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## BUSINESS

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### OVERVIEW

#### Who We Are

We are a globally leading, fast-growing independent memory product enterprise, and have immense market potential in the AI era.

**Global leadership:** We are the world’s fifth largest and China’s second largest independent memory product enterprise in terms of revenue in 2024, according to Frost & Sullivan. Our strong market position is rooted in our deep understanding of diverse customer needs across application scenarios. Leveraging these insights, we have built an integrated end-to-end platform encompassing four key technologies, including (i) controller chip design and development, (ii) firmware algorithm development, (iii) testing system development and (iv) storage medium characteristic analysis. This platform allows us to provide one-stop, customized memory products. Our memory products mainly include (i) embedded storage, (ii) SSDs, (iii) DRAM and (iv) mobile storage. In the global embedded storage market, we are the second largest independent memory product enterprise in terms of revenue in 2024, according to Frost & Sullivan.

**Fast growth:** We were established in December 2018. In 2023, our revenue exceeded US\$1.0 billion. Since our establishment, we have focused on the applications of memory products, securing a leading position in the market. For example, for the consumer-grade application scenarios, in the smartphone field, we are the world’s largest independent memory product enterprise in terms of revenue in 2024, according to Frost & Sullivan. We have maintained deep relationship with prominent enterprises in consumer-grade application scenarios, including Xiaomi Communications Co., Ltd. (“**Xiaomi**”), Shenzhen Transsion Holdings Co., Ltd. (“**Transsion**”), Guangdong OPPO Mobile Telecommunications Corp., Ltd. (“**OPPO**”), Vivo Mobile Communication Co., Ltd (“**Vivo**”), TCL Mobile Communication (HK) Company Limited (“**TCL**”) and Shanghai Xiaodu Technology Co., Ltd. (“**Xiaodu**”). We have developed competitive strengths in the consumer-grade application scenarios, including (i) deep understanding of customer needs, (ii) technological expertise in transforming customer needs into product features and (iii) ability to commercialize new memory products. These competitive strengths allow us to replicate our success in diverse application scenarios. We began to provide memory products for automotive-grade application scenarios in 2023 and successfully entered into the supply chains of Tier 1 suppliers for automotive manufacturers. We expect to begin mass production of memory products used in enterprise-grade application scenarios by 2026.

**AI opportunities:** The AI technology is entering a pivotal phase of accelerated adoption. According to Frost & Sullivan, the total data generated globally in 2024 was 200ZB. This surge in data generation has been a key driver of rapid growth in the semiconductor market. The core infrastructure of AI technology comprises (i) storage power, (ii) computing power and (iii)

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interconnect power. Storage power forms the cornerstone for managing, storing and orchestrating the vast datasets essential for AI training. As the cornerstone of storage power, memory products play a decisive role in determining the deployment efficiency, operational reliability and scalability of AI technology. We have positioned ourselves at the forefront of AI-driven innovation. By leveraging our customer network, we will continue to expand the application scenarios of our memory products and connect to more customers in the AI era.

The following chart sets out our key achievements:

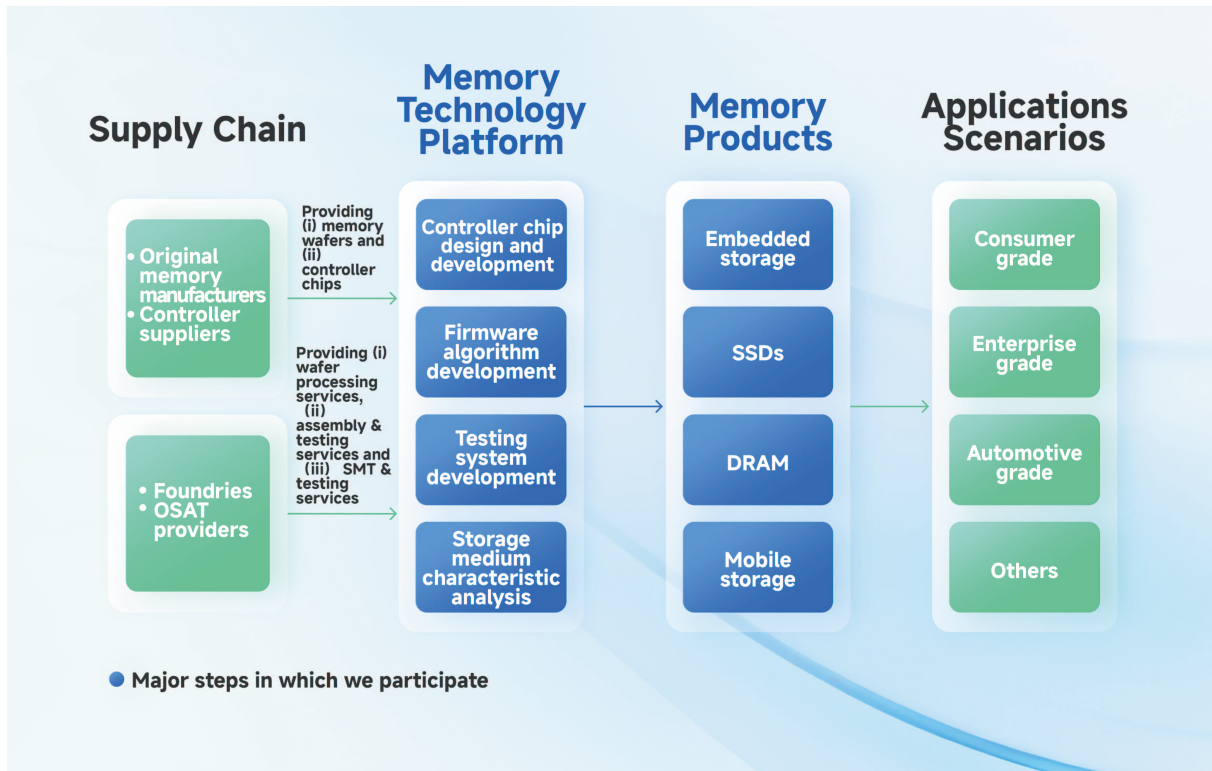


**Notes:**

- (1) In terms of revenue in 2024, according to Frost & Sullivan
- (2) According to Frost & Sullivan
- (3) We are the only independent memory product enterprise recognized as the “China’s Unicorn Enterprise” in 2024, according to Frost & Sullivan
- (4) We are one of the few independent memory product enterprises in China with the ability to independently design, develop and commercialize controller chips, according to Frost & Sullivan
- (5) In terms of accumulative R&D expenses during the Track Record Period
- (6) As of September 30, 2025
- (7) In terms of proportion of R&D personnel in total employees as of September 30, 2025
- (8) Return on equity equals profits for the year or period divided by average balance of total equity at the beginning and the end of that year or period multiplied by 100%

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The following diagram illustrates our role within the industrial chain of memory products:



The following are the major steps in which we participate in the industrial chain:

- **Memory Technology Platform:**
  - **Controller chip design and development.** We have developed the ability to independently design and develop controller chips. Through proprietary chip architecture and circuit design, we transform key generic firmware algorithms into hardware-accelerated native functions for high read/write speeds and low power consumption. Meanwhile, we optimize chip size to achieve an effective balance between performance and cost within a limited footprint. Our self-design and development of controller chips form a solid technological moat and a key source of our competitive advantage in the market.

We plan the design and development of controller chips from a commercialization perspective, guided by the mainstream demand of the storage product market, and have achieved a comprehensive strategic coverage in controller chips. As of the Latest Practicable Date, in addition to controller chips that had entered into mass production phase, we had seven models of self-designed and developed controller

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chips at different R&D stages, including sample delivery, tape-out and back-end design, forming our controller chip R&D capability characterized by high efficiency, a diversified product portfolio, and a tiered development pipeline. Specifically:

- *Sample delivery phase:* controller chips for (i) UFS2.2 and (ii) eMMC5.1;
- *Tape-out phase:* controller chips for (i) USB3.2, (ii) UFS4.1 and (iii) PCIe4.0 SSDs; and
- *Back-end design phase:* controller chips for (i) PCIe5.0 SSDs and (ii) low-power UFS2.2.

As the application of our self-designed and developed controller chips in our memory products further deepens, we expect our R&D capabilities to further strengthen our competitiveness, reduce our cost of sales and enhance our gross profit margin.

- ***Firmware algorithm development.*** We independently develop core firmware algorithms, including advanced flash translation layers, garbage collection mechanisms, wear-leveling algorithms and dynamic low-power balancing algorithms. These technologies not only elevate read/write speeds to industry-leading levels but also significantly reduce latency and dynamic power consumption.
- ***Testing system development.*** We have established a comprehensive, self-developed testing development spanning from the chip level to the system level. This system enables effective identification and resolution of design defects and potential failures, significantly enhancing product quality and reliability.
- ***Storage medium characteristic analysis.*** For storage medium sourced from different suppliers, such as NAND Flash, we conduct in-depth characterization at the intrinsic properties, precisely analyzing electrical characteristics and degradation patterns trend under varying process nodes, voltages and temperatures. This research forms the technical foundation for firmware algorithm development and controller chip design and development.

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- **Memory Products:**
  - **Embedded storage:** Embedded storage is our core product. Embedded storage refers to memory module integrated into the main system of an electronic product. Leveraging years of technological accumulation, we have built a diversified embedded storage product lineup encompassing eMMC, UFS, ePOP and uMCP. Our embedded storage products can be used in fields such as smartphones, tablets, AI cameras, drones, AI glasses, smart watches, cameras, in-vehicle central control systems, intelligent cockpit systems and T-boxes.
  - **SSDs:** SSD refers to an internal storage component installed within a computer or server, providing enhanced performance and reliability over traditional hard disk drives. Across SATA and PCIe product lines, we support multiple interface generations such as SATA 3.0, PCIe3.0 and PCIe4.0. The application scenario coverage of our SSDs is extending from consumer grade to automotive grade and enterprise grade. Our SSDs products can be used in fields such as PCs, data centers and in-vehicle central control systems.
  - **DRAM:** DRAM refers to a type of volatile memory used in computers and other devices to store data that is actively being used or processed, requiring periodic refreshing to maintain the stored information. Our DRAM portfolio covers multiple product categories, including DDR4 and DDR5 devices, LPDDR4X and LPDDR5X low-power memory, as well as DDR4 and DDR5 DRAM modules. Our DRAM products can be used in fields such as smartphones and PCs.
  - **Mobile Storage:** Mobile storage refers to portable storage devices. Our mobile storage products include USB flash drives and microSD memory cards.

### Our Customer Base and Supply Chain

**Customer structure:** Our customer base primarily comprises industry-leading enterprises. Our customer portfolio is concentrated on major application fields for memory products, such as smartphones, tablets, PCs, smart imaging devices, and in-vehicle central control systems. According to Frost & Sullivan, these fields not only serve as critical drivers of the digital economy but also represent key areas underpinning the rapid expansion of AI-driven demands. These customers have large-scale, stable demand and a consistent need for technological innovation, which propels the ongoing advancement and iteration of our products to address their diverse and evolving requirements.

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***Customer collaboration:*** We place emphasis on deep collaboration with leading customers. Leveraging our expertise in key technologies, we collaborate with customers to align with their technical requirements and conduct joint validation. This enables us to optimize memory products across dimensions such as capacity, speed, and power consumption, tailored to the specific needs of various application scenarios. For example, we have established joint validation laboratories in collaboration with smartphone providers, allowing us to accurately anticipate industry trends in memory product technology and secure first-mover advantages in the market.

***Supply chain support:*** We have established a globalized supply chain system. We have established deep collaboration with industry-leading companies across our supply chain, including (i) globally leading memory manufacturers and controller suppliers for our raw material supply, (ii) foundries such as United Semiconductor (Xiamen) Co., Ltd. (“**USC**”) for the wafer processing and (iii) OSAT providers such as Orient Semiconductor Electronics, Ltd. (“**OSE**”), Payton Technology (Shenzhen) Co., Ltd. (“**PTN**”), Tianshui Huatian Technology Co., Ltd. (“**HT-Tech**”) for (a) assembly and testing, and (b) SMT and testing. Such collaborations enhance our ability to secure production capacity in advance, ensuring the scalability and reliability necessary to fulfill large-scale orders. This robust supply chain foundation strengthens our ability to integrate resources seamlessly and support the sustainable growth of our ecosystem.

### **Our Market Opportunities**

#### ***Driving Force of AI Technology***

AI technology has transitioned from the exploratory concept phase to large-scale commercialization, increasingly achieving a closed-loop business model. The memory product industry is experiencing transformative advancements across three critical dimensions, namely, capacity, performance and reliability. These advancements are creating growth opportunities for enterprises across the value chain. According to Frost & Sullivan, the global memory product market size is expected to grow from US\$263.3 billion in 2025 to US\$407.1 billion in 2029, representing a CAGR of 11.5%. In terms of key application scenarios for memory products:

- ***Consumer-grade application scenarios:*** AI-powered upgrades in consumer applications are increasingly aligned with user-centric demands. Terminal manufacturers are evolving from developing AI functionalities for individual devices to building comprehensive hardware ecosystems centered around “localized edge computing.” This shift encompasses the rapid iteration of AI smartphones, AI tablets and AI PCs and the expansion of AI capabilities in intelligent imaging and wearable devices. These consumer-grade applications demand increasingly stringent performance from memory products, including faster read-write speeds, higher capacity, lower latency, compact designs, and improved energy efficiency. According to Frost & Sullivan, consumer grade

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was the largest group of application scenarios in the global memory product market in 2024. The global market size of consumer-grade application scenarios was US\$59.8 billion in 2024 and is expected to further grow from 2025 to 2029.

