to be resolved by the Shareholders' meeting as specifically provided in the Articles of Association;

(6) connected transactions between our Company and its connected persons that meet the requirements for approval by the Shareholders' meeting under the Listing Rules;

(7) change in the use of raised proceeds;

(8) other matters to be decided by the Shareholders' meeting other than those required to be approved by a special resolution under applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association.

The following matters shall be approved by special resolutions at the Shareholders' meeting:

(1) the increase or decrease of share capital of our Company;

(2) the issuance of any class of shares, warrants and other similar securities as well as the listing of our Company;

(3) the division, spin-off, merger, or the change of corporate form of our Company;

(4) the termination, dissolution or liquidation of our Company (including voluntary liquidation);

(5) the amendment to the Articles of Association;

(6) the purchase, disposals of material assets or provision of guarantees accumulated within one year in the amount exceeding 30% of latest audited total assets of our Company;

(7) the equity stock incentive plans and employee stock plans;

(8) resolutions on certain acquisition of our Company's own shares by itself due to the circumstances as specifically provided in the Articles of Association;

(9) any other matters to be approved by extraordinary resolutions as required by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association as well as other matters that are determined by the ordinary resolutions of the Shareholders' meeting to have a significant impact on our Company and require to be approved by special resolutions.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

The Directors of our Company shall be natural persons.

Directors shall be elected or replaced at Shareholders' meeting, for a tenure of three years. Upon the expiration of his tenure, a Director may be re-elected and serve consecutive terms.

The tenure of a Director shall be from the date of appointment to the expiry of tenure of the current Board. If a Director's tenure expires but an alternate Director is not elected in time, or the resignation of a director during the tenure causes the number of board members to be less than the quorum, then before the alternate Director holding office, the original Director shall still perform the duties as Director, in accordance with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association.

A Director may propose resignation before expiry of tenure, by filing a resignation report in writing to the Board. The Board will disclose the relevant information within the time limit specified by applicable laws, administrative regulations, departmental rules, normative documents, and Listing Rules. Directors shall not evade their responsibilities through resignation or other means. If the resignation of a Director causes the number of board members to be less than the quorum, then before the alternate Director holds office, the original Director shall still perform the duties as Director under applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association. Otherwise, a Director's resignation shall be effective from the time such resignation report is delivered to the Board.

Chairman

The Board shall have one Chairman, who shall be elected by more than half of Directors with a tenure of three years, and may be re-elected and serve consecutive terms.

The Chairman of the Board shall exercise the following powers and functions:

(1) leading the Board and ensuring the effective operation of the Board;

(2) presiding over Shareholders' meetings, convening and presiding over Board meetings, formulating and approving the agenda for each Board meeting, taking into account any matters proposed to be added to the agenda by other Directors where appropriate, and ensuring that all Directors at the Board meeting are properly informed of such matters;

(3) supervising and inspecting the implementation of resolutions of the Board;

(4) signing the securities issued by our Company;

(5) ensuring that Directors receive adequate information in a timely manner and that such information is accurate, clear, complete and reliable;

(6) ensuring that appropriate measures are taken to maintain effective liaison with Shareholders and ensuring that Shareholders' opinions can be conveyed to the entire Board;

(7) ensuring that good corporate governance practices and procedures are formulated by our Company;

(8) encouraging dissenting Directors to express their concerned matters, providing adequate time to discuss these matters, and ensuring that the resolutions of the Board can fairly reflect the consensus of the Board;

(9) examining and approving other matters beyond the scope of authorities of the Shareholders' meeting, the Board and the general manager prescribed by laws, regulations or the Articles of Association; and

(10) other duties granted by the Board.

Where the Chairman is incapable of performing or fails to perform his/her duties, such duties shall be performed by a Director jointly elected by a majority of Directors.

Board

Our Company sets up the Board, composed of 7 Directors. Directors of our Company shall be divided into executive Directors, non-executive Directors and independent non-executive Directors. The number of independent non-executive Directors shall account for at least one-third of the total number of Directors and shall be no less than three.

The Board shall be responsible to the Shareholders' meetings and exercise the following functions and powers:

(1) convening the Shareholders' meeting, submitting proposals and motions to the Shareholders' meetings, proposing to the Shareholders' meetings for approval of relevant matters, and submitting work reports to the Shareholders' meetings;

(2) implementing resolutions of the Shareholders' meetings;

(3) determining the operating plans and investment schemes of our Company;

(4) formulating the profit distribution plan and loss makeup plan of our Company;

(5) formulating our Company's plans for increase or decrease of the registered capital, issuance of shares, corporate bonds or other securities, or listing plans;

(6) contemplating the plans for major acquisitions, share repurchase, merger, division, dissolution or change of form of our Company;

(7) deciding, to the extent authorized by the Shareholders' meeting, our Company's external investment, acquisition and sale of assets, mortgage of assets, external guarantee, entrusted management of wealth, connected transactions, external donations and other matters;

(8) deciding on the setup of internal management bodies of our Company;

(9) deciding on the appointment or dismissal of our Company's general manager, other senior officers and company secretary, and deciding on their remuneration, reward and punishment; deciding on the appointment or dismissal of the president, vice president, chief financial officer, and other senior officers according to the nomination by the general manager, and deciding on their remuneration, reward and punishment;

(10) formulating the fundamental management systems of our Company;

(11) formulating the stock incentive plans and employee stock plans;

(12) formulating the modification plan of the Articles of Association;

(13) managing the information disclosure of our Company;

(14) proposing to the Shareholders' meeting the engagement or replacement of the accounting firm which provides audit services to our Company;

(15) hearing the work reports by the general manager and other senior officers of our Company and inspecting the work performed by the general manager and other senior officers;

(16) under the authorization of the Articles of Association or the Shareholders' meeting, resolving on certain acquisition of our Company's own shares by itself due to the circumstances as specifically provided in the Articles of Association;

(17) agree to the appointment or dismissal of the directors and/or general managers of our Company's wholly-owned and/or controlled subsidiaries by themselves;

(18) determining the issuance of shares within a three-year period not exceeding 50% of the Company's issued share capital, excluding shares issued through contributions of non-monetary property;

(19) determining the provision of financial assistance for the acquisition of the Company's shares by any person, provided that the aggregate amount of such financial assistance shall not exceed 10% of the total issued share capital of the Company; and

(20) any other functions and powers granted by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules, the Articles of Association or the Shareholders' meeting.

Upon the consent of more than half of the Board, the Chairman may be authorized to exercise certain functions and powers of the Board when it is not in session, which shall be determined by the Board resolutions. However, major matters of our Company shall be decided collectively by the Board. The statutory functions and powers that should be exercised by the Board shall not be delegated to the Chairman, the general manager or others.

