

## 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 the entire document carefully before you decide to [REDACTED] in the [REDACTED].

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

## OUR MISSION

Empower lives through innovative technology solutions, maximizing the benefits of human/device interactions (賦能科技，感知無限).

Tools have always been a cornerstone for humans to creativity, innovation and progress. As the global economy undergoes digital transformation through Edge AI and smart applications, alongside the rise of generative AI and the accelerating adoption of smart vehicles with ADAS features, consumer demand for intelligent interaction with electronic devices continues to evolve and flourish, propelling the next wave of innovation in solution design, engineering and utilization.

We were founded on the belief that the accelerating digitalization of our daily lives is one of the most powerful driving forces of technological advancement. We are committed to leading this transformation by seamlessly integrating humans and the digital world to build a brighter future. We are focused on understanding the diverse needs of customers and industries across various application scenarios. Our goal has been to evolve into a high-growth, self-innovating high-tech enterprise that not only represents the forefront of the industry but also create meaningful impact across diverse stakeholder groups. We remain dedicated to establishing ourselves as a leader in both the domestic and international semiconductor design and distribution sectors.

## WHO WE ARE

We are one of the world’s top 10 fabless semiconductor companies based on 2024 revenue, according to Frost & Sullivan. We are distinguished by our advanced proprietary technologies, diversified products and solution portfolio, flexible fabless business model, and extensive customer network and supply chain ecosystems. We have built strong brand awareness and gained wide recognition in the global market.

We design and develop high-performance ICs. We are currently engaged in three main product lines: advanced digital imaging solutions, display solutions and analog solutions, and continue to expand our product and solution offerings so as to serve high-growth verticals such as smartphone, automotive, medical, surveillance, and emerging markets (machine vision, smart glasses, and Edge AI). We are one of the few IC design companies in the world with a comprehensive suite of product lines and strong design capabilities, which enables us to design, develop, and market a wide range of high-performance, highly integrated semiconductor solutions designed for mission-critical applications across diverse industry verticals.

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In particular, we are a pioneer in advanced digital imaging technology and the third largest digital image sensor providers globally based on revenue from digital imaging solutions in 2024, according to Frost & Sullivan. Our proven technology expertise and commitment to providing leading services have helped us establish top-of-mind brand awareness and achieve strong market recognition globally.

Our recent core business achievements are set forth in the diagram below.



### Notes:

- (1) In terms of revenue in 2024, according to Frost & Sullivan
- (2) In terms of corresponding revenues in 2024, according to Frost & Sullivan
- (3) Customers with revenues generated in 2024
- (4) As of December 31, 2024

## OUR FLEXIBLE AND EFFICIENT FABLESS BUSINESS MODEL

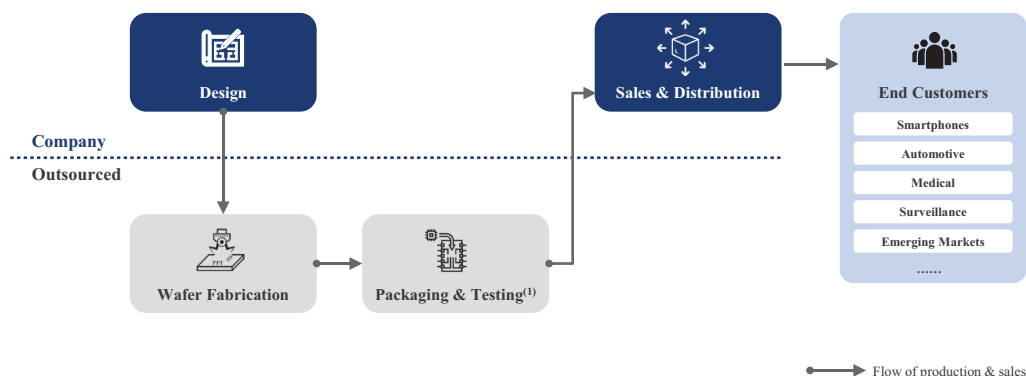
We employ a fabless manufacturing strategy, allowing us to concentrate on the design and sales of semiconductor products and solutions while collaborating with world-leading suppliers for wafer fabrication, packaging, and testing. The fabless model offers a wide range of advantages, including (i) greater operational flexibility, (ii) access to leading-edge manufacturing technologies through strategic partnerships, and (iii) the ability to quickly adapt to market demands while achieving higher production efficiency. In markets where technology evolves rapidly and semiconductor innovation drives continuous advancement, our fabless model enables us to respond swiftly to shifting market demands without incurring substantial capital expenditures. This flexibility allows us to upgrade our technology solutions more efficiently and cost-effectively.

We have maintained long-standing partnership with world-leading foundries with whom we work collaboratively to leverage their state-of-the-art facilities. As wafer fabrication becomes increasingly sophisticated, this relationship ensures our products remain at the forefront of innovation.

While we outsource both front-end and back-end manufacturing, packaging and testing processes, we also operate in-house final testing facilities to establish an effective product-test-feedback loop. This approach not only ensures better quality control but also enhances our design expertise by providing valuable insights from testing outcomes. Additionally, our in-house capabilities offer a capacity buffer in addition to outsourced testing processes, further strengthening our ability to deliver reliable and high-performance semiconductor solutions. Testing is becoming increasingly important as the company’s business in the automotive vertical grows given the very stringent industry requirements of those customers.

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We believe our fabless business model reduces our capital requirements, operating expenses and time to market, allowing us to concentrate our resources on strengthening our core competencies in research and development, technological innovation, and product design.



Note:

(1) We have also established in-house final testing facilities, through which we are able to obtain timely feedback on product performance, and establish an efficient R&D iteration process.

## OUR DIVERSIFIED PRODUCTS AND SOLUTIONS

As we advance our technology development with greater complexity and deeper integration into application-specific solutions, we offer a diversified portfolio of image sensors, display products, analog ICs, and other semiconductor components. These innovations power electronic devices that have become integral to—and enhanced—our daily lives. By leveraging our strong design capabilities and collaborations with third-party foundries across our three core business lines, we continuously expand our leading-edge product offerings, that cater to various end markets, including automotive and smartphones. We firmly believe that our products are critical to the functionality of smart devices and play a pivotal role in enabling seamless human-device interactions.

*Advanced Digital Imaging Solutions.* We offer a diverse range of image sensor solutions, including CIS, miniature image module package (CameraCubeChip®), LCOS and ASIC products. These solutions serve end customers across a wide variety of industries such as consumer electronics, automotive, medical, surveillance and in emerging markets (machine vision, smart glasses, and Edge AI).