- ***Enterprise-grade application scenarios:*** Data centers represent the cornerstone infrastructure for the large-scale deployment of AI technology. With the exponential expansion of large model training, cloud computing services, and industry data, storage power has emerged as a critical bottleneck, following computing power, driving unprecedented growth in storage demand. According to Frost & Sullivan, the market size of enterprise-grade application scenario is expected to grow from US\$86.0 billion in 2025 to US\$145.8 billion in 2029, representing a CAGR of 14.1%. Furthermore, According to Frost & Sullivan, enterprise grade was the second largest group of application scenarios in the global memory product market in 2024.
- ***Automotive-grade application scenarios:*** Memory products used in automotive-grade application scenarios shall adhere to rigorous standards for temperature tolerance, shock resistance and reliability, and the mass production requires complex certification processes. The automotive-grade application scenarios accelerated transition towards electrification, intelligence and IoT. Key drivers of this demand include the continuous evolution of intelligent cockpit technologies and intelligent driving technologies. According to Frost & Sullivan, the market size of automotive-grade application scenarios is expected to grow from US\$50.5 billion in 2025 to US\$105.8 billion in 2029, representing a CAGR of 20.3%. Among all major application scenarios of memory products, automotive-grade application scenarios are expected to demonstrate the fastest growth rate from 2025 to 2029.

### ***AI-Driven “Super Cycle”***

According to Frost & Sullivan, the semiconductor industry is entering a strong upward cycle driven by both AI-driven demand changes and supply structure optimization. The global memory chip industry has been gradually evolving into an AI-driven “super cycle” in 2025. This strong upward trend is clear and is expected to break the traditional three-to-four years cycle pattern. According to Frost & Sullivan, in the second half of 2025, pricing performance was robust, with both DRAM and embedded storage showing an upward trend, and monthly increases exceeding 30% for certain DRAM. Overall profit of the global memory product market is expected to continuously improve.

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### OUR STRENGTHS

**Globally leading, fast-growing independent memory product enterprise which has immense market potential in the AI era**

***Our market position:*** We were established in December 2018. In 2023, our revenue exceeded US\$1.0 billion. In less than a decade since our establishment, we continue to achieve milestone breakthroughs in technology R&D, product innovation and commercialization. According to Frost & Sullivan:

- We are the world’s fifth largest and China’s second largest independent memory product enterprise in terms of revenue in 2024;
- In the global embedded storage market, we are the second largest independent memory product enterprise in term of revenue in 2024;
- In the global smartphone field, we are the largest independent memory product enterprise in terms of revenue in 2024; and
- We are one of the few independent memory product enterprises in China with the ability to independently design, develop and commercialize controller chips.

***Four key elements:*** Based on our market position, we reinforce the four key elements in our operation, namely, (i) technological innovation, (ii) products, (iii) supply-and-customer ecosystem, and (iv) management team. The four key elements further reinforce our market position and create a virtuous cycle of growth. Technological innovation is the foundation of the competitiveness of our products, and high-quality products attract high-value customers who not only contribute stable orders but also provide market insight and supply chain optimization. A robust supply chain helps ensure product realization, and an experienced management team drives the continuous forward momentum. The above four key elements form a self-reinforcing business closed loop.

***Awards and recognitions:*** We were recognized as the National High-Tech Enterprise (國家級高新技術企業) and the National Specialized, Refined, Featured and Innovative “Little Giant” Enterprise (國家級專精特新“小巨人”企業), ranked the 166th among the China’s Unicorn Enterprises (中國獨角獸企業), ranked among the CCID Top 100 Sci-Tech Innovation Unicorns (賽迪科創獨角獸百強), ranked the 243rd among Top 500 Enterprises in Guangdong 2024 (2024年廣東500強企業), ranked the 70th among the Top 100 Private Enterprises in Guangdong Province (廣東省民營企業100強), recognized as the Shenzhen Gazelle and Unicorn Enterprise (深圳瞪羚獨角獸企業) and ranked 132nd among the Top 500 Enterprises in Shenzhen 2024 (2024年深圳500強企業).

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### Continuous technological innovation

**R&D and commercialization capability:** Our R&D team has comprehensive product development capabilities. They have covered major application scenarios including consumer-grade application scenarios, enterprise-grade application scenarios and automotive-grade application scenarios. They have formed a complete R&D chain that spans “fundamental research — product solutions — mass-production validation”. We have developed the full-stack design and development capabilities for controller chips, and our self-designed and developed controller chips have already been applied in our memory products. We offer both customized and standard memory products, and meet the diverse customer needs. Our product can accelerate the commercialization of new technologies, which in turn fuels further R&D investment, thus creating a virtuous production and R&D cycle.

**R&D investment:** We have been continuously investing R&D. During the Track Record Period, our accumulative R&D investments exceeded RMB1.0 billion, providing support for our memory technology platform. According to Frost & Sullivan, the amount and proportion of our R&D expenses during the Track Record Period are higher than the industry average in the memory product industry. In 2023, 2024 and the nine months ended September 30, 2025, our R&D expenses were RMB282.6 million, RMB392.2 million and RMB354.9 million, respectively, representing 3.2%, 4.5% and 4.5% of our total revenue in the same period.

**R&D team:** Our R&D team is the driving force behind our continuous innovation and breakthroughs. We place great emphasis on attracting top R&D talent, fostering the development of skilled professionals, and building a robust R&D team. Our R&D centers are located in Shenzhen, Hefei, Shanghai, Xiamen and Hangzhou. Our core technical personnel have extensive experience in the semiconductor industry. As of September 30, 2025, R&D personnel accounted for over 60.0% of our total employees, with nearly half of them holding master’s or doctoral degrees.

**R&D results:** Our R&D capabilities for memory products is our technical barrier. We have built an integrated end-to-end memory technology platform. As of September 30, 2025, we had 347 granted patents in China and overseas, including 264 invention related patents. In 2022, we were recognized as the “Guangdong Engineering Technology Research Center for High-Performance Storage Control Chips” (廣東省高性能存儲控制芯片工程技術研究中心) by the Guangdong Provincial Department of Science and Technology.

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### Product portfolio with strong performance and designed for diverse application scenario

Our products are designed for major application scenarios, including (i) consumer-grade application scenarios, (ii) enterprise-grade application scenarios, and (iii) automotive-grade application scenarios. By precisely addressing the technical challenges specific to each application scenario, we provide memory products well-suited for a variety of application scenarios. Specifically:

- ***Consumer-grade application scenarios:*** Our memory products cover wide spectrum of consumer-grade application scenarios. For example, our embedded storage product portfolio spans a wide range of capacity grades and is designed to support diverse terminal scenarios, catering to the evolving demands of AI-driven upgrades in consumer-grade application scenarios. Our eMMC, UFS, ePOP, and uMCP not only cover mainstream models but also deliver tailored solutions through a comprehensive product matrix to address specific application scenario needs:
  - *Normal device end:* For instance, our UFS2.2 and eMMC5.1 ensure stable and seamless system performance. In the wearable device field, our compact, low-power customized ePOP and eMMC products optimize PCB space and reduce device power consumption.
  - *High-end device end:* For instance, our UFS3.1 and UFS4.1 significantly enhance read and write speeds, drastically reducing application installation times, large-scale game loading durations, and 4K video processing times.
  - *AI applications:* For instance, our LPDDR5X features ultra-high transfer speeds of 8533 Mbps and dual-channel technology, providing robust support for high-performance edge AI computing. Designed to meet the multimodal interaction needs of devices such as AI smartphones and AI tablets, our products efficiently handle high data throughput, eliminate lag during multitasking, optimize system responsiveness, and comprehensively address the storage demands of the AI era.”
- ***Enterprise-grade application scenarios:*** For instance, Our PCIe5.0 eSSDs under development will achieve a dramatic leap in performance, with bandwidth doubled from the previous generation and sequential read/write speeds reaching 13 GB/s and 10 GB/s, respectively. These capabilities perfectly align with the higher bandwidth requirements of AI training, ensuring rapid, stable and low-latency data flow. In terms of capacity, it is expandable up to a remarkable 122.88TB, which can accommodate massive AI

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training samples, extensive model parameters and intermediate inference data, meeting the requirements for high-intensity data processing in enterprise-grade application scenarios.

- ***Automotive-grade application scenarios:*** We have launched three core automotive-grade series product: eMMC, UFS, and BGA SSDs, all of which have passed the stringent AEC-Q100 Grade 2/3 certification and comply with ISO 26262:2028 ASIL D functional safety standards. For instance, our automotive-grade UFS products deliver read/write speeds of up to 4,300MB/s/3,700MB/s, meeting the high-speed transmission requirements of massive data in intelligent driving scenarios. Currently, these products have already started to apply in key scenarios such as in-vehicle intelligent systems. We have established stable partnerships with domestic automotive Tier 1 suppliers.

### **Full-chain supplier-and-customer ecosystem covering industry-leading enterprises**

We have established a fully integrated and synergistic memory product ecosystem based on end users demands and leveraging supply chain resources. This ecosystem fosters mutual empowerment between end-customers and supply chain partners.

***Our cooperation with customers:*** We have established deep collaborations with industry-leading customers during our R&D process. For example, we have established stable cooperation with Xiaomi, Transsion, OPPO, Vivo, TCL, Xiaodu and Beidou Zhilian (Jiangsu) Technology Co., Ltd. (“**BICV Technology**”). These industry-leading companies have high requirements for product reliability, quality consistency and timely delivery. To meet these requirements, we have assembled a dedicated service team comprising sales, R&D, and production personnel. We provide real-time support and conduct R&D in alignment with the specific project requirements of our end customers, thereby establish interactive, close and mutual-benefit relationship with customers.

***Our supply chain system:*** We have established a globalized supply chain system. We have established deep collaboration with industry-leading companies across our supply chain, including (i) globally leading memory manufacturers for our raw material supply, (ii) foundries such as USC for the wafer processing and (iii) OSAT providers such as OSE, PTN, and HT-Tech for (a) assembly and testing, and (b) SMT and testing. Such collaborations enhance our ability to secure production capacity in advance, ensuring the scalability and reliability necessary to fulfill large-scale orders. This robust supply chain foundation strengthens our ability to integrate resources seamlessly and support the sustainable growth of our ecosystem.

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***Building bridges:*** To ensure efficient integration across the ecosystem, we act as a bridge between our customers and the technical teams of original memory manufacturers, facilitating the alignment of customer-specific requirements with upstream production capabilities. This enables memory manufacturers to develop memory wafers precisely tailored to our customers’ needs, ensuring that our memory products are optimally suited for downstream application scenarios. By leveraging the scale of aggregated demand, we secure priority access to upstream manufacturing resources, achieving the dual objectives of precise demand fulfillment and stable, controllable supply chains. This integrated model not only enhances the stability and continuity of critical raw material supply but also strengthens cost efficiency, further solidifying our competitive edge.

### **Experienced and visionary management team**

***Our leadership:*** Our core management team comprises seasoned and visionary leaders. They have been deeply rooted in the memory product industry, and have witnessed and have been deeply involved in the development of the memory product industry in China. With a commitment to long-term growth, our management team leverages industry expertise and strategic acumen to provide leadership across key domains, including business strategic, market expansion, product innovation, financing and industrial resource integration. Our core management team include R&D experts specialized in the fundamental technologies of memory products, as well as experienced business leaders in the memory product industry. This multidimensional expertise enable us to adeptly manage the rapid technological advancements and complex challenges inherent in the memory product industrial chain. Our management team excels in identifying and capitalizing on market opportunities at pivotal points in technological evolution, while seamlessly aligning technological innovation with market demands through a highly responsive system that integrates technology, production, and market operations.

***Our corporate culture:*** Our management team is committed to fostering an innovative yet pragmatic corporate culture that drives cohesion and long-term vitality throughout the organization. A stable and well-structured team ensures the seamless transfer of institutional knowledge and the continuity of strategic development, while a cultural foundation further reinforces team unity and alignment. This enduring cultural framework serves as a critical engine for the company’s sustained growth and competitive resilience in an ever-evolving market landscape.

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### OUR STRATEGIES

#### **Embrace the AI era, fortify technology barriers**

***Continuous investments in next-generation controller chip R&D:*** As the central control hub of memory products, controller chips are pivotal to technological breakthroughs. In AI applications, controller chips play a critical role in data read/write speeds, protocol conversion and performance optimization. Our controller chip design and development are expanding from consumer-grade application scenarios to automotive-grade application scenarios and enterprise-grade application scenarios, facilitate the expansion of application scenarios of our memory products. Our R&D of controller chip design and development plan to focus on (i) interface upgrades, (ii) process optimization and (iii) density breakthroughs.

***Continuously building advanced testing centers:*** With the growing complexity of memory products in the AI era, advanced testing has become a cornerstone of product quality and a critical factor in maintaining a competitive edge. We plan to continuously build advanced testing centers equipped with cutting-edge testing equipment and software systems, covering key processes in wafer and controller chip validation and testing. These efforts will strengthen the reliability of our products and enable us to meet the stringent quality and performance standards demanded by our customers.

***Continuously developing high-performance memory products and cutting-edge technologies:*** We plan to launch high-performance memory products, with ranging from TB to PB, designed specifically for the data center field. Through continuous technological optimization, we aim to deliver memory products with high-bandwidth transmission to meet the immense data read/write speed demands of AI training. We plan to incorporate low power consumption designs in our memory products to support power-sensitive scenarios, such as mobile devices and IoT terminals. Furthermore, we plan to enhance product compatibility to ensure seamless integration with diverse hardware platforms and operating systems. We will actively explore storage-computation integration technologies, offering transformative solutions for edge AI inference, real-time sensor processing and other disruptive application scenarios.