The Board shall explain to Shareholders' meeting about the non-standard audit opinions issued by the CPA firm against the financial statements of our Company.

The Board may hold two kinds of meetings, namely: regular meetings and interim meetings. The Board shall hold at least four regular meetings per year, approximately once every quarter, convened by the Chairman. The Chairman shall hold at least one meeting annually with the independent non-executive Directors without the presence of other Directors. The notice and relevant documents for the regular meeting shall be delivered to all Directors at least fourteen days prior to the date of regular meetings (excluding the day on which the meeting is held) for the purpose of enabling all Directors to attend the meeting.

The notice of interim meeting shall be sent to all Directors five days prior to the date of interim meetings by fax, e-mail, or other means. In an emergency requiring the Board to hold an interim meeting as soon as possible, the notice of meeting may be given by telephone or other oral means, provided that the convener shall make explanations at the meeting. With the consent of all Directors of our Company, the notification time limit specified in the preceding paragraph may be waived.

A meeting of the Board may not be held without more than half of Directors being present. To determine whether a quorum of meeting exists, any Director who or whose close associates (as defined in Listing Rules) has an interest in or has a connection with any matter to be resolved at the meeting, or is required to abstain from voting according to Listing Rules shall not be counted.

Every Director may cast one vote. A motion at the meeting of the Board may be passed as resolution by a simple majority of all Directors unless otherwise required by the Articles of Association, and any Director who or whose close associates (as defined in Listing Rules) has an interest in or has a connection with any matter to be resolved at the meeting, or is required to abstain from voting according to the Listing Rules shall abstain from voting, nor shall they exercise voting rights on behalf of other Directors.

Where there is a tie of votes cast both for and against a resolution, the Chairman shall have the right to cast one more vote.

Directors shall attend Board meetings in person or actively participate in Board meetings through electronic means. A Director who is unable to attend a meeting for any reason shall appoint another Director to attend a Board meeting on its behalf in writing, and the appointed Director shall issue the power of attorney to the Board. The appointed Director shall exercise the rights as Director within the scope of authorisation. The failure of a Director to attend a Board meeting in person or by proxy shall be deemed as waiving his/her voting rights at such meeting.

The Board shall establish an Audit Committee to exercise the powers and functions of Supervisory Committee as prescribed by the Company Law.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosures, supervising and evaluating internal and external audit performances, and overseeing internal controls. The following matters shall be approved by a majority of all members of the Audit Committee and submitted to the Board for reviewing:

(1) the disclosure of financial accounting reports, financial information contained in periodic reports, and internal control evaluation reports;

(2) the engagement or dismissal of the accounting firm engaged to conduct audit services for the listed company;

(3) the appointment or dismissal of the Chief Financial Officer of the listed company;

(4) the amendments to accounting policies or accounting estimates, or corrections of material accounting errors, other than changes due to alterations in accounting standards; and

(5) other matters stipulated by laws, administrative regulations, the regulations of securities of the place where our company's shares are listed, or the Articles of Association.

General Manager and Other Senior Management

Our Company shall have one general manager who shall be appointed or dismissed by the Board. Our Company shall have one president, one chief financial officer and several vice presidents, who shall be nominated by the general manager and appointed or dismissed by the Board. Our Company's senior management is composed of general manager, president, chief financial officer and vice president.

The term of office of the general manager shall be three years and the general manager may be reappointed and serve consecutive terms upon the expiration of the term.

The general manager shall be responsible to the Board, and exercises the following functions and powers:

(1) take charge of the production, operation and management of our Company, organize the implementation of Board resolutions and report to the Board;

(2) organize the implementation of the annual operation plan and investment plan of our Company;

(3) contemplate the internal management bodies setup plan of our Company;

(4) contemplate the fundamental management system of our Company;

(5) formulate the specific rules and regulations of our Company;

(6) propose to the Board the appointment or dismissal of other senior managements;

(7) appoint or dismiss a manager other than those who should be appointed or dismissed by the Board;

(8) other duties authorized by the Articles of Association or the Board.

The general manager shall attend Board meetings.

The senior management shall faithfully perform his/her duties and safeguard the maximum interest of our Company and all Shareholders. If the senior management fails to faithfully perform their duties or violate their integrity obligations, causing damage to the interest of our Company and the public Shareholders, they shall bear compensation liability in accordance with the law.

Eligibility and Obligations of Directors and Senior Management

Any of the following persons shall not act as Director, general manager or other senior management of our Company:

(1) who has no or limited civil capacity;

(2) who was sentenced for corruption, bribery, embezzlement or misappropriation of properties or destruction of the order of socialist market-oriented economy, and the execution of such sentence has expired for no more than five years; or who was deprived of political rights due to any crime, and the execution of such deprivation has expired for no more than five years, and for those who have been declared on probation, the probation period has expired for no more than two years;

(3) who acted as director, factory manager, manager of a company or enterprise in bankruptcy liquidation, and was personally liable for the bankruptcy of such a company or enterprise, and a three-year period has not elapsed since the completion of bankruptcy liquidation of such company or enterprise;

(4) who acted as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down due to violation of law and who is personally liable, and a three-year period has not elapsed since the revocation of the business license or the closure of such company or enterprise;

(5) who has a significant amount of due and outstanding debts and was listed as dishonest person subjected to enforcement by the people's court;

(6) who has been barred from the securities market by the CSRC for a certain period of time and such period has not expired yet;

(7) who has been publicly censured or declared unfit by the securities regulatory authorities of the place where our Company's shares are listed to serve as directors or senior management of a listed company, and whose prohibition period remains unexpired;

(8) any other circumstances stipulated by applicable laws, administrative regulations, departmental rules, normative documents and Listing Rules.

The Directors shall comply with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association and assume the duty of loyalty to our Company. Such obligations include:

(1) shall not accept any bribery or other illegal income by using his or her powers and position;

(2) shall not embezzle our Company's property or misappropriate our Company's funds;

(3) shall not open accounts in his/her own name or in the names of others to deposit funds or assets of our Company;

(4) shall not lend our Company's funds to others or pledge Company's properties to others in violation of the Articles of Association and without the approval of the Shareholders' meeting or the Board;

(5) shall not accept commission for transactions between our Company and others as personal gains;

(6) shall not take advantage of duty to seek business opportunities for themselves or others that would have been directed to our Company, except for those that our Company may not take the advantage of as resolved by the Board or the Shareholders' meeting or as stipulated by applicable laws, administrative regulations and the Articles of Association;

(7) shall not engage in business similar to those of our Company for themselves or others, without the approval of the Board or the Shareholders' meeting in accordance with the Articles of Association;

(8) shall not conclude any contract directly or indirectly with our Company without the approval of the Board or the Shareholders' meeting in accordance with the Articles of Association; these provisions shall apply to the close relatives of Directors or enterprises directly or indirectly owned by their close relatives, as well as connected persons with other connection with Directors where they conclude contracts or conduct transactions with our Company;

(9) shall not disclose any confidential information involving our Company without authorisation;

(10) shall not impair the interests of our Company through connected relationship;

(11) other loyalty obligations in accordance with applicable laws, administrative regulations, departmental rule, normative documents, Listing Rules and the Articles of Association.