*Display Solutions.* We offer a wide range of display driver products, including LCD-TDDI, OLED DDIC, and TED (Tcon Embedded Driver), which are widely used in smartphones, and PCs. We are also continuing to invest in the development of automotive display driver solutions to introduce automotive TDDI products that meet mainstream market demand specifications.

*Analog Solutions.* We design and develop a complex and diversified analog semiconductor portfolio anchored by advanced PMIC, which are essential for managing power distribution and efficiency in electronic systems. In addition to PMICs, our product lineup includes other discrete semiconductors such as TVS and MOSFET. These analog semiconductor products and solutions are widely used across consumer electronics, surveillance, telecommunications, automotive, and in other industrial applications. In addition, we design various analog ICs for automotive applications in vehicles, featuring automotive-grade specifications and a versatile supply chain.

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*Semiconductor Distribution.* In addition to our three principal business lines, we have built one of the largest semiconductor distribution networks in China, which not only broadens and deepens our customer engagement but also provides valuable insights into next-generation product development. Through close partnerships with OEMs, ODMs, and semiconductor solution providers, we extend our vertical reach and drive greater adoption of our semiconductor solutions.

### OUR GROWING MARKET OPPORTUNITIES

With 30 years of industry experience, we have established leading-edge technology capabilities that underlie our comprehensive product offerings, making us one of the few semiconductor solution providers with a significant presence across all major verticals, including in smartphone, automotive, medical, surveillance, and emerging markets (machine vision, smart glasses, and Edge AI):

#### *Smartphone*

Our advanced image capturing technologies allow users to capture high-quality still and video images while maintaining high standards of performance. We have developed a full suite of core technologies from pixel architectures to image capturing technologies, along with our PureCel® and PureCel®Plus technologies for wafer-level camera modules. We are developing high resolution image sensors which are widely used by renowned smartphone brands for their flagship models, while striving to strengthen our competitive edge in pixel miniaturization and image resolution.

Additionally, we remain committed to delivering industry-leading display and analog solutions, continuing to invest in R&D across key technology areas to drive ongoing innovation. Our TDDI technology has seen increasing adoption by smartphone manufacturers, further solidifying its position in the market. Meanwhile, our newly developed OLED DDIC products have been successfully tested and approved by downstream customers, underscoring our strategic positioning for future growth in display technologies. In recent years, demand for higher battery capacity and faster charging in the smartphone market has grown at an impressive pace. Our analog solutions help customers better address challenges related to power density and power management, enabling more efficient and high-performance devices.

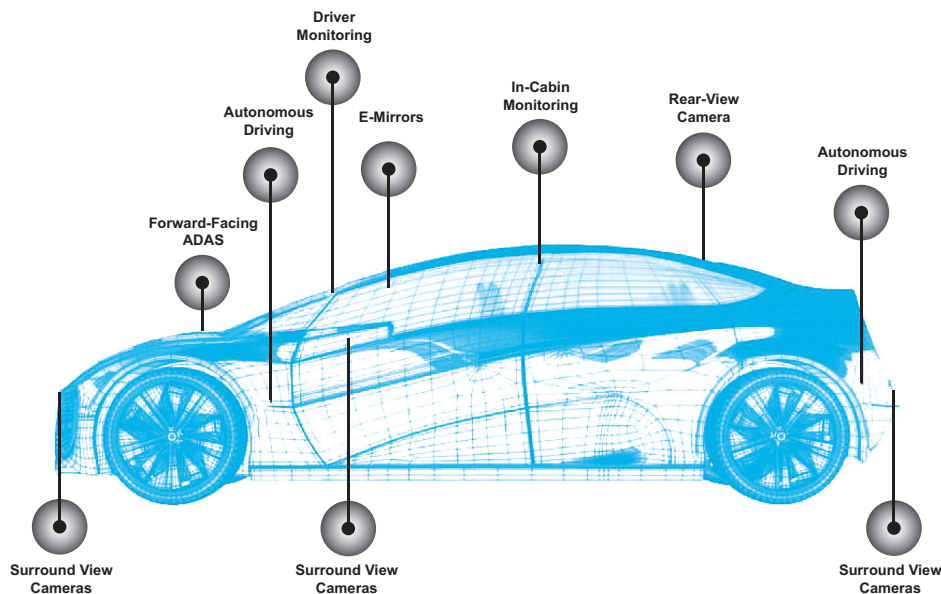
We are actively optimizing our product and supply chain structures to strengthen the competitiveness of our smartphone product portfolio. For example, our flagship high-end image sensor featuring 50MP resolution and a 1.2  $\mu\text{m}$  pixel size has been widely adopted as the main rear camera sensor in leading high-end smartphones in the domestic market. This success has driven a significant breakthrough in our market share within the high-end smartphone segment, providing sustained momentum for the continuous improvement of our product value and profitability.

According to Frost & Sullivan, the global smartphone CIS market is expected to grow at a CAGR of 3.6%, from US\$13.0 billion in 2024 to US\$15.5 billion by 2029. We are the world’s third-largest smartphone CIS provider, with a market share of 10.5% based on revenue from smart phone-related digital imaging solutions in 2024, according to Frost & Sullivan. We are committed to continuing our efforts to capture a growing share of this market.

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### *Automotive*

The market for automotive image sensors has experienced significant growth in recent years, reflecting a trend that is expected to continue in the foreseeable future. According to Frost & Sullivan, the global automotive CIS market grew from US\$1,377 million in 2020 to US\$2,499 million in 2024, representing a CAGR of 16.1%, and is expected to reach US\$7,028 million in 2029, representing a CAGR of 23.0% from 2024.



**Usage of CIS solutions in smart vehicles**

Higher automotive image sensor attach rates were being directly driven by the ever-expanding technological applications and legal mandates around the globe, as well as the trends of electrification and intelligence transformation. Beyond traditional RVCs, the demand for all-around interior and exterior monitoring and viewing capabilities also became an unequivocal necessity. Through the development and implementation of ADAS and in-cabin monitoring systems, cars were expected to advance in safety and reliability. CIS are a critical component of such systems. According to Frost & Sullivan, the global average number of CIS per new vehicle increased from 2.2 in 2020 to 3.4 in 2024, and is projected to reach 8.0 by 2029. Certain automotive OEMs are also actively pushing for the increased adoption of cameras in EVs, specifically for their autonomous driving features and smart cockpit functionalities. There are flagship models equipped with as many as 10 to 14 cameras to support such advanced systems. China is playing a leading role in the development of the global automotive industry. China's share of global vehicle production is expected to rise from 33.8% in 2024 to 43.7% by 2029, according to Frost & Sullivan. The advancement of EVs and ADAS in China has significantly driven demand for automotive CIS. As autonomous driving functions continue to evolve and become more widespread, the number of cameras per vehicle is expected to increase steadily. In addition, in-cabin applications such as facial recognition and gesture recognition are further contributing to the growing demand for CIS in China. According to Frost & Sullivan, the average number of CIS per new vehicle in China is expected to increase from 4.1 in 2024 to 9.2 in 2029, which are higher than the global average.