#### **Continuously develop memory products, expand diverse application scenarios**

We have developed competitive strengths in the consumer-grade application scenarios, including (i) deep understanding of customer needs, (ii) technological expertise in transforming customer needs into product features and (iii) ability to commercialize new memory products. We will leverage our competitive strengths to solidify our market position in consumer-grade

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application scenarios while strategically expanding into diverse application scenarios. To ensure product reliability and performance, we will continue to enforce rigorous testing protocols across all stages of development. Specifically:

- ***Consumer-grade application scenarios:*** We will remain closely aligned with the evolving demands of the consumer-grade application scenarios of the AI era, driving continuous innovation and functional enhancements to deepen customer collaboration and expand market opportunities. For example:
  - *Customer collaborations:* We plan to strengthen partnerships with leading manufacturers by aligning with the rapid iteration cycles of AI smartphones and AI computers. By transitioning from a traditional supplier role to a strategic partner, we will engage deeply in the early stages of product R&D to deliver highly customized memory products tailored to diverse customer needs.
  - *Product development:* Through sustained investment in R&D, we aim to develop memory products with smaller size but higher read/write speeds, meeting the increasing demand for portable, high-definition data memory products.
- ***Enterprise-grade application scenarios:*** We plan to enhance our influence in the enterprise-grade application scenarios through collaborating with industry-leading customers. We expect to begin mass production of memory products used in enterprise-grade application scenarios by 2026. For example:
  - *Customer collaborations:* We aim to establish deep collaboration with server providers, cloud computing providers and telecom operators, prioritizing strategic partnerships with industry-leading to accelerate market penetration.
  - *Product development:* We plan to continuously provide memory products optimized for enterprise-grade application scenarios, such as AI servers and edge computing nodes, addressing the critical need for efficient, high-capacity data storage and rapid access. Additionally, we will enhance data security protocols to ensure the reliability and protection of AI training datasets and enterprise-critical data.

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- ***Automotive-grade application scenarios:*** We aim to fully cover diverse customer needs and focus on key fields of the automotive-grade application scenario, primarily including (i) in-vehicle central control systems and (ii) intelligent cockpit systems. For example:
  - *Customer collaborations:* We plan to deepen our relationship with industry-leading automotive companies and Tier 1 suppliers. We plan to establish a full-lifecycle service response mechanism. This will enable us to actively participate in customers’ R&D processes, thereby increasing our integration into the supply chain of industry-leading customers.
  - *Product development:* We plan to further develop memory products which meet stringent environment and performance requirements in the automotive-grade application scenarios. By expanding our product portfolio to include multi-protocol, high-capacity memory products.

### **Deepen our global presence**

We will continue to build an open, collaborative and mutually beneficial global ecosystem network. By closely aligning with customer needs, we will focus on cutting-edge global markets and high-potential sectors, enhancing product visibility and accelerating customer acquisition in international markets. Through sustained overseas market expansion and customer development, we aim to gradually increase the revenue proportion from overseas markets, establishing a dual-engine growth model driven by a stable domestic market and accelerated international growth.

To support the advancement of our global business strategy, we will implement a more efficient and collaborative corporate structure, primarily including (i) establishing teams for specific key geographical regions who will timely response to the market demand; and (ii) establishing global support teams that integrate R&D and supply chain personnel to address the needs of our overseas customers. Additionally, we aim to enhance the timely fulfillment of overseas orders while achieving our dual objectives of global market expansion and supply chain stability.

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### Build multi-level talent development framework

Talents are at the forefront of our strategic priorities. Anchored by the principle of value creation, we are committed to establishing a comprehensive, full-cycle talent development system that spans recruitment, training, promotion and retention. Specifically:

- ***Talent recruitment:*** We plan to further broaden our global recruitment efforts, targeting top-tier talents in specialized fields such as chip design, advanced packaging and testing, and AI applications. In addition, we aim to attract multidisciplinary professionals with a deep understanding of the global market and cross-industry resource integration.
- ***Talent training:*** We plan to continuously implement training programs to support employees' professional growth and long-term development. We plan to continuously develop a multi-tiered, role-specific skill enhancement framework will be designed to address the unique needs of employees at various levels and departments.
- ***Talent promotion:*** We plan to continuously optimize our talent structure. By identifying and promoting high-performing employees and emerging talent, we will strengthen the backbone of our workforce. Regular, merit-based performance evaluations will ensure that promotions and rewards are focused on employees who demonstrate exceptional ability and potential.
- ***Talent retention:*** We will adopt a market-competitive compensation and benefits framework to align rewards with individual contributions and value. Additionally, we will introduce long-term equity incentive plans targeting core team members, fostering a shared sense of ownership and aligning employee interests with the company's success. This approach reinforces our ability to retain top talent and fortify the company's talent moat.

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### OUR PRODUCTS

#### Overview

Below is a picture of our product portfolio:



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

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>(unaudited)</i> <i>RMB'000</i>	%	<i>(unaudited)</i> <i>RMB'000</i>	%
Embedded storage . . . . .	3,732,376	42.5	5,687,730	65.2	4,548,707	67.3	3,576,349	46.2
SSDs . . . . .	1,932,012	22.0	776,110	8.9	642,142	9.5	716,094	9.2
DRAM . . . . .	112,087	1.3	1,062,748	12.2	646,446	9.6	1,979,926	25.6
Mobile storage . . . . .	321,041	3.7	227,486	2.6	174,270	2.6	238,579	3.1
Memory IC . . . . .	2,360,469	26.9	784,166	9.0	583,433	8.6	1,187,299	15.3
Others <sup>(1)</sup> . . . . .	322,714	3.6	180,172	2.1	162,920	2.4	45,929	0.6
<b>Total . . . . .</b>	<b>8,780,699</b>	<b>100.0</b>	<b>8,718,412</b>	<b>100.0</b>	<b>6,757,918</b>	<b>100.0</b>	<b>7,744,176</b>	<b>100.0</b>

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Note:

(1) Primarily include (i) controller chips, (ii) technical services and (iii) servers.

### Embedded Storage

Embedded storage refers to memory module integrated into the main system of an electronic product. Leveraging years of technological accumulation, we have built a diversified embedded storage product lineup to support both mainstream industry specifications and specific customer requirements. The following diagram sets forth (i) the illustrative images and features of our key embedded storage products and (ii) the illustrative images of part of their major application fields:

**Consumer Grade**

**Our Products**

Product	Technology	Capacity	Read/Write speed	Operating temperature	Commercialization status
<b>eMMC</b>	eMMC5.1	4GB to 256GB	up to 320MB/s/260MB/s	-25°C to 85°C	already commercialized and under continuous iteration
<b>UFS</b>	UFS2.2/UFS3.1/UFS4.1	32GB to 1TB	up to 4,300MB/s/3,700MB/s	-25°C to 85°C	already commercialized and under continuous iteration
<b>ePOP</b>	ePOP5X	64GB+4GB to 128GB+4GB	up to 320MB/s/260MB/s	-25°C to 85°C	under development
<b>uMCP</b>	uMCP4X	64GB+4GB to 256GB+12GB	up to 1,020MB/s/880MB/s	-25°C to 85°C	already commercialized and under continuous iteration

**Illustrative Application Fields**

The infographic illustrates the application fields of the products, showing a central chip connected to various devices: a drone, a VR headset, a tablet, a smartphone, a smartwatch, and a camera.

## BUSINESS

### Automotive Grade

#### Our Products



#### Automotive eMMC

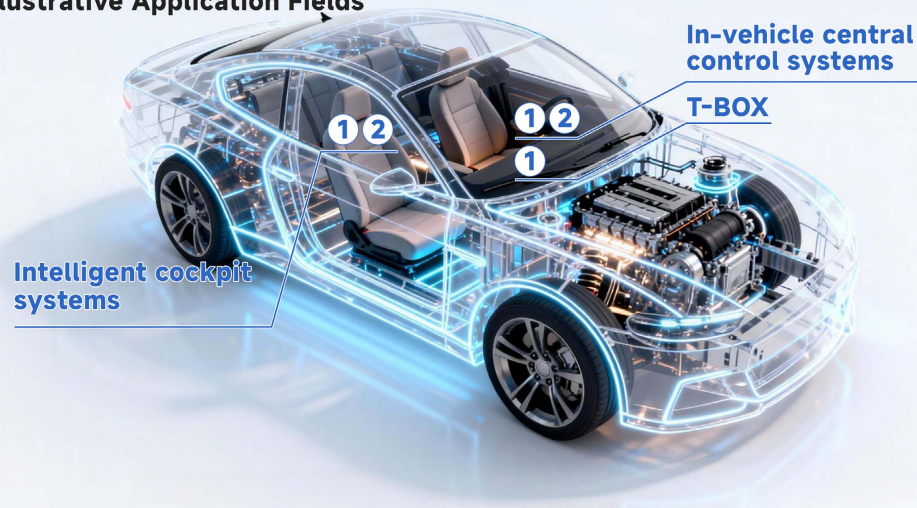
- Technology: eMMC5.1
- Capacity: 8GB to 256GB
- Read/Write speed: up to 320MB/s/260MB/s
- Operating temperature: -40°C to 105°C
- Commercialization status: already commercialized and under continuous iteration



#### Automotive UFS

- Technology: UFS2.1/UFS3.1/UFS4.1
- Capacity: 64GB to 512GB
- Read/Write speed: up to 4,300MB/s/3,700MB/s
- Operating temperature: -40°C to 105°C
- Commercialization status: already commercialized and under continuous iteration

#### Illustrative Application Fields



Below are the applications of our embedded storage in the consumer-grade and automotive-grade application scenarios:

- **Consumer-grade application scenarios.** Our embedded storage cover the full spectrum of performance requirements in the consumer-grade application scenarios, enabling us to meet a wide range of customer requirements and continuously strengthen our customer acquisition capabilities. Specifically, our UFS3.1 and UFS4.1 deliver high speeds that support fast application installation, large-scale game loading and high-bitrate video recording and real-time editing for high-end devices. Our UFS2.2 and eMMC5.1 provide stable and cost-effective solutions for mainstream models, balancing performance and reliability. For compact and wearable devices, ePOP and eMMC5.1 adopt package design smaller than conventional modules, enabling device manufacturers to optimize PCB layouts.
- **Automotive-grade application scenarios.** Our automotive eMMC and UFS products are designed to be used in the automotive-grade application scenarios. These products meet stringent reliability and safety standards, having passed AEC-Q100 Grade 2/3

## BUSINESS

qualification and complied with the ISO 26262 ASIL B functional safety standard. Automotive-grade UFS achieves read/write speeds of up to 4,300MB/s/3,700MB/s, supporting the high data bandwidth requirements of intelligent driving systems and advanced infotainment platforms. Our embedded storage has been adopted in high-volume applications such as intelligent cockpit systems, in-vehicle central control systems, and T-box.

### SSDs

SSD refers to an internal storage component installed within a computer or server, providing enhanced performance and reliability over hard disk drives. Our SSD product portfolio supports both mainstream industry requirements and specific customer needs. The following diagram sets forth (i) the illustrative images and features of our key SSDs and (ii) the illustrative images of part of their major application fields:

The infographic is titled "Consumer Grade Our Products" and is divided into two main sections. The top section, "Our Products", lists three types of SSDs: SATA SSD, PCIe SSD, and Portable SSD. Each type is accompanied by an image of the product and a list of key features. The bottom section, "Illustrative Application Fields", shows a laptop and a server tower, both with numbered callouts (1, 2, 3) indicating the application of the different SSD types.

### Consumer Grade

#### Our Products

Product Type	Technology	Capacity	Read/Write Speed	Operating Temperature	Commercialization Status
SATA SSD	SATA3.0	128GB to 2TB	up to 540MB/s/500MB/s	0°C to 70°C	already commercialized and under continuous iteration
PCIe SSD	PCIe3.0/PCIe4.0	128GB to 4TB	up to 7,400MB/s/6,500MB/s	0°C to 70°C	already commercialized and under continuous iteration
Portable SSD	USB3.2	128GB to 2TB	up to 2,000MB/s/2,000MB/s	0°C to 70°C	already commercialized and under continuous iteration

#### Illustrative Application Fields

The application fields are illustrated with a laptop and a server tower. The laptop has callouts 1, 2, and 3, and the server tower has callouts 1, 2, and 3, indicating the use of SATA, PCIe, and Portable SSDs respectively.

## BUSINESS

### Enterprise Grade

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#### Our Product

#### PCIe eSSD

- Technology: PCIe5.0 eSSD
- Capacity: 3.84TB to 122.88TB
- Read/Write speed: up to 13GB/s/10GB/s
- Operating temperature: 0°C to 77°C
- Commercialization status: under development



The image shows two server racks on the right and two PCIe eSSD modules on the left. Both are marked with a circled '1'. The server racks are black with blue lights, and the SSD modules are silver and black.

### Automotive Grade

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#### Our Product

#### Automotive BGA SSD

- Technology: BGA SSD PCIe4.0
- Capacity: 256GB to 1TB
- Read/Write speed: up to 3,700MB/s/2,900MB/s
- Operating temperature: -40°C to 105°C
- Commercialization status: already commercialized and under continuous iteration



The image shows a BGA SSD module on the left and a car's infotainment screen on the right. Both are marked with a circled '1'. The SSD is black with 'BGA SSD HOSINGLOBAL' printed on it. The infotainment screen displays a blue abstract graphic.