The senior management assume the aforementioned duty of loyalty.

The Directors shall comply with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association and assume the duty of diligence to our Company. Such obligations include:

(1) shall exercise the powers granted by our Company carefully, faithfully, and diligently so that the business carried out by our Company is in compliance with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and economic policies of the state, and such business activities are within the business scope specified in our Company's business license;

(2) shall treat all Shareholders equally;

(3) shall stay informed with the business and operation of our Company timely;

(4) shall sign the written confirmation opinions on our Company's regular reports, and ensure that the information disclosed by our Company is true, accurate, and complete;

(5) shall provide relevant information and materials to the Audit Committee truthfully and shall not hinder the Audit Committee or the members of Audit Committee from performing their duty;

(6) other diligence obligations in accordance with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association.

The senior management assume the aforementioned obligations in items (4), (5) and (6).

FINANCIAL ACCOUNTING POLICY

Our Company formulates the financial and accounting system according to applicable laws, administrative regulations, departmental rules, normative documents and Listing Rules.

The Board shall submit the financial reports prepared by our Company as required by applicable laws, administrative regulations, departmental rules, normative documents of local governments and authorities as well as the Listing Rules to Shareholders at each annual Shareholders' meeting. Our Company shall not establish other accounting books other than those required by laws. Our Company's assets shall not be deposited into any account opened in the name of any individual person.

The financial report shall be made available for Shareholders' inspection 20 days prior to the annual Shareholders' meeting. The foregoing financial report shall include the Board of Director's report, the balance sheet (including various documents as required to be attached by PRC or other applicable laws, administrative regulations, departmental rules, normative documents and the Listing Rules) and the profit and loss statement (income statement) or income and expenditure statement (cash flow statement) or a financial summary report approved by the Hong Kong Stock Exchange (provided that there will be no violation of applicable PRC laws, administrative regulations, departmental rules or normative documents).

Our Company shall publish the financial reports at international or Hong Kong accounting standards twice each accounting year, that is, publish the annual report within four months from the end of each accounting year, and publish the interim report within three months from the end of the first six months of each accounting year. Our Company shall publish performance announcements twice each accounting year, namely, publish the annual performance announcement within three months from the end of each accounting year, and publish the interim performance announcement within two months from the end of the first six months of each accounting year. Our Company shall prepare the above-mentioned annual report and interim report in accordance with applicable laws, administrative regulations, departmental rules and the Listing Rules, and report, disclose and/or submit the annual report and interim report and other documents to Shareholders. If the relevant laws, administrative regulations, securities regulatory authorities of the place where our Company's shares are listed, or the Hong Kong Stock Exchange provide otherwise, such provisions shall prevail.

PROFITS DISTRIBUTION

To distribute after-tax profits of current year, our Company shall allocate 10% of profits for the statutory reserves of our Company. If the cumulative amount of statutory reserves exceeds 50% of the registered capital of our Company, no further allocation is required. If the statutory reserves are insufficient to make up previous losses, then our Company shall firstly make up previous losses with current profits, before any allocation is made to the statutory reserves in accordance with the preceding sentence.

After allocation is made to the statutory reserves from after-tax profits, our Company may also draw discretionary reserves from after-tax profits, subject to the resolution of the Shareholder's meeting.

The remaining after-tax profits after loss makeup and allocation to reserves shall be distributed to Shareholders in proportion to their shareholding percentages, except for those that are not distributed in proportion to the shareholding percentages as stipulated in the Articles of Association.

If the Shareholder's meeting breaches the foregoing provisions and distributes profits to Shareholders before losses are made up and the statutory reserves are drawn, then Shareholders shall refund the distributed profits to our Company in violation of the foregoing provisions.

The shares held by our Company per se shall not participate in the profit distribution.

The reserves of our Company are used to make up losses, expand production and operation, or increase the registered capital of our Company. To make up for our Company's losses using reserves, the discretionary reserves and statutory reserves should be used first; if it is still unable to make up for it, the capital reserves can be used in accordance with relevant provisions.

When the statutory reserves are converted into registered capital, the remaining amount of said reserves shall not be less than 25% of the registered capital of our Company before such conversion.

After the Shareholders' meeting of the Company has resolved on the profit distribution, the Board shall complete the distribution of dividends (or shares) within six months from the date of the resolutions of the Shareholders' meeting.

The amounts paid by Shareholders for shares before our Company's calls for payments may incur interest, but Shareholders may not receive dividends upon the amounts prepaid for shares.

Our Company shall appoint a collection agent for the holders of overseas [**REDACTED**] shares, who shall receive the dividends and other payables of our Company in respect of overseas [**REDACTED**] shares, on behalf of said Shareholders.

The collection agent appointed by our Company shall meet the requirements of laws of Hong Kong and the relevant regulations of Hong Kong Stock Exchange.

The collection agent appointed by our Company for the holders of overseas shares [**REDACTED**] in Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Subject to the relevant laws and Listing Rules, our Company may confiscate any dividend unclaimed, provided that such power shall not be exercised before expiration of its applicable limitation period.

Our Company also has the power to terminate the delivery of a dividend warrant by post to an holder of offshore [**REDACTED**] shares; provided that our Company may exercise such power only if the cash on such dividend warrant is not withdrawn consecutively two times or more. However, our Company may also exercise this power if the dividend warrant has been returned undelivered to the recipient on the first attempt.

Our Company has the right to issue warrants to bearer holders. No new warrant shall be issued to replace a lost warrant unless it is reasonably assured that the original warrant has been lost. Our Company shall have the power to sell the shares of offshore [**REDACTED**] Shareholders who have been unable to contact in such manner as the Board may think appropriate, provided, however, that:

(1) dividends are distributed onto such shares at least three times within 12 years, but such dividends are unclaimed in such period; and

(2) upon expiration of the 12-year period, our Company shall publish a public announcement on one or more newspapers in Hong Kong, specifying the intention to sell such shares, and shall notify Hong Kong Stock Exchange of such intention.

ENGAGEMENT OF ACCOUNTING FIRM

Our Company shall engage an independent accounting firm in compliance with relevant laws and regulations, to conduct accounting statement auditing, net asset verification and other related consulting services. The engagement period is one year and can be renewed.