We are the world's largest automotive CIS provider with a market share of 32.9% based on revenue from automotive-related digital imaging solutions in 2024, according to Frost & Sullivan. We supply high-performance automotive image sensors to automotive manufacturers globally. From



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the early stages of the development cycle, we collaborate closely with leading automotive manufacturers and key players in the supply chain to ensure that our products optimally aligned with their requirements and specifications. Our robust, compact and advanced automotive CIS solutions support a wide range of applications, including ADAS, in-cabin monitoring, e-mirrors, dashboard cameras, rear and surround views, and panoramic imaging, among others.

We also offer LCOS products, which play a critical role in enabling HUD applications. HUD systems enhance driver operation and improve driving safety by projecting key information directly into the driver’s field of view—typically onto a transparent, reflective surface such as a windshield. In automotive AR-HUD applications, LCOS, as a reflective display technology, offers superior light transmittance and higher thermal resistance. This results in better performance and enhanced driver safety. With continued advancements in LCOS technology, our LCOS products have already achieved mass production and are being delivered for use in automotive AR-HUD systems.

Set forth below is an illustrative picture of our LCOS products applied in AR-HUD systems



We also continue to leverage our strong analog expertise to expand into broader automotive analog markets, such as CAN/LIN, SerDes, PMIC, and SBC, to provide a comprehensive solution. For example, we offer PMICs, which are critical for managing power distribution in advanced vehicle systems. Our PMICs are engineered to optimize power distribution, ensuring that energy is delivered precisely where and when it’s needed across increasingly complex automotive architectures. Meanwhile, our MCUs provide the intelligence and control necessary to manage these power flows, enabling real-time decision-making and system responsiveness.

We believe our established technology capabilities, robust IP portfolio and long-term track record of providing feature-rich, comprehensive solutions to automotive manufacturers position us well to maintain a leading position and capture greater opportunities in the rapidly growing automotive market.

### ***Medical***

The market for endoscopic imaging solutions in the medical field is growing rapidly, driven by the increasing demand for minimally invasive diagnostic and therapeutic procedures. According to

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Frost & Sullivan, the global medical CIS market grew from US\$150 million in 2020 to US\$416 million in 2024, representing a CAGR of 29.1%, and is expected to reach US\$1,240 million in 2029, representing a CAGR of 24.4%. Technological advancements have also shifted the industry away from traditional components such as rod lenses, fiberscopes, and CCD image sensors, toward CMOS-based, chip-on-tip image sensors to reduce costs while enhancing performance.

We offer a complete, end-to-end medical imaging subsystem. This enables medical device manufacturers to focus on developing innovative core endoscope and catheter designs, while accelerating time-to-market and reducing overall development costs. Our advanced, patented medical imaging solutions position us as leaders in addressing the evolving technological demands of the medical field. One of the most pressing challenges facing the industry today is the risk of cross-contamination due to improperly cleaned reusable endoscopes. To address this critical issue, our CameraCubeChip® technology enables the development of single-use, disposable imaging modules for endoscopic and catheter-based procedures. The resulting solution offers a safe, hygienic, and cost-effective alternative to traditional high-cost, glass lens-based systems—without compromising on image quality.

### *Surveillance*

Surveillance represents a broadly utilized vertical for CIS application, driven by the proliferation of intelligent ecosystems such as smart home, smart community, computer vision and smart manufacturing. CISs are used both in consumer applications, such as home security systems, doorbell cameras and motion activated cameras, as well as in large-scale applications, such as public transportation and office buildings. The CISs used in these applications are also advancing to higher sensitivity, lower power consumption, and built-in AI functionality, which are features that could be tailored to cater to specific needs of each scenario.

As consumers demand smarter and more capable home security solutions, the bar for performance in intelligent surveillance systems continue to rise. Our Nyxel® near-infrared technology, built on our PureCel®Plus pixel architecture, enables surveillance cameras to capture clearer, more detailed images at greater distances in low-light conditions, all while consuming less power. In addition, we continue to lead in delivering energy-efficient power management solutions and optimal interface protection products designed for surveillance applications. Our high-resolution, low-power, and high-sensitivity image sensors have earned widespread market recognition for their performance and reliability.

### *Emerging Markets*

*Machine Vision.* Machine vision simulates human visual perception through optical components, equipping automated production lines and industrial robots with environmental awareness. This enables them to respond in real time and perform highly precise tasks. The machine vision market has seen strong demand for 3D cameras and CIS as CMOS technology significantly simplifies the design and reduces the complexity of industrial cameras. Compact imaging solutions—including smart cameras—are easier to integrate and better suited for a wide range of industrial environments. To better align with the evolving needs of the machine vision market, we have established a dedicated machine vision division. This team will focus on developing innovative solutions for industrial automation, robotics, humanoid robots, logistics barcode scanning, and ITS.

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*Smart glasses.* Emerging markets such as smart glasses hold significant growth potential, driven by global trends in smart technology adoption and the integration of VR into various industries. We are committed to supporting this growth by delivering cutting-edge imaging and sensing solutions to a global customer base. Our global shutter technology enables terminal devices to perform advanced functionalities such as eye tracking and SLAM. Our image sensor products, designed with compact size and low power consumption in mind, are well-suited to meet the specific requirements of smart glasses manufacturers. Furthermore, our LCOS products—offering high resolution, a compact form factor, low power usage, and cost-effectiveness—enhance the affordability and practicality of smart glasses solutions, further driving their adoption in these emerging markets.