Below are the applications of our SSDs in the consumer-grade, enterprise-grade and automotive-grade application scenarios:

- **Consumer-grade application scenarios.** Our consumer-grade SSD lineup includes SATA SSDs, PCIe SSDs and portable SSDs, covering a full range of performance and capacity needs. To be specific, SATA SSDs provide a responsive and reliable upgrade option for mainstream devices. For users requiring higher throughput, our PCIe SSDs support both PCIe3.0 and PCIe4.0 standards. Our PCIe SSDs are suitable for performance-oriented application fields such as gaming, content creation and multitasking. In addition, our portable SSDs utilize USB3.2 interface, achieving read/write speed of up to 2,000MB/s/2,000MB/s and support capacities from 128GB to 2TB, offering users convenient high-speed external storage for mobile work and content creation.
- **Enterprise-grade application scenarios.** Our in-development PCIe5.0 enterprise SSDs are intended to support capacities up to 122.88TB and are expected to achieve sequential read/write speeds of up to 13GB/s/10GB/s. Once commercialized, their

## BUSINESS

performance and capacities are expected to make them well suited for AI training, large-scale data analytics and other enterprise workloads that require sustained high throughput, low latency and scalable storage resources.

- **Automotive-grade application scenarios.** Our automotive BGA SSDs are able to operate reliably under the demanding conditions of automotive environments. They support an extended operating temperature range from  $-40^{\circ}\text{C}$  to  $105^{\circ}\text{C}$  and to pass AEC-Q100 Grade 2/3 qualification while complying with ISO 26262 ASIL B functional safety standards. With strong durability and high bandwidth performance, these SSDs provide dependable storage support for intelligent cockpit systems and other in-vehicle computing applications that require stable, high-speed data processing.



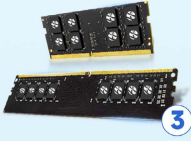
## DRAM

DRAM refers to a type of volatile memory used in computers and other devices to store data that is actively being used or processed, requiring periodic refreshing to maintain the stored information. The following diagram sets forth (i) the illustrative images and features of our key DRAM products and (ii) the illustrative images of part of their major application fields:

### Consumer Grade

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#### Our Products

 <b>LPDDR</b> <ul style="list-style-type: none"><li>• Technology: LPDDR4X/LPDDR5X</li><li>• Capacity: 1GB to 16GB</li><li>• Data rate: up to 8,533Mbps</li><li>• Operating temperature: <math>-25^{\circ}\text{C}</math> to <math>85^{\circ}\text{C}</math></li><li>• Commercialization status: already commercialized and under continuous iteration</li></ul>	 <b>DDR</b> <ul style="list-style-type: none"><li>• Technology: DDR4/DDR5</li><li>• Capacity: 8Gb to 16Gb</li><li>• Data rate: up to 6,400Mbps</li><li>• Operating temperature: <math>0^{\circ}\text{C}</math> to <math>85^{\circ}\text{C}</math></li><li>• Commercialization status: already commercialized and under continuous iteration</li></ul>	 <b>DRAM Module</b> <ul style="list-style-type: none"><li>• Technology: DDR4/DDR5 DRAM Module</li><li>• Capacity: 8GB to 32GB</li><li>• Data rate: up to 6,400Mbps</li><li>• Operating temperature: <math>0^{\circ}\text{C}</math> to <math>70^{\circ}\text{C}</math></li><li>• Commercialization status: already commercialized and under continuous iteration</li></ul>
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#### Illustrative Application Fields



The diagram shows two application fields. On the left, a smartphone is shown with a callout '1' pointing to its internal components. On the right, a PC case is shown with callouts '2' and '3' pointing to its internal components.

## BUSINESS

Our LPDDR lineup is designed to meet requirements for high bandwidth and low power consumption in mobile and edge applications, supporting data rates of up to 8,533Mbps. In application involving local AI inference, our LPDDR helps reduce latency and improves task execution efficiency, enhancing system smoothness in applications ranging from image generation to assisted video editing. For AI-enabled smartphones and tablets, LPDDR delivers stable high-throughput performance, prevents lag during multitasking and strengthens overall system responsiveness. Our DRAM module products, including DDR4 and DDR5, UDIMM and SODIMM modules, are designed in compliance with JEDEC standards and support data rates of up to 6,400 Mbps with capacities ranging from 8GB to 32GB.

### Mobile Storage

Mobile storage refers to portable storage devices such as USB flash drives and memory cards which serves as tools for data transfer and backup. The following diagram sets forth (i) the illustrative images and features of our key mobile storages and (ii) the illustrative images of part of their major application fields:

### Consumer Grade

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#### Our Products



**USB Flash Driver**

- Technology: USB2.0/USB3.0
- Capacity: 1GB to 1TB
- Read/Write speed: up to 220MB/s/130MB/s
- Operating temperature: 0°C to 70°C
- Commercialization status: already commercialized and under continuous iteration



**microSD**

- Technology: microSDHC/microSDXC/UHS-I/V30/A2
- Capacity: 2GB to 256GB
- Read/Write speed: up to 95MB/s/85 MB/s
- Operating temperature: 0°C to 70°C
- Commercialization status: already commercialized and under continuous iteration

#### Illustrative Application Fields



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## BUSINESS

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Our USB flash drives adopt advanced high-performance controller chips and firmware, and can be configured with Type-A, Type-C or dual-interface designs to meet different device requirements. Our microSD memory cards offer sequential read/write speeds of up to 95MB/s/85MB/s and capacities ranging from 2GB to 256GB:

### Memory IC

Our memory IC mainly include (i) NAND Flash wafer and dies, and (ii) DRAM wafer and dies. The memory IC we sell are used for the production of embedded storage, SSDs, DRAM and mobile storage. By establishing strong partnerships with suppliers, we engage in large-scale procurement of memory IC, achieving procurement economies of scale and supply chain stability. After satisfying our internal production needs, we may sell the memory IC externally, taking into comprehensive consideration factors such as market conditions, cash flow efficiency, inventory turnover, and customer demand.

### Others

**Controller Chips:** The controller chips we sell are primarily externally sourced. See “— Our Memory Technology Platform” for the details of our ability to independently design and develop controller chips.

**Technical Services:** During the Track Record Period, we provided technical services such as memory product development and compatibility testing.

**Servers:** During the Track Record Period, we provided servers such as compute servers and accelerated servers.

## OUR MEMORY TECHNOLOGY PLATFORM

Our memory technology platform primarily include the following key technologies:

- **Controller chip design and development.** We have developed the ability to independently design and develop controller chips. Through proprietary chip architecture and circuit design, we transform key generic firmware algorithms into hardware-accelerated native functions for high read/write speeds and low power consumption. Meanwhile, we optimize chip size to achieve an effective balance between performance and cost within a limited footprint. Our self-design and development of controller chips form a solid technological moat and a key source of our competitive advantage in the market.

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## BUSINESS

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We plan the design and development of controller chips from a commercialization perspective, guided by the mainstream demand of the storage product market, and have achieved a comprehensive strategic coverage in controller chips. As of the Latest Practicable Date, in addition to controller chips that had entered into mass production phase, we had seven models of self-designed and developed controller chips at different R&D stages, including sample delivery, tape-out and back-end design, forming our controller chip R&D capability characterized by high efficiency, a diversified product portfolio, and a tiered development pipeline. Specifically:

- *Sample delivery phase:* controller chips for (i) UFS2.2 and (ii) eMMC5.1;
- *Tape-out phase:* controller chips for (i) USB3.2, (ii) UFS4.1 and (iii) PCIe4.0 SSDs; and
- *Back-end design phase:* controller chips for (i) PCIe5.0 SSDs and (ii) low-power UFS2.2.

As the application of our self-designed and developed controller chips in our memory products further deepens, we expect our R&D capabilities to further strengthen our competitiveness, reduce our cost of sales and enhance our gross profit margin.

- ***Firmware algorithm development.*** We independently develop core firmware algorithms, including advanced flash translation layers, garbage collection mechanisms, wear-leveling algorithms and dynamic low-power balancing algorithms, enabling precise scheduling and optimization of storage medium based on hardware capabilities. These technologies not only elevate read/write speeds to industry-leading levels but also significantly reduce latency and dynamic power consumption, achieving an optimal balance between high performance and low power usage to deliver a smoother and more enduring user experience.
- ***Testing system development.*** We have established a comprehensive, self-developed testing development spanning from the chip level to the system level. At the chip level, leveraging our self-developed MBIST/LBIST frameworks, we conduct automated unit testing, simulated aging and extreme-condition verification. At the system level, we deploy full-platform stress testing and extensive compatibility tests to build a robust quality assurance barrier. This system enables effective identification and resolution of design defects and potential failures, significantly enhancing product quality and reliability. In addition, we have developed a fully autonomous mass-production testing

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system that employs highly automated testing programs, simulation-based test methodologies and advanced diagnostic tools to rapidly complete comprehensive assessments of product performance, reliability, compatibility and aging behavior.

- ***Storage medium characteristic analysis.*** For storage medium sourced from different suppliers, such as NAND Flash, we conduct in-depth characterization at the intrinsic properties, precisely analyzing electrical characteristics and degradation patterns trend under varying process nodes, voltages and temperatures. By thoroughly understanding the characteristics of media from various suppliers, we can accurately match customers with the most suitable components for their application scenarios, delivering optimized and cost-effective products. This research also forms the technical foundation for firmware algorithm development and controller chip design and development, supporting precise sorting and grading of components, maximizing medium performance and predicting and mitigating potential risks associated with medium usage. As a result, this capability ensures exceptional reliability and long-term stability of our products throughout their entire lifecycle.

## RESEARCH AND DEVELOPMENT

We invested significant resources into the R&D of our products and technologies. Our R&D team is led by three core members, namely Mr. AW YONG CHEE KONG, Mr. Zhu Qi’ao and Mr. Zhang Xinghua. As of September 30, 2025, our R&D team consists of 856 dedicated talents, of whom approximately 50% holds a master’s degree or above. As of September 30, 2025, we had R&D centers located in multiple cities, including Shenzhen, Hefei, Shanghai, Xiamen, and Hangzhou. These R&D centers mainly focused on the R&D of our memory products.

For the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, our R&D expenses amounted to RMB282.6 million, RMB392.2 million and RMB354.9 million, respectively, representing 3.2%, 4.5% and 4.5% of our revenue for the corresponding periods.

### Our R&D Process

We have established a comprehensive management process that covers the R&D of controller chips and modules. This process mainly consists of three key phases: project initiation, design & development and validation.

- ***Project initiation phase:*** Project requirements primarily come from market research, strategic planning, and customer needs. The fundamental technical specifications are sourced from associations such as JEDEC/PCI-SIG, while also taking into account

## BUSINESS

customer-specific functions and technical parameters as defined by the marketing team. The application team translates these into specific product functions and technical specifications. The R&D team then conducts a technical feasibility analysis of the controller chips or module solution, completing the project initiation report and R&D plan. Upon completion of internal review, the final development solution and product specifications for the controller chips and modules are confirmed.

- ***Design and development phase:*** Based on the approved specifications, the R&D team carries out end-to-end design for the controller chips and modules. The controller chips design and development phase includes architecture analysis and specification definition, RTL design and coding, design verification, logic synthesis, and physical implementation. The module design and development phase involves selecting controller chips and NAND Flash, hardware circuit design, PCB layout, and firmware design and development. Simultaneously, the validation and verification team formulates the corresponding test plans and standards for the controller chips and modules.
- ***Validation phase:*** After chip probing and final testing, our application team, R&D team, and validation and verification team collaborate to conduct system testing, performance evaluation, and reliability validation to ensure the product meets design and application requirements. Once validated, the product moves into pilot production. Based on the results from pilot production, we conduct a mass production release review for the controller chips and modules.

## SALES AND MARKETING

### Sales Network

The table below sets forth our revenue by the region of the place of registration of counter-parties to our sales contract during the Track Record Period:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
					<i>(unaudited)</i>		<i>(unaudited)</i>	
Chinese Mainland . . . . .	1,824,779	20.8	1,264,609	14.5	603,101	8.9	2,663,038	34.4
Overseas <sup>(1)</sup> . . . . .	6,955,920	79.2	7,453,803	85.5	6,154,817	91.1	5,081,138	65.6
<b>Total . . . . .</b>	<b>8,780,699</b>	<b>100.0</b>	<b>8,718,412</b>	<b>100.0</b>	<b>6,757,918</b>	<b>100.0</b>	<b>7,744,176</b>	<b>100.0</b>

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*Note:*

(1) Primarily include Hong Kong, the U.K., Taiwan and Singapore.

Within our overseas markets, the majority of our revenue was generated from Hong Kong, as Hong Kong is a popular delivery hub for the semiconductor industry.

### Sales Channels

Our sales channels consist of both direct sales and distributorship. During the Track Record Period, the majority of our products were sold through direct sales, while the rest were sold through distributorship. The table below sets forth our revenue breakdown by sales channel for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
					<i>(unaudited)</i>		<i>(unaudited)</i>	
Direct sales . . . . .	5,072,553	57.8	6,410,628	73.5	4,860,660	72.0	5,010,489	64.7
Distributorship . . . . .	3,708,146	42.2	2,307,784	26.5	1,897,258	28.0	2,733,687	35.3
<b>Total . . . . .</b>	<b>8,780,699</b>	<b>100.0</b>	<b>8,718,412</b>	<b>100.0</b>	<b>6,757,918</b>	<b>100.0</b>	<b>7,744,176</b>	<b>100.0</b>

### *Direct Sales*

We reach our direct sales customers through targeted marketing efforts, including industry exhibitions, technology forums and seminars, which allow us to showcase our expertise and engage with potential clients effectively.

We typically enter into framework direct sales agreements with our direct sales customers. Salient terms of our framework direct sales agreements with direct sales customers are set out below:

- *Order placement.* The product name, quantity, specification, purchase price and delivery date are specified in purchase orders based on the demand of our customers.
- *Duration.* The duration of the direct sales agreements with our direct sales customers is typically one to two years.
- *Credit Term.* We generally grant our direct sale customers a credit period of up to four months.