The accounting firm engaged by our Company is entitled to following rights:

(1) to access the books of accounts, records, or vouchers of our Company at any time, and require the Directors, general manager, or other senior management of our Company to provide related information and explanations;

(2) to require our Company to take all reasonable measures to obtain from its subsidiaries all information and notes required for said accounting firm to perform its duties;

(3) to attend Shareholders' meeting, receive the notice of meeting, or other information related to the meeting accessible to any Shareholder, and make a speech at any Shareholders' meeting in respect of any matter involving its role as the accounting firm of our Company.

If any position of the accounting firm is vacant, the Board may appoint an accounting firm to fill up such vacancy before the convening of the Shareholders' meeting. Any other accounting firm which has been engaged by our Company may continue to act during the period when such a vacancy exists.

The Shareholders' meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of office, notwithstanding the terms in the contract between the accounting firm and our Company, but without prejudice to such accounting firm's right, if any, to claim damages from our Company in respect of such dismissal.

The remuneration of the accounting firm shall be decided by an ordinary resolution of the Shareholders' meeting. The engagement, dismissal or removal of an accounting firm shall be decided by the Shareholders' meeting. The Board shall not engage an accounting firm prior to the decision by the Shareholders' meeting.

Our Company shall send a 15-day prior notice to the accounting firm, in order to dismiss or not to reappoint the accounting firm, and the said accounting firm is entitled to give opinions when the Shareholders' meeting votes on the dismissal of the same. The accounting firm, in order to resign, shall make representations whether our Company has any improper affairs to the Shareholders' meeting.

MERGER AND DIVISION OF OUR COMPANY

The merger of our Company may take two forms: merger by absorption or merger by new establishment.

If our Company merges with a company in which it holds more than ninety percent of the shares, the merger does not require a resolution of the shareholders' meeting of the merged company, but other shareholders must be notified and have the right to request our Company to purchase their shares at a reasonable price.

If the consideration paid by our Company for the merger does not exceed ten percent of our Company's net assets, a resolution of the Shareholders' meeting is not required, unless otherwise provided by the Articles of Association and the regulations of the securities exchange and securities regulatory authorities where our Company's shares are [**REDACTED**].

Mergers conducted in accordance with the preceding two paragraphs without a resolution of the Shareholders' meeting must be approved by a resolution of the Board.

In a merger of our Company, all parties to the merger shall sign the merger agreement and shall prepare their respective balance sheets and inventory lists of assets. Our Company shall notify its creditors within 10 days from the date of passing the merger resolution and to make a public announcement in newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of passing the merger resolution. Upon the merger, the creditors' rights and the indebtedness of each merging party shall be assumed by the surviving entity or the newly established company resulting from the merger.

Where our Company is to be divided, its assets shall be divided accordingly. In the event of the division of our Company, the parties to such division shall prepare a balance sheet and a list of assets. Our Company shall notify its creditors within 10 days from the date of the resolution on such division and shall make a public announcement in newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on such division. The company resulting from the division shall be jointly and severally liable for the pre-division debts of our Company, unless provided otherwise in a written agreement pertaining to the payment of debts between our Company and its creditors prior to the division.

Where our Company undergoes a merger or division, changes in the particulars of our Company shall be registered with the company registration authorities in accordance with the laws. Where our Company is dissolved, cancellation of its registration shall be conducted in accordance with the laws. Where a new company is established, it shall be registered in accordance with the laws.

DISSOLUTION AND LIQUIDATION OF OUR COMPANY

Our Company shall be dissolved upon the occurrence of any of the following events:

(1) expiry of the term of the business or the occurrence of other events of dissolution as stated in the Articles of Association;

(2) a resolution for dissolution is passed by a Shareholders' meeting;

(3) dissolution is necessary due to a merger or division of our Company;

(4) our Company is revoked of business license, ordered to close or canceled according to law;

(5) serious difficulties arise in the operation and management of our Company and its continued existence would cause material loss to the interests of the Shareholders and such difficulties cannot be resolved through other means, in which case Shareholders holding at least 10% of all Shareholders' voting rights may petition a people's court to dissolve our Company.

Where our Company is dissolved in accordance with the provisions of items (1), (2), (4) and (5) above, it shall be liquidated. The Directors shall be the obligors of our Company's liquidation and shall form a liquidation committee to carry out the liquidation within 15 days from the date on which the cause of dissolution arises. The members of the liquidation committee shall be Directors or other persons appointed by a Shareholders' meeting. If a liquidation committee is not established within the time period or a liquidation is not carried out after the establishment of the liquidation committee, the interested parties may apply to the people's court to appoint relevant personnel to establish a liquidation committee to proceed with the liquidation.

The liquidation committee shall exercise the following functions and powers during the period of liquidation:

(1) to dispose of the property of our Company, and to prepare a balance sheet and a list of properties;

(2) to inform creditors by notice and public announcement;

(3) to handle unfinished business of our Company relating to the liquidation;

(4) to pay up all outstanding taxes and tax arising during the liquidation process;

(5) to clear up claims and debts;

(6) to distribute the residual properties of our Company after the full settlement of debts;

(7) to represent our Company in civil litigations.

The liquidation committee shall notify the creditors within 10 days after its establishment, and publish announcements in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall, within 30 days from the date of receiving the notice; or for creditors who do not receive the notice, within 45 days from the date of the public announcement, declare their claims to the liquidation committee.

The creditor shall provide a description and supporting evidence of the matters relating to their claims when declaring their claims. The liquidation committee shall register the creditors' claims.

The liquidation committee shall not make any debt settlement during the period of declaration of claims.

A liquidation plan shall be formulated by the liquidation committee after the stocktaking of our Company's assets has been carried out and the balance sheet and a inventory of assets have been formulated, and shall be submitted to the Shareholders' meeting or people's court for confirmation.

After payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of our Company's debts, the residual assets of our Company shall be distributed to the Shareholders of our Company according to the proportion of their shareholdings.

During the liquidation period, our Company shall continue to exist but shall not carry out business activities unrelated to the liquidation. Before our Company's debts have been fully repaid in accordance with the provisions of the preceding paragraph, no assets of our Company shall be distributed to its Shareholders.

Where the liquidation committee, having examined our Company's assets and having prepared a balance sheet and an inventory of assets, discovers that our Company's assets are insufficient to pay its debts in full, it shall immediately apply to the people's court for a declaration of bankruptcy liquidation. After the people's court has accepted the bankrupt liquidation, the liquidation committee shall turn over any matters regarding the liquidation to the bankruptcy administrator designated by the people's court.