*Edge AI.* Over the past decade, the rapid development of mobile networks and the widespread adoption of smart devices have been key drivers of significant innovation and growth in the semiconductor market. The evolution of IoT and wearable electronics — into intelligent, multifunctional tools deeply integrated into daily life — has accelerated advancements in cutting-edge semiconductor technologies. With the rapid deployment of AI and AI enabled applications, this is accelerating the development and adoption of more intelligent terminal devices by consumers. This is also driving strong growth in social media, entertainment and sport platforms— by way of examples— that relies heavily on leading digital technology, including the most advanced CIS technology to deliver enhanced user differentiated experiences.

## OUR RECENT ACHIEVEMENTS SUPPORTED BY ADVANCED TECHNOLOGY CAPABILITIES

Leveraging, strong foundation and deep expertise in core technologies, extensive IP portfolio, and manufacturing process platform developed in collaboration with leading global suppliers, we have created a comprehensive suite of industry-leading, award-winning technologies. Below are the latest updates progress across various verticals.

In the smartphone CIS sector, we are the world’s third largest smartphone CIS provider, with a market share of 10.5% based on revenue in 2024 according to Frost & Sullivan. Notably, we introduced the OV50X image sensor in April 2025 for flagship smartphones, which harness the capabilities of LOFIC to provide single exposure HDR regardless of lighting conditions.

In the automotive CIS sector, we are the world’s largest automotive CIS provider with a market share of 32.9% in 2024 based on revenue from automotive-related digital imaging solutions, according to Frost & Sullivan. The increasing prevalence of ADAS and autonomous driving has raised higher demands for LFM, HDR, and high-resolution image sensors. For example, the pulsed lighting of LED traffic lights poses a severe challenge to many imaging solutions, preventing ADAS and autonomous driving systems from correctly detecting illuminated traffic signs. We address this issue with TheiaCel® technology, which leveraged the functionality of next generation LOFIC and the reliable strength of our other proprietary HDR technologies (such as patented DCG technology). Our TheiaCel® DCG+LOFIC solution achieved a wider dynamic range in single-exposure HDR images.

Notably, our OX08D10 is our 8MP CIS with TheiaCel® technology, pre-integrated and validated with color tuning on the Snapdragon Ride™ Platform, Snapdragon Ride™ Flex SoC and Snapdragon® Cockpit Platform from Qualcomm Technologies, Inc. for next-generation ADAS and AI-enabled connected digital cockpits. Following the successful launch of the OX08D10, we introduced the new OX05D10 5MP CIS with TheiaCel® technology, and the OX12A10 12MP-resolution CIS



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which is designed to meet next-generation ADAS and autonomous driving machine vision requirements. We further launched the new 3MP-resolution OX03H10 CIS – our 3.0µm pixel automotive viewing sensor with TheiaCel® technology

In the medical CIS sector, we launched the new OCH2B30 camera module in June 2024, for 3D intraoral dental scanners. As intraoral scanners gradually replace traditional dental impressions, we are committed to applying our mature technology from the medical endoscope field to intraoral scanners, providing ultra-small camera modules to promote their application in dentistry.

We established a new machine vision department in 2024. We released the OG09A10 in April 2024, our large-format global shutter solution for factory automation and ITS, based on our patented PureCel®Plus-S stacked-die architecture. We also released our total camera solution, comprising the OG02B10 color global shutter image sensor and OAX4000 ASIC ISP. In addition to the above, we introduced the OG05B1B and OG01H1B sensors with 2.2 µm BSI pixels, and the OG02C10/1B, OG03A10/1B, and OG05C10/1B sensors with 3.45 µm BSI pixels.

In terms of Edge AI, we launched the new OP03050 and the new OG0TC BSI global shutter image sensor in July 2024, enabling eye and face tracking in AR/VR/MR consumer headsets and glasses. This is our first application of proprietary DCG™ HDR technology in a 2.2 µm pixel image sensor for the AR/VR/MR market.

## OUR STRENGTHS

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth:

- We are a top 10 global fabless semiconductor company providing a broad spectrum of cutting-edge solutions;
- We have established technology leadership and superior innovation capabilities;
- Long-term relationships with a robust customer base supported by leading products and solutions that demonstrate superior performance, achieve high cost efficiency, and accelerate time to market;
- A fabless model with scalable operations supported by our long-term partnerships with leading foundry partners; and
- We have an experienced and established team with strong industry and technical knowledge and expertise.

## OUR STRATEGIES

We commit to maintaining our position as a top 10 global fabless semiconductor company. Key elements of our strategy include:

- Continued strong investment in R&D in key technologies to further enhance our innovation capabilities;
- Deepen our presence in target markets, continuously enrich our product portfolio and solutions, and further support and extend our market leadership position;
- Optimization of the opportunities being created by the broadening of our product portfolio and the resulting efficiencies across our platform;

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- Continue to strengthen our engagement and collaboration with key stakeholders across our network and ecosystem; and
- Selectively conduct industry chain integration and strategic mergers and acquisitions.

## CUSTOMERS AND SUPPLIERS

Our end-use customers include many of the world’s leading smartphone OEMs and ODMs, auto manufacturers, major notebook OEMs and ODMs, large medical equipment companies, surveillance devices manufacturers and a variety of consumer electronics manufacturers, and also directly through their contract manufacturers and supply chain partners. In 2022, 2023 and 2024, our top five customers contributed to 55.2%, 55.9% and 51.0% of our total revenue, respectively. Revenue from our largest customer alone accounted for 24.8%, 30.0% and 27.8% of our total revenue during each of these periods, respectively.

Our suppliers are primarily third-party foundries and packaging and testing service providers. In 2022, 2023 and 2024, our top five suppliers contributed to 58.0%, 61.0% and 61.8% of our total purchases, respectively. Our largest supplier accounted for 29.8%, 24.2% and 26.0% of our total purchase amount during each of these periods, respectively.

## SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

### Summary of Consolidated Statements of Comprehensive Income

The following table sets forth our consolidated statements of comprehensive income with line items in amounts and as percentages of our revenue for the years indicated. This information should be read together with our consolidated financial statements and related notes included in the Accountants’ Report set out in Appendix I to this document. The results of operations in any period are not necessarily indicative of the results that may be expected for any future period.