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- *Shipment and delivery.* We assume the cost and risks associated with the shipment of ordered products to locations designated by our direct sales customers. The risks transfer to direct sales customers after they confirm receipt of our products.
- *Product return arrangements.* We typically do not allow our direct sales customers to return products to us except for product quality issues caused by us.
- *Termination.* Either party has the right to unilaterally terminate the agreement in the event of a material breach by the other party.

***Distributorship***

We adopt a distributorship model mainly due to (i) the diversity and large volume of our product offerings and end customers; and (ii) the significant variations in customer preferences across different countries.

Our distributors primarily include trading partners and authorized agents. The relationships between distributors and us are seller-buyer relationships — they buy our products from us and then resell the products to downstream customers. We recognize revenue upon our distributor’s confirmation of receipt of our products. According to Frost & Sullivan, our distribution model is in line with industry norms.

The following table sets forth the movement in the number of our distributors during the periods indicated:

	Year ended December 31,		Nine months ended
	2023	2024	September 30, 2025
Distributors at the beginning of year/period . . . .	102	102	106
Addition of new distributors . . . . .	59	54	36
Terminated distributors <sup>(1)</sup> . . . . .	59	50	57
Distributors at the end of year/period . . . . .	<u>102</u>	<u>106</u>	<u>85</u>

*Note:*

(1) Terminated distributors refer to distributors from whom we recorded revenue in the previous year but did not record any revenue in the current year/period.

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### *Trading Partners*

Our trading partners purchase our products under sales agreements, and we do not exercise any control over the business operations of these trading partners. Specifically, with respect to our business arrangements with trading partners: (i) we do not have any control over the business operations of these trading partners, including their sales or pricing policies or marketing activities; (ii) we do not impose any restrictions or requirements on their geographical coverage; and (iii) these trading partners are not required to provide us with information regarding their sales, inventory levels, whether they resell our products to their customers, or, if they do resell our products, the identity of the end users of such products or the demand of their customers for our products. According to Frost & Sullivan, our collaboration with trading partners is in line with industry norms.

Our Directors are of the view that we do not have any material channel stuffing risks, considering that (i) we do not set sales targets or minimum purchase obligations on trading partners; (ii) our trading partners are generally not permitted to return products except for instances of product design defects and quality issues, (iii) our trading partners typically place orders with us after they have received purchase orders, and (iv) we did not identify any material channel stuffing risks during the Track Record Period and up to the Latest Practicable Date.

Salient terms of our framework sales agreements with trading partners are set out below:

- *Order placement.* The product name, quantity, specification and purchase price are specified in purchase orders based on the demand of our trading partners.
- *Duration.* The duration of the framework sales agreements with our trading partners is typically one year.
- *Credit Term.* We generally grant our trading partners a credit period of up to 30 days.
- *Shipment and delivery.* We generally assume the cost and risks associated with the shipment of ordered products to locations designated by our trading partners. The risks transfer to trading partners after they confirm receipt of our products.
- *Product Return Arrangements.* We do not allow our trading partners to return products to us except for product quality issues.

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### *Authorized Agents*

Our authorized agents purchase our products under product agency agreements, pursuant to which we may determine the resale prices together with our authorized agents and obtain information on their inventory levels and downstream customers. We maintain proactive approach to authorized agent management to ensure market order, compliance and business alignment. Our authorized agents are selected based on comprehensive criteria, including their coverage and quality of their sales network, reputation, creditworthiness, financial condition, sales strategies and logistics and warehousing. We establish clear operational guidelines for our authorized agents, covering pricing policies and payment requirements, to ensure they operate in accordance with our market strategies and legal requirements.

We regularly review authorized agent performance based on their sales volume, customer engagement and operational compliance and assess contract renewals accordingly. As part of our authorized agent management policy, we communicate with our authorized agents to evaluate their sales progress and minimize inventory risks. Our authorized agents typically place orders with us after they have received purchase orders, which inherently reduces their inventory risks and accelerates their inventory turnover.

Salient terms of our product agency agreements with authorized agents are set out below:

- *Order placement:* The product name, quantity, specification, purchase price and delivery date are specified in purchase orders based on the demand of our authorized agents.
- *Duration.* The duration of the product agency agreement is typically 1–2 years.
- *Pricing.* The pricing of our products to downstream customers is determined through joint negotiation between us and the authorized agents.
- *Credit Term.* We generally grant our authorized agents a credit period of up to 30 days.
- *Service capabilities:* We generally require our authorized agents to allocate enough sales personnel and to regularly train and assess their service and support capabilities.
- *Designated region:* Authorized agents are typically authorized to sell our products to downstream customers within designated regions.

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- *New customer registration:* Before initiating cooperation with any new downstream customer, the authorized agent is generally required to report such customer to us. After verifying whether the proposed customer is already covered by another authorized agent, we will inform the authorized agent whether it may proceed with the cooperation.
- *Shipment and delivery.* We generally assume the cost and risks associated with the shipment of ordered products to locations designated by the authorized agents. The risks transfer to authorized agents after they confirm receipt of our products.
- *Product Return Arrangements.* We typically do not allow authorized agents to return products to us except for product quality issues.

To the best of our knowledge, as of the Latest Practicable Date, all of our distributors were Independent Third Parties. To the best of our knowledge, we do not have any sub-distributor during the Track Record Period. During the Track Record Period and up to the Latest Practicable Date, we have no material unresolved disputes or lawsuits with our distributors.

### **Product Return**

Based on our policy and agreements with our customers, products sold to customers cannot be returned except for instances of product design defects and quality issues. During the Track Record Period and up to the Latest Practicable Date, we did not receive any material product return, exchange, complaints or product liability claims from our customers. Since we received no material customer complaints or request for product exchange due to product quality and defects which were material to our business, we did not incur any material warranty expense or made any provision for such warranty expense during the Track Record Period and up to the Latest Practicable Date.

### **Pricing**

We price our products based on real-time market quotations. We typically do not enter into long-term agreements with fixed pricing with our customers. In determining our product pricing, we consider a range of factors, including raw material costs, estimated production capacity, administrative, sales and distribution expenses, current market prices of similar products, overall market conditions and the duration of our customer relationships.

In particular, the pricing of our products is closely tied to the cost of memory wafers, which are our primary raw materials. Fluctuations in the market prices of memory wafers can directly impact the pricing of our products. Generally, the sales prices of our memory products align with trends in memory wafer procurement costs. However, there is a time lag between wafer

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procurement and product sales. To mitigate these risks, we have strengthened our business relationship with key customers who regularly place large orders. Such relationships enhance predictability of demand and product pricing, enabling us to better manage the inventory level of raw materials and production schedule.

### **Sales and Marketing Team**

As of September 30, 2025, we had a sales and marketing team of 113 personnel, focusing on business development, customer service and industry coverage. Our sales and marketing staff regularly contact our existing and potential customers about our current offerings and development plans, communicate the details of our products with our customers, such as the designs, functionalities or technologies from time to time, with a focus on building long-term relationships with our customers. They also conduct market research, monitor competitors’ technology development trends and price movements, analyze the marketing environment, such as competitor intentions and customer needs, and tailor our marketing strategy.

We also seek to promote our brand awareness and product recognition through multiple marketing channels including industry exhibitions, technology forums and seminars.

For the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, our selling and distribution expenses amounted to RMB41.9 million, RMB52.9 million, RMB37.8 million and RMB46.4 million, respectively.

### **OUR CUSTOMERS**

In 2023 and 2024, and the nine months ended September 30, 2025, revenue generated from our five largest customers amounted to RMB5,210.6 million, RMB5,740.0 million and RMB3,883.4 million, respectively, accounting for 59.4%, 65.7% and 50.0% of our total revenue in the same periods, respectively. Revenue from our largest customer in each period of the Track Record Period accounted for 20.9%, 33.4% and 19.2% of our total revenue, respectively. All of our five largest customers were Independent Third Parties during the Track Record Period.

To the best of our knowledge and as of the Latest Practicable Date, we were not aware of any information or arrangement that would lead to the termination of our relationships with any of our major customers. None of our Directors and their respective associates, or Shareholders who owns 5% or more of the total issued Shares had any interest in any of our five largest customers during the Track Record Period.

**BUSINESS**

The following table sets forth the details of our five largest customers in each period during the Track Record Period:

<b>Rank</b>	<b>Customer</b>	<b>Sales amount</b>	<b>Percentage of total revenue</b>	<b>Type of major product/services purchased</b>	<b>Credit terms</b>	<b>Year of commencement of business relationship</b>
		<i>RMB'000</i>	<i>%</i>			
<b><i>For the year ended December 31, 2023</i></b>						
1	Customer A <sup>(1)</sup> . . . . .	1,836,063	20.9	Embedded storage	60 days	2021
2	Customer B and its related parties <sup>(2)</sup> . . . . .	1,059,147	12.1	SSDs	45 days	2020
3	Customer C and its subsidiary <sup>(3)</sup> . . . . .	867,615	9.9	Embedded storage	90 days	2022
4	Customer D <sup>(4)</sup> . . . . .	727,008	8.3	Memory IC	Prepayments	2019
5	Customer E and its subsidiary <sup>(5)</sup> . . . . .	720,745	8.2	Embedded storage and memory IC	Prepayments	2022

<b>Rank</b>	<b>Customer</b>	<b>Sales amount</b>	<b>Percentage of total revenue</b>	<b>Type of major product/services purchased</b>	<b>Credit terms</b>	<b>Year of commencement of business relationship</b>
		<i>RMB'000</i>	<i>%</i>			
<b><i>For the year ended December 31, 2024</i></b>						
1	Customer C <sup>(3)</sup> . . . . .	2,914,783	33.4	Embedded storage	90 days	2022
2	Customer A <sup>(1)</sup> . . . . .	1,840,103	21.1	Embedded storage	60 days	2021
3	Customer F <sup>(6)</sup> . . . . .	335,122	3.8	SSDs and embedded storage	Prepayments	2022
4	Customer D <sup>(4)</sup> . . . . .	332,321	3.8	Memory IC	Prepayments	2019
5	Customer G <sup>(7)</sup> . . . . .	317,710	3.6	Embedded storage	30 days	2024

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Rank	Customer	Sales amount	Percentage of total revenue	Type of major product/services purchased	Credit terms	Year of commencement of business relationship
		<i>RMB'000</i>	<i>%</i>			
<i>For the nine months ended September 30, 2025</i>						
1	Customer A and its related party <sup>(1)</sup> . . . . .	1,489,179	19.2	Embedded storage	60 days	2021
2	Customer G <sup>(7)</sup> . . . . .	948,403	12.2	Embedded storage	30 days	2024
3	Customer C <sup>(3)</sup> . . . . .	739,393	9.5	Embedded storage	90 days	2022
4	Customer H and its subsidiary <sup>(8)</sup> . . . . .	450,700	5.8	DRAM and embedded storage	30 days	2023
5	Customer I and its related parties <sup>(9)</sup> . . . . .	255,725	3.3	DRAM	Prepayment	2024

*Notes:*

- (1) Customer A is a company established in 2014 and registered in Hong Kong, primarily engaged in the trading and distribution of electronic products and related components, serving customers across the consumer electronics and smart device sectors.
- (2) Customer B is a memory module manufacturing company established in 2018 and registered in Guangdong Province, China. It is primarily engaged in the design, research and development, and packaging of memory modules and memory products.
- (3) Customer C is a company established in 2010 and registered in Hong Kong, primarily engaged in the trading and distribution of consumer electronics and smart hardware products.
- (4) Customer D is a company established in 2006 and registered in Hong Kong, primarily engaged in the trading and distribution of electronic products and related components.
- (5) Customer E is a company established in 2014 and registered in Hong Kong, primarily engaged in the trading and distribution of electronic products and related components.
- (6) Customer F is a company established in 2022 and registered in British Virgin Islands, primarily engaged in the distribution and trading of semiconductor components and electronic products.
- (7) Customer G is a company established in 2024 and registered in Shanghai, China. It is primarily engaged in the research and development, manufacturing and sales of memory products and related electronic devices.
- (8) Customer H is a consumer electronics and mobile communication device manufacturer established in 2003 and registered in Dongguan, Guangdong Province, China. It is primarily engaged in the research and development, manufacturing and sales of smartphones and related smart hardware.

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- (9) Customer I is a company established in 2008 and registered in Hong Kong, primarily engaged in the distribution and trading of electronic components and related products.

### OUR SUPPLIERS

#### Raw Material Suppliers

The raw materials for our memory products mainly include (i) memory wafers; and (ii) controller chips. We primarily procure (i) memory wafers from original memory manufacturers; and (ii) controller chips from controller suppliers. We generally enter into framework agreements with raw material suppliers, which set forth the general terms and conditions of purchase. Salient terms of such agreements typically include:

- **Order Placement:** Procurement orders, which include the product name, quantity, unit price, and total purchase amount, will be placed separately.
- **Delivery:** Suppliers are typically responsible for delivering ordered products to our designated location.
- **Payment:** The credit terms and payment method shall be in accordance with the purchase order. We are typically offered a credit term of up to 90 days.
- **Product Return:** We conduct product inspections ourselves. If the products provided by suppliers fail to pass our inspection, they can be returned, and suppliers are responsible for associated costs. During the Track Record Period and up to the Latest Practicable Date, there had been no material claims between raw materials suppliers and us regarding product returns and refunds.
- **Duration:** The agreements are typically effective for one to two years.
- **Termination:** Either party is entitled to terminate the agreement upon 30 days' prior written notice.

#### Service Providers

The manufacturing process of memory products mainly include (i) wafer processing, (ii) assembly and testing and (iii) SMT and testing. We outsource these processes to service providers.