Following the completion of liquidation, the liquidation committee shall formulate a report on liquidation, which shall be submitted to the Shareholders' meeting or the people's court for confirmation. The liquidation committee shall also submit the aforesaid documents to the company registration authority and apply for cancellation of registration of our Company.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

Under one of the following circumstances, our Company shall amend the Articles of Association:

(1) when the Articles of Association contradicts the newly implemented amendments of PRC Company Law or the relevant applicable laws, administrative regulations, departmental rules, normative documents and Listing Rules;

(2) due to any change, when the information of our Company is inconsistent with the matters set forth in the Articles of Association;

(3) when the Shareholders' meeting has made a resolution to amend the Articles of Association.

In the event that the amendment to the Articles of Association adopted by the Shareholders' meeting needs to be approved by the competent authority, our Company shall seek approval from relevant authority and if it involves company registration matters, change registration shall be handled in accordance with the law. The Board shall follow such resolution by the Shareholders' meeting and the approval opinions of relevant authority when amending the Articles of Association.

In the event that an amendment to the Articles of Association qualifies as required disclosure under applicable laws, administrative regulations, departmental rules, normative documents and Listing Rules, such amendment should be publicly announced.

FURTHER INFORMATION ABOUT THE COMPANY

Incorporation

The Company was established as a limited liability company under the laws of the PRC on February 24, 2011 and was converted into a joint stock company with limited liability on August 16, 2023.

The Company has established a place of business at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The Company [has been registered] as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance and the Companies (Non-Hong Kong Companies) Regulation (Chapter 622J of the Laws of Hong Kong) on [●], 2025, with Ms. Chu Cheuk Ting appointed as the Hong Kong authorized 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

Save as disclosed in the section headed "History, Development and Corporate Structure" in this document, there has been no alteration in the Company's share capital within two years immediately preceding the date of this document.

Changes in the Share Capital of the Subsidiaries

A summary of the corporate information and the particulars of the Company's subsidiaries are set out in note 1 to the Accountants' Report in Appendix I to this document.

There had been no other alterations of share capital of the Company's subsidiaries within the two years preceding the date of this document.

Resolutions of the Shareholders

Pursuant to the resolutions passed at a duly convened general meeting of the Shareholders on June 12, 2025, it was resolved, among others, and the following was approved:

(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 pursuant to the [**REDACTED**], and the grant to the [**REDACTED**] (or their representatives) of the [**REDACTED**] of not more than [**REDACTED**]% of the number of H Shares issued pursuant to the [**REDACTED**];

(iii) subject to our obtaining the formal written authorization from the relevant Shareholders and the completion of filing procedure with the CSRC, conditional upon the completion of the [**REDACTED**], [**REDACTED**] Unlisted Shares held by existing Shareholders will be [**REDACTED**] into H Shares on a one-for-one basis;

(iv) subject to the completion of the [**REDACTED**], the Articles of Association have been approved and adopted, which shall become effective on the [**REDACTED**], and the Board has been authorized to amend the Articles of Association to the extent necessary in accordance with any comments from the relevant regulatory authorities;

(v) authorization of the Board or its authorized individuals to handle all matters relating to, among other things, the [**REDACTED**], the [**REDACTED**] and [**REDACTED**] of H Shares on the Stock Exchange;

(vi) the granting of a general mandate to the Board to (i) allot and issue Shares, and (ii) sell and/or transfer Shares out of treasury that are held as treasury shares, at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes as the Board in their absolute discretion deem fit, provided that, the number of Shares to be issued, or to be sold and/or transferred out of treasury that are held as treasury shares shall not exceed 20% of the number of Shares in issue as of the [**REDACTED**]; and

(vii) the granting of a general mandate to the Board to repurchase Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued H Shares as of the [**REDACTED**].

Explanatory Statement on Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of our own securities.

Reasons for repurchase

The Board considered that the repurchase of the Shares would be beneficial to and in the best interests of the Company and its Shareholders as a whole. It can strengthen the investors' confidence in the Company and promote a positive effect on maintaining the Company's reputation in the capital market. Such repurchases will only be made when the Board believes that such repurchases will benefit the Company and its Shareholder as a whole.

Exercise of the general mandate to repurchase Shares

Subject to the passing of the special resolution approving the grant of the general mandate to repurchase Shares at annual general meetings, the Board will be granted general mandate to repurchase Shares until the end of the relevant period. The general mandate to repurchase Shares would expire on the earlier of:

(a) the conclusion of the next annual general meeting of the Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions;

(b) the revocation or variation of the mandate under the resolution by a special resolution at the next general meeting of the Company; or

(c) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of the Company.

Furthermore, we need to complete registration and approval procedures with relevant government authorities for the actual grant of the repurchase mandate to the Board, as applicable. The exercise in full of the general mandate to repurchase H Shares would result in a maximum of 10% of the H Shares in issue as of the [**REDACTED**] being repurchased by the Company during the relevant period.

Source of funds

In repurchasing its Shares, the Company intends to apply funds from the Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to repurchase its Shares. Any shares to be repurchased will be cancelled or kept as treasury shares if allowed by the Articles of Association and applicable laws and regulations. Any repurchases by the Company may only be made out of either the funds of the Company that would otherwise be available for dividend

or distribution or out of the proceeds of a new issue of shares made for such purpose. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

Close associates and core connected persons

None of the Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase Shares is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase Shares is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, supervisor, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

Status of repurchased Shares

In accordance with the Articles of Association, the Listing Rules and any other applicable laws and regulations, following a repurchase of the H Shares, the Company may cancel any repurchased Shares and/or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances.

Takeover implications

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

General

To the best knowledge of the Directors, neither the explanatory statement contained herein nor the proposed share repurchase has unusual features.

If the general mandate to repurchase Shares were to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, the Directors do not propose to exercise the general mandate to repurchase Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

The Directors will exercise the general mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws in the PRC.

FURTHER INFORMATION ABOUT THE BUSINESS

Summary of Material Contracts

The Group has entered into the following contracts (not being contracts 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 capital increase agreement (增資協議) dated August 30, 2024 entered into among Dr. Gu Jing, Yisheng No. 2, Shenzhen Yishi, Shenzhen Yizhen, Xiangfeng Phase II, Ceyuan Guangyi, the Company, Viewtrix Kunshan, Viewtrxi Chengdu, Viewtrix Hong Kong and Hainan Viewtrix Technology Company Limited* (海南雲英谷科技有限公司) pursuant to which Ceyuan Guangyi and Xiangfeng Phase II agreed to subscribe for 1,350,000 Shares and 4,500,000 Shares of the Company at a consideration of RMB30,000,000 and RMB100,000,000, respectively;

(b) the share transfer agreement (股份轉讓協議) dated August 30, 2024 entered into between Ceyuan Guangyi and Wofu Ruixin, pursuant to which Wofu Ruixin agreed to sell, and Ceyuan Guangyi agreed to purchase 1,139,700 Shares held by Wofu Ruixin in the Company for a consideration of RMB20 million; and

(c) the [**REDACTED**].