	For the year ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
	(in millions, except for percentages)					
Revenue	20,040.2	100.0	20,984.3	100.0	25,706.8	100.0
Cost of sales	(15,299.0)	(76.3)	(16,800.8)	(80.1)	(18,467.6)	(71.8)
<b>Gross profit</b>	<b>4,741.2</b>	<b>23.7</b>	<b>4,183.5</b>	<b>19.9</b>	<b>7,239.2</b>	<b>28.2</b>
Selling and marketing expenses	(516.2)	(2.6)	(467.3)	(2.2)	(556.7)	(2.2)
General and administrative expenses	(799.3)	(4.0)	(662.6)	(3.2)	(1,070.9)	(4.2)
Research and development expenses	(2,518.5)	(12.6)	(2,239.4)	(10.7)	(2,685.8)	(10.5)
Net impairment losses on financial assets	35.4	0.2	(90.9)	(0.4)	(11.4)	—
Other income	118.7	0.6	95.9	0.5	96.9	0.4
Other gains, net	745.3	3.7	349.3	1.7	291.2	1.1
Finance costs, net	(466.6)	(2.3)	(438.1)	(2.1)	3.6	—

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	For the year ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
(in millions, except for percentages)						
Share of post-tax losses of equity accounted associates .....	(46.3)	(0.2)	(38.8)	(0.2)	(33.3)	(0.1)
<b>Profit before income tax</b> .....	<b>1,293.7</b>	<b>6.5</b>	<b>691.6</b>	<b>3.3</b>	<b>3,272.8</b>	<b>12.7</b>
Income tax (expense)/benefit .....	(342.7)	(1.7)	(147.6)	(0.7)	5.8	—
<b>Profit for the year</b> .....	<b>951.0</b>	<b>4.8</b>	<b>544.0</b>	<b>2.6</b>	<b>3,278.6</b>	<b>12.7</b>
<b>Profit is attributable to:</b>						
Owners of the Company .....	982.7	4.9	555.8	2.7	3,317.5	12.9
Non-controlling interests .....	(31.7)	(0.1)	(11.8)	(0.1)	(38.9)	(0.2)

### Revenue

We derive the majority of our revenue from our semiconductor design and sales business, delivering advanced digital imaging solutions, display solutions, and analog solutions for a wide variety of consumer and industrial applications, including in the automotive, smartphone, medical, surveillance, and emerging markets. A small portion of our revenue is attributable to our semiconductor distribution business, where we procure semiconductor products from world-leading semiconductor suppliers and leading international and domestic players to serve the evolving needs of our diverse customer base.

The following table sets forth a breakdown of our revenue among semiconductor design and sales business, semiconductor distribution business and others during the Track Record Period, both in amounts and as percentages of total revenue, for the years indicated:

	For the year ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
(in millions, except for percentages)						
Advanced digital imaging solutions .....	13,674.5	68.3	15,535.5	74.0	19,190.2	74.7
Display solutions .....	1,470.5	7.3	1,250.4	6.0	1,028.2	4.0
Analog solutions .....	1,262.4	6.3	1,154.4	5.5	1,422.0	5.5
Semiconductor design and sales business .....	16,407.4	81.9	17,940.3	85.5	21,640.4	84.2
Semiconductor distribution business .....	3,564.8	17.8	2,970.1	14.2	3,938.9	15.3
Others <sup>(1)</sup> .....	68.0	0.3	73.9	0.3	127.5	0.5
<b>Total</b> .....	<b>20,040.2</b>	<b>100.0</b>	<b>20,984.3</b>	<b>100.0</b>	<b>25,706.8</b>	<b>100.0</b>

Note:

(1) Primarily including income from technical service.

In addition to the above, the following table sets forth the amounts and percentages of our revenue from within and outside Mainland China for the years indicated:

	For the year ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
(in millions, except for percentages)						
Mainland China <sup>(1)</sup> .....	3,353.7	16.7	2,920.3	13.9	3,844.4	15.0
Outside Mainland China <sup>(1)</sup> .....	16,686.5	83.3	18,064.0	86.1	21,862.4	85.0
<b>Total</b> .....	<b>20,040.2</b>	<b>100.0</b>	<b>20,984.3</b>	<b>100.0</b>	<b>25,706.8</b>	<b>100.0</b>

Note:

(1) The revenues we report by geography are based on the location in which our reporting subsidiaries are located.

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### Cost of Sales

We utilize a fabless business model, which allows us to focus our resources on the design of semiconductors while working with third-party foundries and packaging and testing service providers to manufacture, package and test our products.

The table below sets forth a breakdown of our cost of sales by business line both in amounts and as a percentage of our total cost of sales for the years indicated:

	For the year ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
	(in millions, except for percentages)					
Advanced digital imaging solutions	10,309.2	67.4	12,092.9	72.0	12,845.1	69.6
Display solutions	854.0	5.6	1,197.9	7.1	976.9	5.3
Analog solutions	788.1	5.1	740.8	4.4	927.9	5.0
Semiconductor design and sales business	11,951.3	78.1	14,031.6	83.5	14,749.9	79.9
Semiconductor distribution business	3,338.5	21.8	2,764.5	16.5	3,657.9	19.8
Others <sup>(1)</sup>	9.2	0.1	4.7	—	59.8	0.3
<b>Total</b>	<b>15,299.0</b>	<b>100.0</b>	<b>16,800.8</b>	<b>100.0</b>	<b>18,467.6</b>	<b>100.0</b>

Note:

(1) Primarily including employee benefits expenses in relation to our technical services.

### Gross Profit and Gross Margin

The following table sets forth the breakdown of our gross profit among semiconductor design and sales business, semiconductor distribution business, and others for the years indicated:

	For the year ended December 31,					
	2022		2023		2024	
	Gross profit RMB	Gross margin %	Gross profit RMB	Gross margin %	Gross profit RMB	Gross margin %
	(in millions, except for percentages)					
Advanced digital imaging solutions	3,365.3	24.6	3,442.6	22.2	6,345.0	33.1
Display solutions	616.5	41.9	52.5	4.2	51.3	5.0
Analog solutions	474.3	37.6	413.6	35.8	494.1	34.7
Semiconductor design and sales business	4,456.1	27.2	3,908.7	21.8	6,890.4	31.8
Semiconductor distribution business	226.3	6.3	205.6	6.9	281.0	7.1
Others	58.8	86.5	69.2	93.6	67.8	53.2
<b>Total</b>	<b>4,741.2</b>	<b>23.7</b>	<b>4,183.5</b>	<b>19.9</b>	<b>7,239.2</b>	<b>28.2</b>

For semiconductor design and sales business, we recorded gross profit of RMB4.5 billion, RMB3.9 billion and RMB6.9 billion, and gross margin of 27.2%, 21.8% and 31.8% for the years ended December 31, 2022, 2023 and 2024, respectively. There were fluctuations to our gross profit and gross margin during the Track Record Period, primarily because of the effects of changes in market conditions and inventory write-down, particularly for display solutions, which was of non-recurring nature.