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Our service providers mainly include foundries and OSAT providers. Foundries provide us with wafer processing services. OSAT providers provide us with (i) assembly and testing services, and (ii) SMT and testing services. We generally enter into framework agreements with service suppliers. Salient terms of such agreements typically include:

- **Scope of services:** The service providers manufacture the products we require based on the product specifications set out in the work orders.
- **Payments:** The production costs are agreed upon by both parties in the work order. We make the payment for processing fees after receiving the products, and the service providers typically provide us with a credit term of 30 to 90 days.
- **Products return:** We conduct product inspections ourselves. If the products provided by service providers fail to pass our inspection, they can be returned, and service providers are responsible for associated costs. During the Track Record Period and up to the Latest Practicable Date, there had been no material claims between service providers and us regarding product returns and refunds.
- **Duration:** The agreements are typically effective for three years.
- **Termination:** If a service provider is in breach of its obligations, we are entitled to require it to rectify such breach within a specified period, failing which we may unilaterally terminate the agreement.

### Supplier Management

During the Track Record Period, our suppliers primarily consisted of (i) raw material suppliers, and (ii) service providers. We typically engage reputable suppliers with proven track records to ensure the quality of our products.

We have supplier management policy to ensure supply chain stability, cost efficiency, and quality compliance. Our supplier management policy covers the entire engagement process, including selection, evaluation, performance tracking, and potential disengagement. We consider a comprehensive set of factors when selecting suppliers, which mainly include cost competitiveness, delivery reliability, quality assurance, and technical capabilities. New suppliers must undergo rigorous qualification processes, including, capability assessment, material certification, on-site inspections, and contractual agreements before being included in our approved supplier list. Existing suppliers are subject to regular performance reviews, which classify them into different categories based on performance. Suppliers that fail to meet performance expectations may be subject to corrective action plans, reduced procurement volumes, or contract termination.

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### Our Major Suppliers

For the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, purchases from our five largest suppliers amounted to RMB3,808.5 million, RMB4,182.5 million and RMB4,068.4 million, respectively, representing 43.5%, 49.4% and 51.5% of our total purchases, respectively. In addition, purchases from our largest supplier accounted for 12.6%, 11.6% and 11.6% of our total purchases for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, respectively. Except for Supplier D, all of our five largest suppliers were Independent Third Parties during the Track Record Period.

None of our Directors and their respective associates or our Shareholders who hold more than 5% of our total issued Shares had any interest in our five largest suppliers, except for Supplier D, during the Track Record Period. Our transaction with Supplier D was conducted in the ordinary course of business and carried out on commercial terms that were negotiated at arm’s length. Additionally, we did not experience any material disputes with our suppliers during the Track Record Period.

The following table sets forth the details of our five largest suppliers in each period during the Track Record Period:

Rank	Supplier	Purchase Amount	Percentage of total purchase	Type of major product/services provided	Credit terms	Year of commencement of business relationship
		<i>(RMB'000)</i>	<i>(%)</i>			
<i>For the year ended December 31, 2023</i>						
1	Supplier A <sup>(1)</sup> . . . . .	1,103,317	12.6	Wafers	30 days	2021
2	Supplier B and its related parties <sup>(2)</sup> . . . . .	1,006,589	11.5	Wafers and testing and packaging services	30–60 days	2020
3	Supplier C <sup>(3)</sup> . . . . .	640,154	7.3	Wafers	Prepayments	2023
4	Supplier D <sup>(4)</sup> . . . . .	532,802	6.1	Controller chips	45 days	2019
5	Supplier E <sup>(5)</sup> . . . . .	525,605	6.0	Wafers	60 days	2022

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<b>Rank</b>	<b>Supplier</b>	<b>Purchase Amount</b>	<b>Percentage of total purchase</b>	<b>Type of major product/services provided</b>	<b>Credit terms</b>	<b>Year of commencement of business relationship</b>
		<i>(RMB'000)</i>	<i>(%)</i>			
<i>For the year ended December 31, 2024</i>						
1	Supplier D <sup>(4)</sup> . . . . .	978,559	11.6	Wafers and controller chips	45 days	2019
2	Supplier C <sup>(3)</sup> . . . . .	922,779	10.9	Wafers	Prepayments	2023
3	Supplier F and its subsidiaries <sup>(6)</sup> . . . . .	874,160	10.3	Wafers	60 days	2023
4	Supplier G <sup>(7)</sup> . . . . .	815,643	9.6	Wafers	30 days	2020
5	Supplier H <sup>(8)</sup> . . . . .	591,359	7.0	Wafers	89 days	2024

<b>Rank</b>	<b>Supplier</b>	<b>Purchase Amount</b>	<b>Percentage of total purchase</b>	<b>Type of major product/services provided</b>	<b>Credit terms</b>	<b>Year of commencement of business relationship</b>
		<i>(RMB'000)</i>	<i>(%)</i>			
<i>For the nine months ended September 30, 2025</i>						
1	Supplier H <sup>(8)</sup> . . . . .	914,566	11.6	Wafers	89 days	2024
2	Supplier D <sup>(4)</sup> . . . . .	877,243	11.1	Wafers and controller chips	45 days	2019
3	Supplier A <sup>(1)</sup> . . . . .	783,725	9.9	Wafers	30 days	2021
4	Supplier I <sup>(9)</sup> . . . . .	748,089	9.5	Wafers	Prepayments	2019
5	Supplier F and its subsidiaries <sup>(6)</sup> . . . . .	744,804	9.4	Wafers	60 days	2023

*Notes:*

(1) Supplier A is a trading and distribution company established in 1996 and registered in Hong Kong. It is primarily engaged in the import, export and sales of electronic components and related products.

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- (2) Supplier B is a trading and distribution company established in 2009 and registered in Hong Kong. It is primarily engaged in the trading and distribution of electronic components and related supply chain services.
- (3) Supplier C is an electronic component trading company established in 1996 and registered in Hong Kong. It is primarily engaged in the distribution and supply of semiconductor devices and related electronic products.
- (4) Supplier D is a company established in 2000, registered in Taiwan and listed on the Taipei Exchange. It is primarily engaged in the research and development, manufacturing and sales of NAND flash controllers and storage solutions.
- (5) Supplier E is a company established in 2015 and registered in Hong Kong. It is primarily engaged in the research and development, manufacturing and sales of memory modules.
- (6) Supplier F is a company established in 2005 and registered in Shenzhen, China, principally engaged in the distribution and technical services of semiconductor components and electronic products.
- (7) Supplier G is an electronics trading company established in 2012 and registered in Hong Kong.
- (8) Supplier H is a company established in 2022 and registered in Shenzhen, China. It is primarily engaged in the trading and circulation of electronic components and integrated circuits, as well as the provision of related supply chain services.
- (9) Supplier I is a company established in 2010 and registered in Hong Kong. It is primarily engaged in the design, manufacturing and sales of memory modules and flash storage solutions.

## OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, our five largest customers consisted of a total of nine customers, three of which (Customer B, Customer H and Customer I) and/or their affiliates were also our suppliers. During the Track Record Period, our five largest suppliers consisted of a total of nine suppliers, six of which (Supplier A, Supplier B, Supplier D, Supplier F, Supplier H and Supplier I) and/or their affiliates were also our customers.

Revenue from Customer B and its related parties for 2023, 2024 and the nine months ended September 30, 2025 was RMB1,059.1 million, RMB152.2 million and RMB159.7 million, respectively, representing approximately 12.1%, 1.7% and 2.1% of our total revenue for the respective periods. Purchase from Customer B and its related parties for 2023, 2024 and the nine months ended September 30, 2025 was RMB170.5 million, RMB61.9 million and RMB33.6 million, respectively, accounting for approximately 1.9%, 0.7% and 0.4% of our total purchase amount for the respective periods.

Revenue from Customer H and its related parties for 2023, 2024 and the nine months ended September 30, 2025 was RMB10.4 million, RMB251.4 million and RMB450.7 million, respectively, representing approximately 0.1%, 2.9% and 5.8% of our total revenue for the

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respective periods. Purchase from the subsidiary of Customer H for 2023, 2024 and the nine months ended September 30, 2025 was nil, RMB1.2 million and nil, respectively, accounting for approximately nil, less than 0.1% and nil of our total purchase amount for the respective periods.

Revenue from Customer I and its related parties for 2023, 2024 and the nine months ended September 30, 2025 was nil, RMB170.9 million and RMB255.7 million, respectively, representing approximately nil, 2.0% and 3.3% of our total revenue for the respective periods. Purchase from the related party of Customer I for 2023, 2024 and the nine months ended September 30, 2025 was nil, RMB8.6 million and nil, respectively, accounting for approximately nil, 0.1% and nil of our total purchase amount for the respective periods.

Revenue from the related parties of Supplier A for 2023, 2024 and the nine months ended September 30, 2025 was nil, RMB10.5 million and RMB58.6 million, respectively, representing approximately nil, 0.1% and 0.7% of our total revenue for the respective periods. Purchase from Supplier A for 2023, 2024 and the nine months ended September 30, 2025 was RMB1,103.3 million, RMB246.3 million and RMB783.7 million, respectively, accounting for approximately 12.6%, 2.9% and 9.9% of our total purchase amount for the respective periods.

Revenue from Supplier B and its related parties for 2023, 2024 and the nine months ended September 30, 2025 was RMB4.5 million, RMB11.6 million and RMB68.9 million, respectively, representing approximately less than 0.1%, 0.1% and 0.9% of our total revenue for the respective periods. Purchase from Supplier B and its related parties for 2023, 2024 and the nine months ended September 30, 2025 was RMB1,006.6 million, RMB550.7 million and RMB400.1 million, respectively, accounting for approximately 11.5%, 6.5% and 5.1% of our total purchase amount for the respective periods.

Revenue from Supplier D for 2023, 2024 and the nine months ended September 30, 2025 was RMB76.2 million, RMB19.3 million and RMB1.1 million, respectively, representing approximately 0.9%, 0.2% and less than 0.1% of our total revenue for the respective periods. Purchase from Supplier D for 2023, 2024 and the nine months ended September 30, 2025 was RMB532.8 million, RMB978.6 million and RMB877.2 million, respectively, accounting for approximately 6.1%, 11.6% and 11.1% of our total purchase amount for the respective periods.

Revenue from Supplier F and its subsidiaries for 2023, 2024 and the nine months ended September 30, 2025 was nil, nil and RMB12.0 million, respectively, representing approximately nil, nil and 0.2% of our total revenue for the respective periods. Purchase from Supplier F and its subsidiaries for 2023, 2024 and the nine months ended September 30, 2025 was RMB401.9 million, RMB874.2 million and RMB744.8 million, respectively, accounting for approximately 4.6%, 10.3% and 9.4% of our total purchase amount for the respective periods.

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Revenue from Supplier H for 2023, 2024 and the nine months ended September 30, 2025 was nil, nil and RMB10.1 million, respectively, representing approximately nil, nil and 0.1% of our total revenue for the respective periods. Purchase from Supplier H for 2023, 2024 and the nine months ended September 30, 2025 was nil, RMB591.4 million and RMB914.6 million, respectively, accounting for approximately nil, 7.0% and 11.6% of our total purchase amount for the respective periods.

Revenue from Supplier I for 2023, 2024 and the nine months ended September 30, 2025 was RMB6.3 million, nil and RMB0.3 million, respectively, representing approximately less than 0.1%, nil and less than 0.1% of our total revenue for the respective periods. Purchase from Supplier I for 2023, 2024 and the nine months ended September 30, 2025 was RMB224.6 million, RMB459.9 million and RMB748.1 million, respectively, accounting for approximately 2.6%, 5.4% and 9.5% of our total purchase amount for the respective periods.

The reasons for such overlap between our suppliers and customers are as follows: (i) we purchased a small number of smartphones from our customers in the smartphone field for testing purposes; (ii) in our business dealings with certain trading companies, we both purchased raw materials from them and sold memory products to them; (iii) we engaged in separate procurement or sales transactions with subsidiaries of large conglomerates that are involved in different businesses; and (iv) we purchase a small quantity of storage products with certain specifications that we do not have, from our customers primarily engaged in the production of memory products.

The terms and conditions of the sales agreements and procurement agreements with the above customers and suppliers the above customers and suppliers were negotiated on an arm’s length basis and generally in line with the terms and conditions with other comparable customers and suppliers. According to Frost & Sullivan, it is common in the industry to have overlapping customers and suppliers.

Starting from April 2024, we engaged in customer supply arrangements, where one of our embedded storage customers generally provided us with wafer as raw materials of our embedded storage, while we sold embedded storage products to it (the “**Customer Supply Arrangements**”). We do not bear the inventory risk of wafers or the risk of wafer price fluctuations. According to Frost & Sullivan, such arrangement is not uncommon in the industry. Revenue generated under Customer Supply Arrangements is recognized as revenue from sales of embedded storage products. Consequently, from an accounting perspective, to ensure that the consolidated financial statements accurately reflect our financial and commercial substance, the abovementioned wafer provided by the customers was deducted from our revenue and cost of sales during the Track Record Period.

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### TRANSFER PRICING ARRANGEMENT

During the Track Record Period, we conducted our operations through subsidiaries in Chinese Mainland and multiple overseas jurisdictions to expand our operation in the international markets. Our intra-group transactions primarily include (i) purchase and sales of raw materials and finished goods, (ii) transactions of patent licensing, (iii) intra-group services, and (iv) funds lending and borrowing.

The Organization for Economic Cooperation and Development (the “OECD”), an international organization of international cooperation, promulgated the transfer pricing guidelines for multinational enterprises and tax administrations (the “OECD Transfer Pricing Guidelines”), which is generally followed by the relevant tax jurisdictions involved in the intra-Group transactions. According to the OECD Transfer Pricing Guidelines, the intra-Group transactions should be at arm’s length basis to avoid distorted taxable income in different jurisdictions.