Intellectual Property

As at the Latest Practicable Date, the following intellectual property rights were material to the Group's business:

Trademarks

As at the Latest Practicable Date, the Group had registered the following trademarks which are material to its business:

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
1. . . .	RGBW	9	The Company	Mainland China	15492231A	December 27, 2025
2. . . .	HyperImage	9	The Company	Mainland China	20499551	August 20, 2027
3. . . .	PrimeBridge	9	The Company	Mainland China	20499460	August 20, 2027
4. . . .	YYGT	9	The Company	Mainland China	20499418	August 20, 2027
5. . . .	擎桥	9	The Company	Mainland China	20499187	August 20, 2027
6. . . .	YYGTek	9	The Company	Mainland China	20499275A	September 20, 2027
7. . . .	VIEWTRIX	9	The Company	Mainland China	20806793	September 20, 2027
8. . . .		9	The Company	Mainland China	20499407	October 27, 2028
9. . . .	VIEWTRIX	28	The Company	Mainland China	68786113	June 20, 2033
10. . .	VIEWTRIX	35	The Company	Mainland China	68791879	June 20, 2033
11. . .	VIEWTRIX	42	The Company	Mainland China	68802540	June 20, 2033
12. . .	VIEWTRIX	12	The Company	Mainland China	68791898	June 20, 2033

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
13. . .	VIEWTRIX	38	The Company	Mainland China	68788251	June 20, 2033
14. . .	云英谷	38	Viewtrix Kunshan	Mainland China	68786079	June 20, 2033
15. . .	云英谷	28	Viewtrix Kunshan	Mainland China	68802562	June 20, 2033
16. . .	云英谷	12	Viewtrix Kunshan	Mainland China	68798621	June 20, 2033
17. . .	云英谷	9	Viewtrix Kunshan	Mainland China	68801747	September 6, 2033

Domain Names

As at the Latest Practicable Date, the Group had registered the following domain names which are material to its business:

No.	Domain Name	Registered Owner	Expiry Date
1. . .	www.viewtrixtech.com	the Company	April 20, 2034

Patents

As at the Latest Practicable Date, the Group had registered the following patents which are material to its business:

No.	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Effective Date	Expiry Date
1. . .	Subpixel arrangement of a display and presentation method thereof (顯示器的子像素排列及其呈現方法)	Invention	The Company	Mainland China	ZL201110215027.9	July 29, 2011	July 29, 2031
2. . .	Field sequential color display (場序彩色顯示器)	Invention	The Company	Mainland China	ZL201280074629.X	July 20, 2012	July 20, 2032

No.	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Effective Date	Expiry Date
3.	Display device and method for manufacturing and driving the same (顯示設備以及用於製造和驅動該顯示設備的方法)	Invention	The Company and Viewtrix Kunshan	Mainland China	ZL201380061814.X	January 5, 2013	January 5, 2033
4.	Subpixel arrangement of a display and rendering method thereof (顯示器的子像素排列及其渲染方法)	Invention	The Company	Mainland China	ZL201380004439.5	January 17, 2013	January 17, 2033
5.	Driving method and driver IC for LCD panel (一種用於LCD面板的驅動方法及其驅動IC)	Invention	The Company	Mainland China	ZL201310350309.9	August 12, 2013	August 12, 2033
6.	Method and apparatus for subpixel rendering (用於子像素渲染的方法和裝置)	Invention	The Company	Mainland China	ZL201380074384.5	September 12, 2013	September 12, 2033
7.	Display subpixel layout and rendering method (顯示器子像素排佈及其渲染方法)	Invention	The Company	Mainland China	ZL201380059977.4	November 4, 2013	November 4, 2033
8.	Display device, display method and corresponding readable medium (顯示裝置、顯示方法及對應可讀介質)	Invention	The Company	Mainland China	ZL201810240452.5	November 4, 2013	November 4, 2033
9.	Arrangement method of multiple LEDs and LED screen (多個LED的排佈方法及LED屏幕)	Invention	The Company	Mainland China	ZL201310582642.2	November 19, 2013	November 19, 2033

No.	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Effective Date	Expiry Date
10.	Driving method and driver IC for LCD panel (一種用於LCD面板的驅動方法及其驅動IC)	Invention	The Company	Mainland China	ZL201310590652.0	November 20, 2013	November 20, 2033
11.	Display subpixel layout and driving circuit thereof (顯示器子像素排佈及其驅動電路)	Invention	The Company	Mainland China	ZL201580000097.9	March 17, 2015	March 17, 2035
12.	Method and system for determining gray-level mapping correlation in a display panel (用於確定顯示面板中灰度映射相關性的方法及系統)	Invention	The Company	Mainland China	ZL201980095557.9	April 17, 2019	April 17, 2039
13.	Method and system for determining overdrive mapping correlation in a display panel (用於確定顯示面板中的過驅動映射相關性的方法及系統)	Invention	The Company	Mainland China	ZL201980095248.1	April 1, 2019	April 1, 2039
14.	Subpixel arrangement of a display and presentation method thereof (顯示器的子像素排列及其呈現方法)	Invention	Viewtrix Kunshan	Mainland China	ZL201510400644.4	July 29, 2011	July 29, 2031
15.	Method and apparatus for subpixel rendering (用於子像素渲染的方法和裝置)	Invention	Viewtrix Kunshan	Mainland China	ZL201711058824.4	September 12, 2013	September 12, 2033

No.	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Effective Date	Expiry Date
16.	Display subpixel layout and driving circuit thereof (顯示器子像素排佈及其驅動電路)	Invention	Viewtrix Kunshan	Mainland China	ZL201710952063.0	March 17, 2015	March 17, 2035
17.	Region-based display data processing and transmission (基於區域的顯示數據處理和傳輸)	Invention	Viewtrix Kunshan	Mainland China	ZL201680091341.1	December 1, 2016	December 1, 2036
18.	Distributed driving of a display panel (顯示面板的分佈式驅動)	Invention	Viewtrix Kunshan	Mainland China	ZL201680002830.5	December 21, 2016	December 21, 2036
19.	Asynchronous control of display refresh and light emission (異步控制顯示更新和發光)	Invention	Viewtrix Kunshan	Mainland China	ZL201780053621.8	January 8, 2017	January 8, 2037
20.	Distributed driving of a display panel (顯示面板的分佈式驅動)	Invention	The Company and Viewtrix Kunshan	Mainland China	ZL201780073682.0	April 6, 2017	April 6, 2037
21.	Distributed driving of a liquid crystal display (LCD) panel (液晶顯示器(LCD)面板的分佈式驅動)	Invention	Viewtrix Kunshan	Mainland China	ZL201780073681.6	November 28, 2017	November 28, 2037
22.	Pixel circuit for light-emitting elements (用於發光元件的像素電路)	Invention	Viewtrix Kunshan	Mainland China	ZL201910465020.9	May 30, 2019	May 30, 2039