For semiconductor distribution business, we recorded gross profit of RMB226.3 million, RMB205.6 million and RMB281.0 million, and gross margin of 6.3%, 6.9% and 7.1% for the years ended December 31, 2022, 2023 and 2024, respectively.

## SUMMARY

For others, we recorded gross profit of RMB58.8 million, RMB69.2 million and RMB67.8 million, and gross margin of 86.5%, 93.6% and 53.2% for the years ended December 31, 2022, 2023 and 2024, respectively.

As a result of the foregoing, we recorded total gross profit of RMB4.7 billion, RMB4.2 billion and RMB7.2 billion, and gross margin of 23.7%, 19.9% and 28.2% for the years ended December 31, 2022, 2023 and 2024, respectively.

### Summary of Consolidated Statements of Financial Position

For details of our fluctuation in key items of our consolidated statements of financial position and net current assets during the Track Record Period, see “Financial Information—Discussion of Certain Key Items of Consolidated Statements of Financial Position.”

We had net current assets positions as of December 31, 2022, 2023 and 2024 and as of April 30, 2025.

Our net current assets increased from RMB14.2 billion as of December 31, 2024 to RMB15.3 billion as of April 30, 2025, mainly due to (i) an increase of cash and cash equivalents of RMB1.4 billion, and (ii) an increase of inventories of RMB618.1 million, partially offset by (iii) an increase in trade and other payable of RMB830.5 million.

Our net current assets increased from RMB11.2 billion as of December 31, 2023 to RMB14.2 billion as of December 31, 2024, mainly due to (i) an increase of cash and cash equivalents of RMB1.1 billion, (ii) an increase of inventories of RMB634.6 million, and (iii) a decrease in short term borrowings of RMB1.8 billion.

Our net current assets increased from RMB9.2 billion as of December 31, 2022 to RMB11.2 billion as of December 31, 2023, mainly due to (i) an increase of cash and cash equivalents of RMB5.1 billion, (ii) an increase of trade and other receivables of RMB1.5 billion, and (iii) a decrease in short-term borrowings of RMB2.1 billion, partially offset by (iv) a decrease in inventories of RMB6.0 billion, and (v) an increase in trade and other payables of RMB549.6 million.

### Summary of Consolidated Statements of Cash Flows

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

	As of December 31,		
	2022	2023	2024
	RMB	RMB	RMB
	(in millions)		
Net cash (used in)/generated from operating activities	(2,359.3)	7,067.5	4,522.6
Net cash used in investing activities	(4,017.1)	(2,463.8)	(810.6)
Net cash generated from/(used in) financing activities	2,621.2	405.5	(2,757.5)
Net (decrease)/increase in cash and cash equivalents	(3,755.2)	5,009.2	954.5
Cash and cash equivalents at the beginning of the year	7,630.2	3,995.1	9,055.1
Exchange gains on cash and cash equivalents	120.1	50.8	143.2
<b>Cash and cash equivalents at the end of the year</b>	<b>3,995.1</b>	<b>9,055.1</b>	<b>10,152.8</b>



## SUMMARY

### Key Financial Ratios

	As of December 31,		
	2022	2023	2024
Net profit margin .....	4.7%	2.6%	12.8%
ROE <sup>(1)</sup> .....	5.7%	2.8%	14.5%
Inventory turnover days <sup>(2)</sup> .....	252.1	202.9	131.2
Trade receivables turnover days <sup>(3)</sup> .....	49.0	56.8	56.8
Gearing ratio <sup>(4)</sup> .....	48.7%	9.0%	Not applicable

*Notes:*

- (1) ROE is calculated by dividing profit for the year attributable to the owners of our Company by the average balance of equity attributable to owners of our Company.
- (2) Inventory turnover days is calculated as the average of beginning and ending balance of inventories for the year divided by cost of sales for that year and multiplied by 365 days.
- (3) Accounts receivables turnover days is calculated as the average of beginning and ending balance of accounts receivables for the year divided by revenue for that year and multiplied by 365 days.
- (4) Gearing ratio is calculated by dividing net debt by equity attributable to owners of our Company. Net debt equals the sum of borrowings, Convertible Bonds and lease liabilities, deducted by the amount of cash and cash equivalents. As of December 31, 2024, there was no net debt balance.

### RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, including (i) risks relating to our business and industries and (ii) risks relating to the [REDACTED], which are set out in the section headed “Risk Factors” in this document. You should read that section in its entirety carefully before you decide to [REDACTED] in the [REDACTED]. Some of the major risks we face include, but are not limited to:

- The semiconductor industry is highly competitive and rapidly evolving. If we are unable to compete effectively with existing or new competitors, our sales, market share and profitability could be adversely affected.
- Our future success depends on the timely development, introduction, marketing and selling of new semiconductor solutions and technologies, which we might not be able to achieve. The development of new and more complex solutions and technologies can also increase our cost of sales and adversely affect our gross profit margin.
- Our international strategy and ability to conduct business in international markets may be adversely affected by legal, regulatory, political and economic risks. Changes in international trade policies and [REDACTED] restrictions, including imposition of additional trade restrictions and sanctions, may adversely impact our reputation, business, investments, financial condition and results of operations.
- We depend on the increased acceptance of semiconductor applications in various verticals to grow our business and increase our revenue.
- Price pressures from market competition and fluctuating market conditions may negatively impact our revenue and gross profit margin.
- A substantial portion of our revenue has been derived from a small number of customers. The loss of, or significant reduction in the purchases by, one or more of such customers could materially and adversely affect our business, financial condition and results of operations.

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## SUMMARY

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- We may be unable to adequately forecast demand for our semiconductor solutions due to the unpredictability of the sales cycle. If we fail to manage our inventory effectively as a result, our business, financial condition, results of operations and liquidity may be materially and adversely affected.
- Our success depends on our ability to achieve design wins and to convince our current and prospective customers to design our semiconductor solutions into their product offerings.
- We depend on third-party foundries, which reduces our ability to control our manufacturing process. Any interruption or shortage or loss of capacity from these foundries could materially interrupt our business operations and product offerings, and a significant increase in procurement costs could also affect our gross profit margin.
- Our sales through distributors increase the complexity of our business and may reduce our ability to forecast revenue.

## RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

### *Regulatory Update*

Recent trade tensions, such as the ongoing U.S.-China trade dispute, have led to high tariffs, increased export controls and other restrictive measures targeting high-technology goods, semiconductors and electronics. In April 2025, the United States imposed a tariff of 145% on all Chinese goods, except for certain consumer electronics produced in China, which was lowered to 30% until August 14, 2025 based on the joint statement between China and U.S. issued on May 12, 2025. There is still a high degree of uncertainty surrounding U.S. tariff policy, how it will be implemented, and how other countries will react to it. It also remains unclear whether increased tariffs and trade tensions will further disrupt international trade or lead to a downturn in the global economy. See “Risk Factors—Risk Relating to Our Business and Industry—Our international strategy and ability to conduct business in international markets may be adversely affected by legal, regulatory, political and economic risks. Changes in international trade policies and investment restrictions, including imposition of additional trade restrictions and sanctions, may adversely impact our business, financial condition and results of operations” for more information.

On August 9, 2023, the U.S. government issued an executive order and the Treasury published an advanced notice of proposed rulemaking providing a conceptual framework for the Outbound Investment Security Program (or OISP). On June 21, 2024, Treasury issued a proposed rule for the OISP. On October 28, 2024, Treasury issued the Final Rule setting forth the OISP regulations that implement the executive order of August 9, 2023, which targets transactions by U.S. persons that involve persons and entities associated with “countries of concern,” currently China, including Hong Kong and Macau, with business in certain technology sectors. The Final Rule took effect on January 2, 2025. We are likely to be deemed a “Covered Foreign Person” engaged in the design and packaging of semiconductors specified in the OISP. Specifically, we are engaged in the design and packaging of integrated circuits that are covered by the definition of “notifiable transaction” but not covered by the definition of “prohibited transaction” (as defined in the OISP). The OISP could potentially limit our ability to raise additional capital from U.S. investors or prevent us from securing sufficient capital when needed and at reasonable cost, negatively affecting our business, financial condition and prospects.

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## SUMMARY

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The OISP may be changed by executive actions of the U.S. government, including changes to the scope of activities and technologies applicable to notifiable or prohibited transactions or the scope and the availability of exceptions to the OISP’s prohibitions or notification requirements. Specifically, on January 20, 2025, the U.S. government issued a national security presidential memorandum, entitled “America First Trade Policy,” which, among other things, directs the Secretary of the Treasury and several other executive departments and offices of the U.S. government to review the OISP to determine if it includes “sufficient controls to address national security threats” and to determine whether the executive order implementing the OISP “should be modified or rescinded and replaced.” In addition, on February 21, 2025, the U.S. government issued a national security presidential memorandum entitled “America First Investment Policy” which, among other things, states that the U.S. government will consider possible application of the OISP to a wider range of technology sectors and application of restrictions to a wider range of investments, including publicly traded securities. On April 3, 2025, the White House reported that Treasury and the National Security Council were evaluating options relating to the OISP and that the Trump Administration plans to evaluate whether the scope of outbound investment restrictions should be expanded. See “Risk Factors—Risk Relating to Our [REDACTED]—[REDACTED] may be required to file notifications with the U.S. Treasury under the U.S. government’s new China-focused Outbound Investment Security Program, and we could be negatively impacted by possible changes to this program. These requirements and possible changes to the program may adversely affect our financial condition and the value of our [REDACTED]” for more information.

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our business, financial condition and results of operations since December 31, 2024, which is the end date of the years/period reported on in the Accountants’ Report in Appendix I to this document, and there is no event since December 31, 2024 which would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.

## OUR LISTINGS ON THE SHANGHAI STOCK EXCHANGE AND THE SIX SWISS EXCHANGE AND REASONS FOR THE [REDACTED]

Since May 2017 and November 2023, our Company has been listed on the Shanghai Stock Exchange and on the SIX Swiss Exchange, respectively. As of the Latest Practicable Date, our Directors confirmed that we had no instances of material non-compliance with the rules of the Shanghai Stock Exchange or the SIX Swiss Exchange, respectively, and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors’ attention in relation to our compliance record on the Shanghai Stock Exchange or the SIX Swiss Exchange, respectively.

Our Company seeks to be [REDACTED] on the Hong Kong Stock Exchange in order to provide further capital for the development and expansion of our global business, further strengthen our business profile and market position in the industry, and better attract overseas [REDACTED] and talents. See “Business—Our Strategies” and “Future Plans and [REDACTED]” for more details.

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## SUMMARY

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### OUR CONTROLLING SHAREHOLDERS

Mr. YU Renrong is the founder of our Group, the chairman of the Board of Directors and an executive Director of our Company. See “Directors and Senior Management—Directors” for more details. Mr. YU Renrong is the direct beneficial owner of 333,472,250 A Shares of our Company and indirectly owns 74,132,662 A Shares of our Company through Shaoxing Weihao Management, which is ultimately controlled by Mr. YU Renrong. In addition, Mr. YU Xiaorong, brother of Mr. YU Renrong, is the direct beneficial owner of 972,000 A Shares of our Company. As advised by our PRC Legal Advisor, Shaoxing Weihao Management and Mr. YU Xiaorong are parties acting in concert with Mr. YU Renrong pursuant to PRC law. Each of Mr. YU Renrong, Shaoxing Weihao Management and Mr. YU Xiaorong is deemed to be interested in all the A Shares in which each of them is interested. Mr. YU Renrong, Shaoxing Weihao Management and Mr. YU Xiaorong constitute a group of our Controlling Shareholders, holding approximately 33.57% of the issued share capital of our Company immediately before the [REDACTED].

Immediately following the completion of the [REDACTED] and assuming that no new Shares are issued under the [REDACTED] and our Share Schemes, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED], our Controlling Shareholders will hold approximately [REDACTED] of the issued share capital of our Company.

For further details about our Controlling Shareholders, please see the section headed “Relationship with our Controlling Shareholders.”

### [REDACTED] STATISTICS

[REDACTED]

## SUMMARY

### [REDACTED]

The net [REDACTED] from the [REDACTED] that we will receive, after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED] will be:

	Net [REDACTED] (in HK\$ million)	
	(a) Assuming the [REDACTED] is not exercised at all	(b) Assuming the [REDACTED] is exercised in full
Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the minimum [REDACTED]) . . . . .	[REDACTED]	[REDACTED]
Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the [REDACTED] range) . . .	[REDACTED]	[REDACTED]
Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the maximum [REDACTED]) . . . . .	[REDACTED]	[REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the [REDACTED] range of between HK\$[REDACTED] and HK\$[REDACTED] per H Share) and that the [REDACTED] is not exercised, in line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used over the next five to ten years to invest in the research and development of key technologies, ensuring our continued leadership in advanced sensing technology, advanced display technology and analog solutions. We plan to further enhance our R&D by investing in fundamental research to strengthen our intellectual property and technological advantages while expanding our product portfolio to drive market penetration.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used over the next five to ten years to strengthen global market penetration and business expansion. We plan to deepen our presence in target markets, grow our customer base, and increase our market share across all of our participating verticals. We plan to recruit and retain sales, marketing, and FAEs worldwide.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for strategic investments and/or acquisitions, with a focus on investment and acquisition opportunities that offer synergies with our existing product portfolio and support horizontal expansion into emerging areas.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for working capital and general corporate uses.