After consultation with our transfer pricing consultant, our Directors believe that (i) our transfer pricing arrangements during the Track Record Period complied with the arm’s length principle as required under the OECD Transfer Pricing Guidelines and applicable transfer pricing laws and regulations in the relevant jurisdictions in all material aspects, and (ii) the risk of our Group being subject to material transfer pricing adjustments or additional tax payments can be considered as low. Furthermore, our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we were not aware of any inquiries, reviews, investigations or challenges from any tax authorities in the jurisdictions where we operate in respect of our intra-group transactions.

### QUALITY MANAGEMENT

Quality control and assurance are critical to our operations. We have a comprehensive quality management system encompassing various aspects of our operations, including R&D, procurement and production, ensuring compliance with both relevant regulatory requirements and our stringent internal quality standards. During the product R&D stage, our QC team conducts strict reviews of the product design and R&D plans. In terms of procurement, we carefully select and regularly review our suppliers and conduct thorough inspections before goods are received into the warehouse. In addition, we implement rigorous quality control processes for outsourced products, including: (i) conducting small-batch pilot production and performing testing and validation on samples to determine suitability for mass production; (ii) closely monitoring product quality during mass production and making timely adjustments if deviations from pilot results are identified; and (iii) performing sampling inspections on finished products. All procedures and documentation strictly follow our internal standards to ensure product quality, regulatory compliance, and effective third-party manufacturers management.

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During the Track Record Period and up to the Latest Practicable Date, we did not receive any fines, product recall orders or other penalties from the relevant competent authorities regarding material product quality issues.

### **WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT**

We operate several warehouses mainly in Hong Kong and Shenzhen for storing raw materials, work-in-progress and finished products. Finished products that have passed quality inspections are delivered by the logistics service providers from our own warehouses to our customers or to designated warehouses. We select logistics service providers based on their reputation, scale of operations, track record and price. We typically enter into long-term agreements with our logistics service providers. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruption in the delivery of our products or suffered any loss due to late delivery or mishandling of products by our logistics service providers.

As of December 31, 2023 and 2024 and September 30, 2025, the balance of our inventories was RMB2,548.2 million, RMB3,949.8 million and RMB5,147.5 million, respectively. In 2023, 2024 and the nine months ended September 30, 2025, our inventory turnover days were 101 days, 162 days and 185 days, respectively.

To maintain our competitive position and align our products with evolving market demands, we have implemented various measures to optimize our inventory levels. These measures include minimizing inventory backlog and enhancing our inventory management processes. We have established internal procedures for submission and approval to streamline logistics and standardize purchase orders for our products. We employ ERP software to track inventory levels as well as ensure appropriate levels of raw materials and finished products and monitor the inflow and outflow of items from our warehouses in real-time. We conduct comprehensive inventory checks every three months to ensure efficient warehouse operations. Our Directors affirm that our inventory control systems and policies have been effective, with no significant supply shortages or inventory overstock issues experienced during the Track Record Period and up to the Latest Practicable Date.

### **INTELLECTUAL PROPERTY**

Intellectual property rights are critical in safeguarding our business. We protect our intellectual property rights through a combination of patents, trade secrets, know-how, trademarks, copyrights, unfair competition laws and contractual rights, such as confidentiality agreements. Our future commercial success depends, in part, on our ability to obtain and maintain patents and other intellectual property and proprietary protections for commercially important technologies,

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inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets and operate without infringing, misappropriating or otherwise violating the intellectual property rights of external parties.

As of September 30, 2025, we had 347 granted patents in China and overseas, including 264 invention related patents. As of September 30, 2025, we had 74 copyrights and 35 registered trademarks in China and overseas.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any intellectual property infringement disputes or claims which had any material adverse impact on us. See “Risk Factors — Risks Relating to Our Business and Industry — If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and penalties and may have to redesign or suspend the sales of products involved.”

## INFORMATION SECURITY AND DATA PRIVACY

We consider the confidentiality, integrity, and availability of data as critical to our business operations. Since our transactions are solely with enterprises, our business does not involve the collection or processing of personal information from individual customers. Nevertheless, we collect, store, and process business and transaction data in the course of our operations, which remain subject to evolving regulatory requirements and administrative scrutiny.

We have developed a comprehensive information security management framework spanning multiple stages of our business operations:

- ***Network Security.*** To safeguard our network infrastructure, we implement multi-layered security measures including firewalls, intrusion detection systems, and endpoint security system. Our network is designed with redundancy features to ensure continuous, secure information flow. We regularly conduct vulnerability assessments and penetration tests to proactively identify and mitigate potential threats.
- ***Data Protection and Privacy.*** We prioritize the protection of sensitive data through a comprehensive data management system that includes encryption, secure access control, and regular backups. Access to critical information is restricted based on roles, and only authorized personnel are permitted to handle or view sensitive data.

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- ***Security Audits and Continuous Monitoring.*** We continuously monitor our IT systems for vulnerabilities and potential threats. This includes regular security audits, real-time monitoring, and performance testing. Any identified weaknesses are promptly addressed through corrective actions, and we perform regular security drills to test our response capabilities.
- ***Disaster Recovery and Business Continuity.*** We have developed and continuously update a disaster recovery plan to ensure quick recovery of essential IT systems in case of any disruption. Our IT infrastructure undergoes daily health checks, with backups tested regularly to ensure data integrity.
- ***Employee Awareness and Training.*** We conduct periodic training sessions to ensure that all employees are aware of their responsibilities regarding data security. Employees are also required to sign confidentiality agreements to protect intellectual property and sensitive company information.

## INFORMATION TECHNOLOGY SYSTEM

Our information technology systems are integral to our operational efficiency, data security, and business continuity. We have developed a comprehensive IT infrastructure aligned with our organizational structure, business scope, and technological capabilities. To ensure reliability, security, and efficiency, we continuously refine IT management policies, standardize software and server management, and enforce strict access control measures. We conduct regular system updates, data backups, and cybersecurity checks to enhance system stability and prevent potential disruptions. Our core information technology systems include:

- ***ERP System:*** Our ERP system consolidates our finance, supply chain, and customer management into a unified system for streamlined operations and data consistency with real-time data.
- ***JIRA System:*** Our JIRA system tracks our R&D project progress for efficient task assignment, issue tracking and collaboration across teams throughout the product development process.
- ***SHR System:*** Our SHR system manages employee information and organization information for efficient human resources management.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material IT system failure or downtime that had a material adverse effect on our business operations.

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### COMPETITION

The global memory product industry is a tremendous market space. According to Frost & Sullivan, the global memory product market size was US\$192.8 billion in 2024. Benefiting from the upward momentum of the semiconductor super-cycle, the industry’s growth trajectory shows strong sustainability and certainty. The market size is expected to increase continuously from US\$263.3 billion in 2025 to US\$407.1 billion in 2029, with a CAGR of 11.5% during the period.

We primarily compete with global and local independent memory product enterprises. The principal competitive factors in our markets include technological expertise and innovative R&D capabilities, product development capabilities and supply chain partnerships.

See “Industry Overview” for more details.

### EMPLOYEES

As of September 30, 2025, a majority of our employees were located in PRC. The table sets forth a breakdown of our employees by function as of September 30, 2025:

<b>Function</b>	<b>Number</b>	<b>Percentage of Total Number</b>
		(%)
R&D . . . . .	856	65.2
Administrative . . . . .	182	13.9
Manufacturing . . . . .	162	12.3
Sales and marketing . . . . .	113	8.6
<b>Total . . . . .</b>	<b>1,313</b>	<b>100.0</b>

### Recruitment

We recruit new employees through on-campus recruitment, online recruiting and headhunters. In addition, we place a significant emphasis on internal referral and promotional opportunities which we believe enable us to retain employees that understand our business model and appreciate our corporate value, which in turn, is vital to our sustainable development.

We enter into employment contracts with all of our employees. We also enter into confidentiality agreements with all of our employees. The employment contracts we enter into with our employees set out the term of employment, remuneration, social insurance, and labor protection.

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We have not experienced any significant labor disputes which have adversely affected or are likely to have adverse effects on our business operations. We believe we have maintained a good relationship with our employees and we did not have any material labor dispute during the Track Record Period.

### **Incentives**

We offer competitive compensation and benefits to attract and retain top talent. In addition to compensation and benefits, outstanding employees may participate in the equity incentive plan. We also conduct regular performance evaluations and offer promotions and salary adjustments based on performance and competency to reward outstanding and high-potential employees.

### **Training**

We have implemented a robust training policy aimed at fostering the continuous development and growth of our employees. As part of this policy, we conduct a variety of training programs annually, covering areas such as management and leadership skills, technological advancements, business development and legal and regulatory compliance. These training sessions are delivered by a combination of internal speakers, who possess extensive experience and knowledge within our Company, and third-party consultants who bring in external expertise and industry best practices. Through these diverse training opportunities, we aim to enhance the skills and capabilities of our employees, ensuring they remain well-equipped to meet the evolving demands of our industry and contribute effectively to our success.

## **INSURANCE**

We maintain insurance policies to cover various aspects of our business, including property equipment damage insurance, comprehensive property insurance, logistics insurance, and trade credit insurance to safeguard our business continuity. According to Frost & Sullivan, the coverage of our insurance policies is in line with industry practice. We regularly review our insurance policies to ensure compliance with statutory requirements.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material claim of insurance. However, we may still be exposed to potential claims and liabilities exceeding our insurance coverage. For further details, see “Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers, which would affect our business, financial condition and results of operations.”

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### PROPERTIES

#### Lease Properties

As of the Latest Practicable Date, we leased a total of 22 material properties in China with an aggregate gross floor area of approximately 36,708 square meters, which are primarily used as our R&D facilities, warehouses and offices. We are generally allowed to terminate lease agreements with a prior notice, which provides us with operational flexibility. We believe that there is sufficient supply of properties in Chinese Mainland, and we do not rely on the existing leases for our business operations. We believe that our current facilities are adequate to meet our current needs.

#### Property Valuation

As of the Latest Practicable Date, no single property interest forming part of our Group’s property activities had a carrying amount of 1% or more of our total assets and 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 in this document any valuation report. Pursuant to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), 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.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Against the backdrop of the rapid development of artificial intelligence and the digital economy, data storage, as an important component of computing infrastructure, is increasingly characterized by green development and efficiency enhancement as key directions of industry development. We are deeply engaged in the field of memory product design and adhere to the development philosophy of “driving sustainable growth through innovation,” integrating ESG principles into our corporate strategy and operational management, continuously enhancing our capabilities in technological innovation, resource utilization and corporate governance, and are committed to supporting intelligent and low-carbon transformation through high-performance and low-power-consumption storage solutions, thereby promoting coordinated progress and sustainable development across the industry chain.

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### ESG Governance

#### *ESG Governance and Strategy*

We integrate the concept of sustainable development into the entire process of strategic decision-making and operational management, establishing an ESG governance system with clear responsibilities and efficient operations. The Board of Directors serves as the highest decision-making body for ESG matters, responsible for setting strategic directions and management objectives, reviewing annual work plans and performance, and providing resource support at the budgetary and policy levels to ensure that ESG initiatives are aligned with our long-term strategy.

To implement the decisions of the Board of Directors, we have established a Strategy and ESG Committee to coordinate and advance related initiatives, oversee strategy execution and risk identification, and review objectives and disclosure matters, thereby ensuring the effectiveness and transparency of the management system. Under the Committee, a cross-departmental working mechanism has been formed, covering functions such as human resources, administration, legal affairs, procurement and finance, to achieve coordinated management linking strategy, execution and oversight.

We adhere to the principle of “materiality,” comprehensively assessing the impacts and financial significance of environmental, social and governance issues, and incorporating the results into operational planning and risk control. We focus on key areas including climate change, energy management, employee development and supply chain responsibility, and promote implementation through target decomposition and performance tracking. We conduct annual performance assessments and external reviews to continuously improve the management system.

### Green and Shared Value Creation

#### *Environmental Management and Targets*

We adhere to the concept of green and sustainable development, strictly comply with relevant laws and regulations stipulated by national and local governments, continuously improve our internal environmental management system, and establish an environmental management framework with sound systems and clear responsibilities. We have obtained ISO 14001 Environmental Management System certification, covering production, operations and office activities, to ensure that environmental management is scientific, standardized and sustainable.

- **Energy use management:** We incorporate energy use management into the focus of daily operations and enhance energy efficiency through energy consumption inspection mechanisms. In the production process, we continue to promote energy-saving equipment retrofits and lighting system optimization; in administrative areas, we

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promote energy-efficient air-conditioning systems and LED lighting, encourage employees to develop energy-saving awareness, and reduce standby and idle energy consumption.

- **Water resource management:** We regularly monitor data on water intake, water consumption and wastewater discharge, and strictly implement energy management measures. Through measures such as promoting water-saving devices, posting water-saving reminders, and timely maintenance of pipelines and water-use facilities, we reduce water consumption per unit of output value. Production and domestic wastewater are managed by the industrial park’s wastewater treatment system to ensure compliant discharge.
- **Waste management:** We have formulated the *Noise and “Three Wastes” Management Measures*, and implement classified management, labeling, temporary storage, transportation and disposal for general solid waste and hazardous waste, respectively. General waste is centrally recycled and treated by qualified third-party institutions, while hazardous waste is disposed of in a harmless manner by qualified entities in accordance with regulations, ensuring complete records throughout the process and maintaining a 100% compliance rate.
- **Climate change management:** We pay attention to the long-term impacts of climate change, conducting regular accounting of greenhouse gas emissions and gradually enhancing our capabilities in carbon emissions data monitoring and analysis. We actively promote energy-efficient equipment and green energy use, reduce energy consumption intensity and indirect carbon emissions, and advance the low-carbon transformation of overall operations.