No.	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Effective Date	Expiry Date
23.	Method for calibrating the correlation between voltage and grayscale values in a display panel (校正顯示面板電壓和灰度值之間的相關性的方法)	Invention	Viewtrix Kunshan	Mainland China	ZL202010026285.1	January 8, 2020	January 8, 2040
24.	Apparatus and method for reordering pixel data (用於像素數據重新排序的裝置和方法)	Invention	The Company	Mainland China	ZL201680078872.7	October 25, 2016	October 25, 2036
25.	Method and system for estimating and compensating aging of light-emitting elements in a display panel (用於估計和補償顯示面板中的發光元件老化的方法和系統)	Invention	The Company	Mainland China	ZL201980096268.0	May 9, 2019	May 9, 2039
26.	Display subpixel layout and rendering method (顯示器子像素排佈及其渲染方法)	Invention	Viewtrix Kunshan	Mainland China	ZL202010045178.3	January 13, 2020	January 13, 2040

Copyrights

As at the Latest Practicable Date, the Group had registered the following copyrights which are material to its business:

No.	Copyright Name	Registrant	Registration Number	Registration Date
1. . .	Viewtrix full HD color diffusion matrix display algorithm software V1.0 (雲英谷全高清色彩彌散矩陣顯示算法軟件V1.0)	The Company	2014SR022649	February 26, 2014
2. . .	Viewtrix full HD color diffusion matrix display algorithm software V2.0 (雲英谷全高清色彩彌散矩陣顯示算法軟件V2.0)	The Company	2015SR218596	November 11, 2015
3. . .	Viewtrix full HD color diffusion matrix display algorithm software V3.0 (雲英谷全高清色彩彌散矩陣顯示算法軟件V3.0)	The Company	2015SR218584	November 11, 2015
4. . .	Viewtrix RWGWBW subpixel rendering algorithm software V1.0 (雲英谷RWGWBW子像素渲染算法軟件V1.0)	The Company	2017SR034811	February 8, 2017
5. . .	Viewtrix UHD USIT screen control and color adjustment software V1.0 (雲英谷UHD USIT屏幕控制及色彩調節軟件V1.0)	The Company	2017SR040979	February 13, 2017
6. . .	Viewtrix TV LINE-OD effect analysis software V1.0 (雲英谷TV LINE-OD效果分析軟件V1.0)	The Company	2018SR802556	October 9, 2018
7. . .	Viewtrix BV3 8K subpixel rendering algorithm software V1.0 (雲英谷BV3 8K子像素渲染算法軟件V1.0)	Viewtrix Kunshan	2021SR0732234	May 20, 2021

No.	Copyright Name	Registrant	Registration Number	Registration Date
8. . .	Viewtrix multifunctional platform software for AMOLED screens supporting multiple resolutions V1.0 (適用於多種分辨率的雲英谷AMOLED屏幕多功能平台軟件V1.0)	Viewtrix Kunshan	2021SR0732326	May 20, 2021
9. . .	Viewtrix VR high frame rate subpixel rendering algorithm software V1.0 (雲英谷VR高幀率子像素渲染算法軟件V1.0)	Viewtrix Kunshan	2021SR0732327	May 20, 2021
10. .	Viewtrix RU-corner edge processing software for AMOLED screens supporting multiple resolutions V1.0 (雲英谷適用於多種分辨率AMOLED屏幕RU角邊緣處理軟件V1.0)	Viewtrix Kunshan	2021SR0755444	May 25, 2021
11. .	Viewtrix 8K television screen control and color adjustment software V1.0 (雲英谷8K電視屏幕控制和色彩調節軟件V1.0)	Viewtrix Kunshan	2021SR0755454	May 25, 2021
12. .	Compensation software for local brightness nonuniformity in AMOLED screens supporting multiple resolutions V1.0 (適用於多種分辨率AMOLED屏幕局部亮度不均修正補償軟件V1.0)	Viewtrix Kunshan	2021SR0755455	May 25, 2021
13. .	Viewtrix TV LINE-OD calibration software V1.0 (雲英谷TV LINE-OD調校軟件V1.0)	Viewtrix Kunshan	2021SR0755457	May 25, 2021

No.	Copyright Name	Registrant	Registration Number	Registration Date
14. .	Viewtrix AMOLED DeburnIn debugging software V1.0 (雲英谷AMOLED DeburnIn調試軟件V1.0)	Viewtrix Kunshan	2021SR0755458	May 25, 2021
15. .	Viewtrix AMOLED vector color management software V1.0 (雲英谷AMOLED Vector Color Manager軟件V1.0)	Viewtrix Kunshan	2021SR0755459	May 25, 2021

DISCLOSURE OF INTERESTS

Disclosure of Interests of Directors, Supervisors and Chief Executive in the Company and Its Associated Corporations

Save as disclosed in the section headed "Substantial Shareholders", immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), so far as the Directors are aware, none of the Directors, Supervisors and chief executive has any interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Disclosure of Interests of Substantial Shareholders

As of the Latest Practicable Date, the Company's subsidiaries were all wholly owned by the Company and the Directors are not aware of any persons who would, immediately following the completion of the [**REDACTED**], be directly or indirectly interested in 10% or more of the issued voting Shares of the other members of the Group (other than the Company).

FURTHER INFORMATION ABOUT DIRECTORS AND 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 8 in "Appendix I — Accountants' Report" in this document.

Agency Fees or Commissions Received

The [**REDACTED**] will receive an [**REDACTED**] commission 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.

Disclaimers

(a) None of the Directors, Supervisors 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, Supervisors 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.

(d) So far as is known to the Directors, none of the Directors or their associates or any Shareholders who are expected to be interested in 5% or more of the issued share capital of the Company has any interest in the five largest customers or the five largest suppliers of the Group.

SHARE INCENTIVE SCHEME

[**REDACTED**] Share Incentive Scheme

The following is a summary of the principal terms of the [**REDACTED**] Share Incentive Scheme.

The terms of the [**REDACTED**] Share Incentive Scheme are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules as they do not involve any grant of Awards (as defined below) or issuance of new Shares by the Company after the [**REDACTED**].

Purpose

The purpose of the Share Incentive Scheme is, among other things, (i) to uphold the Company's core values of "growth and sharing" and establish a robust value distribution system that both motivates and regulates employees, and (ii) to share with employees the benefits derived from the development of Company and strengthen cohesion.