See the section headed “Future Plans and [REDACTED]” in this document for further information relating to our future plans and [REDACTED] from the [REDACTED], including the adjustment on the allocation of the net [REDACTED] in the event that the final [REDACTED] is set to be above or below the mid-point of the [REDACTED] range.



## SUMMARY

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### WAIVERS AND EXEMPTIONS

In connection with the [REDACTED], we have applied for certain waivers and exemptions from strict compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance. Among the waivers and exemptions that we have applied for, we have applied to the SFC for an exemption from strict compliance with the requirement under paragraph 6 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in respect of the disclosure of executive Directors’ residential addresses. For further details, see “Waivers and Exemptions”.

### DIVIDEND POLICY

We may distribute dividends in the form of cash, stocks or a combination of cash and stocks. Any proposed distribution of dividends is subject to the discretion of the Board and the approval of our shareholders. The Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, business prospects, operating requirements, capital requirements, payments by our subsidiaries of cash dividends to us, statutory, regulatory and contractual considerations and any other factors that the Board may deem relevant. A decision to declare or to pay any dividends in the future, and the amount of such dividends, will hence depend on these factors. According to the applicable PRC laws and our Articles of Association, we may pay dividends out of our profit after tax only after we have made the (i) recovery of accumulated losses, if any; (ii) allocations to the statutory reserve equivalent to 10% of our Company’s profit after tax, and, when the statutory reserve reaches and is maintained at or above 50% of our Company’s total issued share capital, no further allocations to this statutory reserve will be required; and (iii) allocations, if any, to a discretionary common reserve as approved by our shareholders in a shareholders’ meeting.

Furthermore, as set forth in our Articles of Association, the accumulated profits distributed in cash for the most recent three years shall not be less than 30% of our Company’s average annual distributable profits realized for the same three-year period. For each year that we record profits and positive accumulated undistributed profit, we shall distribute dividends in cash and such cash dividends distributed shall not be less than 10% of our Company’s distributable profits realized for the same period, except the (i) occurrence of significant investments (excluding fundraising activities) where the investment amount for the relevant year exceeds 10% of our Company’s audited net assets as of the end of the most recent financial year; or (ii) occurrence of significant capital expenditures where we intend to invest, acquire assets or purchase equipment within the next 12 months and the accumulated expenditure of which is expected to reach or exceed 10% of our Company’s audited net assets as of the end of the most recent financial period.

There can be no assurance that a dividend will be proposed or declared in any given year. The information on policies relating to dividends constitutes forward-looking statements, which are not guarantees of future financial performance. Our actual future dividends or capital distributions could differ materially from those expressed or implied by such forward-looking statements as a result of many factors, including those described under “Forward-Looking Statements” and “Risk Factors.”

During the Track Record Period, the total dividends we provided for or paid were RMB456.1 million for the year ended December 31, 2022, RMB99.1 million for the year ended December 31, 2023, and RMB407.6 million for the year ended December 31, 2024, respectively.

Withholding taxes at a rate of 10% were levied on the aforementioned dividends paid to (i) QFIs, (ii) investors holding our A Shares through the Shanghai-Hong Kong Stock Connect regime,

## SUMMARY

and (iii) investors holding our A Shares subject to selling restrictions pursuant to the Notice on Issues Relating to the Implementation of Differential Individual Income Tax Policies for Dividends from Listed Companies (《关于实施上市公司股息红利差别化个人所得税政策有关问题的通知》).

### [REDACTED]

Assuming the [REDACTED] is not exercised, an [REDACTED] of HK\$[REDACTED] per [REDACTED] (which is the mid-point of the [REDACTED] range) and the full payment of the [REDACTED], if any, we expect to incur approximately RMB[REDACTED] (equivalent to HK\$[REDACTED]) of [REDACTED] (including (i) [REDACTED]-[REDACTED], including but not limited to [REDACTED], [REDACTED], SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee, amounting to approximately RMB[REDACTED], (ii) fees and expenses of legal advisers and accountants amounting to approximately RMB[REDACTED] and (iii) other fees and expenses relating to the [REDACTED], including but not limited to the [REDACTED] application fees, amounting to approximately RMB[REDACTED]), accounting for approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED]. Approximately RMB[REDACTED] of our [REDACTED] is expected to be charged to our consolidated statements of comprehensive income and approximately RMB[REDACTED] is expected to be deducted from equity upon [REDACTED]. During the Track Record Period, we did not incur any [REDACTED].

## OUR SHAREHOLDING STRUCTURE

The following table set forth the shareholding structure of the Company showing the effect of the exercise of the [REDACTED] in full.

		As at the end of the [REDACTED] exercise period, assuming that the [REDACTED] is fully exercised	
	Description of Shares	Number of Shares	Approximate % of the issued share capital
Mr. YU Renrong and persons acting in concert <sup>(1)</sup> .....	A Shares	408,576,912	[REDACTED]
Other A Shareholders .....	A Shares	808,584,178	[REDACTED]
H Shareholders .....	H Shares	[REDACTED]	[REDACTED]
Total .....		[REDACTED]	100%

*Note:*

- (1) Represents (i) 333,472,250 A Shares of our Company directly held by Mr. YU Renrong; (ii) 74,132,662 A Shares of our Company directly held by Shaoxing Weihao Management which is ultimately controlled by Mr. YU Renrong; and (iii) 972,000 A Shares of our Company directly held by Mr. YU Xiaorong, brother of Mr. YU Renrong. As advised by our PRC Legal Advisor, Shaoxing Weihao Management and Mr. YU Xiaorong are parties acting in concert with Mr. YU Renrong pursuant to PRC law. Each of Mr. YU Renrong, Shaoxing Weihao Management and Mr. YU Xiaorong is deemed to be interested in all the A Shares in which each of them is interested.