Administration

The Board is responsible for the formulation, amendment, and interpretation of the Share Incentive Scheme. The date on which the Awards are granted shall be determined by the Board.

Participants

Persons eligible to participate in the Share Incentive Scheme are employees of the Group who make contribution to the Group's development (each a "**Participant**").

Awards

Under the [**REDACTED**] Share Incentive Scheme, eligible participants have been granted a right to subscribe for equity interests/shares (the "**Awards**") of our employee shareholding platforms, Yisheng No. 1, Yisheng No. 2, Yisheng No. 3, Yisheng Hong Kong No. 1 and Yisheng Hong Kong No. 2. See "History, Development and Corporate Structure — Employee Shareholding Platforms."

Source and number of Shares

The Shares underlying the Awards granted under the [**REDACTED**] Share Incentive Scheme are held by the employee shareholding platforms. Upon the grant of Awards, the Participants shall hold equity interests/shares in the employee shareholding platforms to reflect their respective Awards.

As of the Latest Practicable Date, the number of Shares underlying the Awards granted under the [**REDACTED**] Share Incentive Scheme were 36,480,155 Shares consisting of 23,843,783 Shares through Yisheng No. 1 and 12,636,372 Shares through Yisheng No. 2, representing approximately 9.73% of our total issued Shares immediately before the completion of the [**REDACTED**] and [**REDACTED**]% of our total issued Shares immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

Lock-up and vesting

Subject to applicable laws and regulations, the Shares underlying the Awards granted under the [**REDACTED**] Share Incentive Scheme are vested in tranches of 20% in each of the five vesting periods that occur on the first day following the 12-month anniversary of the execution of the participant's employment contract up to the first day following the 60-month anniversary of the execution of the participant's employment contract.

Personal Awards

Under the [**REDACTED**] Share Incentive Scheme, prior to the [**REDACTED**], the Participants shall not make any arrangements in relation to the equity interests/shares underlying the Awards (the "**Incentive Interests**") with any third party, including but are not limited to the following, without the consent of the manager of respective employee shareholding platforms:

(i) entering into arrangement(s) for transfer of the Incentive Interests;

(ii) entrusting the management of the Incentive Interests;

(iii) using the Incentive Interests for debts guarantee; and/or

(iv) entering into other arrangement(s) involving the disposal of the Incentive Interests.

Obligations of the Participants

Under the [**REDACTED**] Share Incentive Scheme, the Participants shall transfer all the Awards held by him/her that have not been vested to the person(s) designated by the management of the employee shareholding platform(s). The consideration of such transfer shall be determined based on the initial acquisition cost paid by the Participant, plus interest at the rate of 6% per annum if the Participant violates its obligations under the [**REDACTED**] Share Incentive Scheme.

Details of the Awards granted

As of the Latest Practicable Date, we had granted Awards representing all the 36,480,155 Shares under the [**REDACTED**] Share Incentive Scheme to 126 Participants, representing [**REDACTED**]% of the total issued Shares immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

Details of the Shares under the [**REDACTED**] Share Incentive Scheme granted to the Directors and Supervisors of the Company or our subsidiaries, who are connected persons of the Company, as of the Latest Practicable Date are set out below:

Participant	Position in the Group	Number of Shares underlying the Awards	Approximate percentage of Shares underlying the Awards granted immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)
Dr. Gu Jing	Executive Director	2,271,882	[**REDACTED**]%
Ms. Zhan Jing	Non-executive Director	55,790	[**REDACTED**]%
Mr. Han Zhiyong	Executive Director	3,014,526	[**REDACTED**]%
Mr. Xu Haining	Supervisor	650,799	[**REDACTED**]%
Mr. Liu Xiaoqiang . . .	Supervisor	516,314	[**REDACTED**]%
Ms. Peng Lu	Supervisor of Viewtrix Kunshan	377,973	[**REDACTED**]%
Other employees of the Group[(1)]	/	29,592,871	[**REDACTED**]%

Note:

(1) Representing an aggregate of 120 Participants, with no single Participant being granted Awards with the underlying Shares representing more than 1.0% of our Company's total issued Shares immediately after the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

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

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. For further details, see "[**REDACTED**] – Joint Sponsors' Independence."

Pursuant to the engagement letters entered into between the Company and the Joint Sponsors, the aggregate fee payable by us to the Joint Sponsors in respect of their services as sponsors in connection with the [**REDACTED**] on the Stock Exchange is USD1.10 million.

Compliance Advisor

The Company has appointed Gram Capital Limited as the compliance advisor upon the [**REDACTED**] in compliance with Rule 3A.19 of the Listing Rules.

Preliminary Expenses

As of the Latest Practicable Date, the Company has not incurred any material preliminary expenses.

Promoters

All of the promoters of the Company are the then Shareholders as at December 20, 2022 immediately before our conversion into a joint stock company with limited liability. Save as disclosed in this document, 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 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 to conduct 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 under the SFO
CITIC Securities (Hong Kong) Limited	A licensed corporation under the SFO to conduct Type 4 (advising on securities) and Type 6 (advising on Corporate Finance) of the regulated activities as defined under the SFO
Ernst & Young	Certified Public Accountants under the Professional Accountants Ordinance (Cap. 50) and Registered Public Interest Entity Auditor under the Financial Reporting Council Ordinance (Cap. 588)
Fangda Partners	Legal advisor to the Company as to PRC law
Frost & Sullivan	Independent industry consultant

Each of the experts listed above has given and has not withdrawn their respective written consents to the issue of this document with the inclusion of their reports and/or letters (as the case may be) and the references to their names included in the form and context in which they are respective included.

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

(a) save as disclosed in the section headed "History, Development and Corporate Structure" and in this section, within the two years preceding the date of this document, no share or loan capital of the Company or any of its subsidiary 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 subsidiary 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 subsidiary have been issued or have been agreed to be issued;

(d) 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;

(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; and

(i) the Company currently is a joint stock company with limited liability and is subject to the PRC Company Law.

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 each of the material contracts referred to in "Appendix IV — Statutory and General Information — Further Information about the Business — Summary of Material Contracts"; 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 Stock Exchange at **www.hkexnews.hk** and the Company's website at **www.viewtrixtech.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 Ernst & Young, 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 Fangda Partners, 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 and Supervisors and the Company referred to in "Appendix IV — Statutory and General Information — Further Information about Directors and Supervisors — Particulars of the Service Contracts";

(h) each of the material contracts referred to in "Appendix IV — Statutory and General Information — Further Information about the Business — Summary of Material Contracts"; and

(i) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Qualifications and Consents of Experts."