Using 2024 as the baseline year, we have set phased environmental performance targets: by 2026, comprehensive energy consumption intensity will decrease by 2% compared with 2024, per capita water consumption will decrease by 3%, and greenhouse gas emission intensity will decrease by 2%, while continuously maintaining a 100% compliant waste disposal rate and stable compliance of pollutant emissions.

### Climate Change Response

Climate change has become a shared challenge for global economic and industrial development. We actively respond to the national “dual carbon” strategy and global climate governance initiatives by integrating low-carbon principles into the entire process of strategic management and business operations. We fully recognize the significant impact of climate change on sustainable development and continuously advance energy conservation and consumption reduction, green manufacturing and supply chain decarbonization. Through technological innovation and management optimization, we enhance climate resilience and green competitiveness.

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At the governance level, we have established a systematic climate change management mechanism and incorporated relevant issues into our environmental and risk management framework. The Board’s ESG Committee is responsible for overall coordination of strategic direction and execution oversight, management formulates and implements response measures, and various functional departments carry out specific actions, forming a top-down management structure with clearly defined responsibilities.

In terms of risk and opportunity management, we regularly identify and assess the potential impacts of climate change on our operations and, based on the nature of the risks, formulate corresponding response measures by category:

Risk type	Risk event	Risk level	Time horizon	Potential impact	Response measures
Physical risks	Typhoons, rainstorms and other extreme weather events;	Low	Short term	<ol style="list-style-type: none"> <li>The physical safety and normal operation of our office premises, R&amp;D centers or production bases;</li> <li>Interruption of power supply (semiconductor manufacturing and R&amp;D have extremely high requirements for power stability);</li> <li>Logistics disruptions, affecting the transportation of raw materials or the delivery of finished products.</li> </ol>	<p>Work collaboratively with supply chain partners to establish multi-regional and multi-channel logistics backup mechanisms, reducing the impact of extreme weather on the supply chain;</p> <p>Strengthen the construction of flood prevention, typhoon prevention and high-temperature protection facilities in data centers, R&amp;D laboratories and office areas.</p>
Transition risks	Policy and regulatory risks	Medium	Long term	<ol style="list-style-type: none"> <li>China and global jurisdictions are gradually strengthening regulation over the full life-cycle carbon emissions, energy efficiency standards and recycling requirements of electronic products;</li> <li>In the future, higher requirements may be imposed on the power consumption, energy efficiency, green design and packaging materials of memory products.</li> </ol>	<p>Incorporate climate change into our corporate strategy and risk management and establish an ESG Committee; Pay close attention to international standards and make early arrangements for compliance responses;</p> <p>Strengthen employee training on climate change and ESG to enhance the overall climate awareness and adaptability of the organization.</p>
	Technological innovation risks	Low	Long term	In the future, the memory product industry may evolve toward lower power consumption, advanced process nodes and more environmentally friendly materials. If we fail to keep pace with energy efficient chip design and low-power storage solutions in a timely manner, we may fall behind in technological competition and market positioning.	<p>Develop low-power and high-energy-efficiency memory products to meet the energy-saving requirements of smart devices and IoT;</p> <p>Collaborate with upstream and downstream partners to jointly build a green supply chain, promoting emission reductions among suppliers and low-carbon logistics.</p>

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At the same time, from the perspective of the potential opportunities brought by climate change, we have also identified major opportunities across multiple dimensions:

Opportunities	Opportunity overview	Potential impact	Response measures
Green supply chain and customers . . . . .	Meet downstream green procurement requirements	<ol style="list-style-type: none"> <li>1. Become a certified supplier within green supply chains and gain access to international leading customers and automotive-grade supply chains;</li> <li>2. obtain more orders from brand customers that emphasize ESG, thereby expanding market share.</li> </ol>	Establish product carbon footprint assessment capabilities and progressively disclose the carbon footprints of key chips; Optimize chip packaging and material selection to reduce hazardous substances and environmental burdens; Proactively communicate ESG objectives with customers and provide green product solutions and data support.
Market and brand. . . . .	Enhance ESG image and attract green investment and talent	<ol style="list-style-type: none"> <li>1. Enhance our attractiveness in the capital markets, facilitating future financing, [REDACTED] valuation or access to green credit;</li> <li>2. Strengthen brand credibility and social responsibility image, particularly in international markets;</li> <li>3. Attract outstanding engineers, management talent and partners who value sustainable development.</li> </ol>	Regularly publish ESG reports or climate-related disclosures to demonstrate our efforts in addressing climate change; Participate in ESG ratings and continuously optimize scores; Integrate ESG concepts into office culture, such as green office practices, public welfare activities and employee ESG education; Disseminate our practices in energy efficient chips and low-carbon innovation through media, industry forums and other channels.
Policy and incentives . . . . .	Benefit from government support policies for green technology and semiconductors	<ol style="list-style-type: none"> <li>1. Reduce R&amp;D and operating costs and improve capital utilization efficiency;</li> <li>2. Obtain policy support and honorary qualifications;</li> <li>3. Secure a favorable position in local industrial policies, supporting expansion and financing.</li> </ol>	Actively apply for national and local green technology programs, semiconductor special projects and low-carbon innovation funds; Cooperate with governments and industry associations to participate in the formulation of green standards and industry norms for memory products.

In terms of greenhouse gas emissions management, in order to implement our climate change response strategy, we have systematically established a greenhouse gas inventory and management system in accordance with the *Guidelines for Accounting Methods and Reporting of Enterprise Greenhouse Gas Emissions — Power Generation Facilities (2021 Revised Edition)* issued by the Ministry of Ecology and Environment of the PRC, the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* issued by the Intergovernmental Panel on Climate Change (IPCC), and the standards set out in the *Greenhouse Gas Protocol*. Our greenhouse gas accounting scope

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covers Scope 1 and Scope 2 emissions, encompassing production and manufacturing, raw material procurement, warehousing and logistics, and daily office operations, ensuring the completeness, accuracy and traceability of emissions data.

As of 2024, our total greenhouse gas emissions amounted to 2,221.4 tonnes of carbon dioxide equivalent, of which Scope 1 direct emissions were 7.4 tonnes and Scope 2 indirect emissions were 2,214.0 tonnes. Our greenhouse gas emission intensity was 0.3 tonnes of carbon dioxide equivalent per million of revenue. On this basis, using 2024 as the baseline year, we have formulated phased emission reduction targets:

- by 2026, total greenhouse gas emission intensity will decrease by 2% compared with the baseline year;
- by 2030, the cumulative reduction will reach 10%.

	For the year ended December 31,		For the nine months ended September 30,
	2023	2024	2025
Total greenhouse gas emissions (tonnes of CO <sub>2</sub> equivalent) . . . . .	1,682.1	2,221.4	2,253.1
Scope 1 — direct greenhouse gas emissions (tonnes of CO <sub>2</sub> equivalent)* . . . . .	10.0	7.4	6.3
Scope 2 — indirect greenhouse gas emissions (tonnes of CO <sub>2</sub> equivalent) . . . . .	1,672.1	2,214.0	2,246.8
Total greenhouse gas emission intensity (tonnes of CO <sub>2</sub> equivalent/million of revenue). . . . .	0.2	0.3	0.3

### Pollutant and Waste Management

We attach great importance to the compliant, systematic and reduction-oriented management of waste, strictly comply with the *Environmental Protection Law of the People’s Republic of China* and other relevant laws and regulations, and fully implement the requirements for pollution prevention and control and resource recycling.

In terms of the management system, we have established a comprehensive waste management framework, clearly defining procedures for classification, collection, temporary storage and disposal, covering production, office and warehousing activities. We implement strict classified

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management for various types of waste generated from our operations. Hazardous waste is entrusted to qualified third-party institutions for safe transportation and harmless disposal, ensuring full-process compliance and traceability.

At the execution level, we adhere to the principles of “green manufacturing, compliant disposal, source control and resource recycling,” conduct regular inspections and reviews, and supervise the implementation of management measures to ensure that disposal activities comply with national and local environmental protection standards. Looking ahead, we will continue to optimize the waste management system, strengthen employee training, maintain a 100% compliant waste disposal rate, and continuously enhance the scientific and refined level of management to support green and sustainable operations.

### **Resource Management**

We strictly comply with relevant laws and regulations issued by national and local governments, adhere to the principle of “conservation first and green, low-carbon development,” systematically advance energy and water resource management, continuously enhance resource utilization efficiency, reduce energy consumption levels, and promote green manufacturing and sustainable operations.

In terms of energy management, we have established energy consumption ledgers and statistical analysis mechanisms, conducting real-time monitoring and annual accounting of major energy sources such as electricity to ensure data accuracy and traceability. We formulate annual energy-saving targets and incorporate them into performance assessments, driving various departments to implement energy-saving measures. In 2024, our total energy consumption amounted to 995.5 tonnes of standard coal, and energy consumption intensity was 0.1 tonnes of standard coal per RMB hundred million of revenue. Using 2024 as the baseline year, we have set a target to reduce energy consumption intensity by 3% by 2026, and will lower overall energy consumption through measures such as improving equipment energy efficiency, retrofitting lighting systems and optimizing air-conditioning operations.

In terms of water resource management, we adhere to the principles of “water conservation and recycling,” continuously advance the construction of water-saving facilities and maintenance of pipeline networks, regularly inspect leakage losses and strengthen water-use management. In 2024, our total water consumption was 7,571.3 cubic meters. Using 2024 as the baseline year, we plan to reduce water consumption per RMB million of revenue by 3% by 2026, while continuously maintaining a 100% compliant wastewater discharge rate.

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	For the year ended December 31,		For the nine months ended September 30,
	2023	2024	2025
	Total water consumption (cubic meters) . . .	4,950.0	7,571.3
Total energy consumption (tonnes of standard coal) . . . . .	756.1	995.5	1,017.8
Energy consumption intensity (tonnes of standard coal per RMB million of revenue). . . . .	0.1	0.1	0.1

### Co-creation and Shared Value

#### *Product and Service Safety and Quality*

We consistently regard product quality and information security as the core foundations of sustainable development, and have established a quality and data management system covering the entire process from R&D, procurement, production and delivery to after-sales services. We fully comply with the ISO 9001 Quality Management System and international standards such as ISO 26262, and regularly undergo third-party audits to ensure standardized operation and continuous improvement of the system.

In terms of product quality management, we implement full life-cycle quality control based on the PMC system, clearly defining responsibilities, standards and acceptance requirements at each stage. In the production process, we set up automated inspection points at key procedures to monitor and record indicators such as current, speed and functional durability, and conduct finished product sampling inspections and destructive testing, with the defect rate controlled at ≤0.003%. We carry out on-site audits and tiered management for key suppliers, requiring them to provide material safety certifications and test reports such as RoHS and REACH to ensure material safety and product consistency. To safeguard customer experience, we have established standardized service processes and SLA mechanisms, and track customer satisfaction through a CRM system, conducting root cause analysis and improvements for repeated complaints. We operate a 24-hour service hotline and online feedback channels, respond to general complaints within 24 hours and close cases within five working days, and escalate major quality issues to the Quality Committee within one hour to initiate special investigations and remedial mechanisms. As of September 30, 2025, we had not experienced any major customer complaints, recalls or administrative penalties arising from product safety or quality issues.

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### Employee Development

We uphold the core philosophy of “people-oriented, leading technological innovation; advancing with the times to jointly build a storage ecosystem,” consistently regard employees as our most critical competitive resource, and are committed to creating a fair, diverse, safe and growth-oriented professional environment. Through comprehensive recruitment policies, employee rights protection systems and training mechanisms, we continuously enhance employee satisfaction and organizational cohesion.

In terms of recruitment management, we strictly adhere to the principles of equality, diversity and non-discrimination to ensure fairness and impartiality throughout the recruitment process. We have formulated core documents such as the *Recruitment Management Measures* and the *Employee Handbook*, prohibit any form of discriminatory conditions, and strictly verify the age of candidates in accordance with the *Measures for the Management of Child Labor and Underage Workers*, resolutely prohibiting the use of child labor.

In terms of employee rights protection, we adopt a system-based approach with a people-oriented focus to establish a protection framework covering the entire career cycle, comprehensively safeguarding employees’ legitimate rights and interests. We strictly implement the statutory “five social insurances and one housing fund” system and provide diversified benefits such as holiday benefits, health check-ups and team-building activities to enhance employees’ sense of belonging. In accordance with the *Measures for the Management of Labor Protection for Female Employees*, we provide special protection measures for female employees during pregnancy, maternity and lactation periods to promote work–life balance. At the same time, we actively foster a diverse and inclusive workplace culture and have employed more than 50 employees from ethnic minority groups. In addition, relying on the *Employee Complaints and Whistleblowing Management System*, we have established multi-channel grievance mechanisms through which employees may raise concerns orally, in writing, via email or through a hotline. We adhere to the principles of “fairness and objectivity, confidentiality and efficiency,” and complete investigations and handling within one week to effectively safeguard employees’ legitimate rights and interests.

In terms of employee development and training, we build a systematic growth and incentive mechanism based on policies such as the *Compensation Management Measures* and the *Employee Career Development Management Measures*. We adhere to the compensation philosophy of “position-based pay, performance-based remuneration, fairness and equity,” regularly conduct compensation market surveys, and maintain industry competitiveness. For core positions and key talent, we establish performance incentive mechanisms, including salary adjustments, priority promotion and special incentives, to stimulate employee potential. In terms of training, we have established a training system featuring “human resources and administration coordination plus

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business department collaboration,” covering onboarding training, on-the-job training and annual thematic training. New employees rapidly adapt to their roles through a dual-track curriculum of “general knowledge plus position-specific professional knowledge.” On-the-job employees receive customized training based on performance and business needs to continuously enhance professional capabilities and management skills. We organize annual thematic training on information security, emergency management and trade compliance to ensure the implementation of core skills and compliance requirements.

### **Occupational Health and Safety**

We consistently regard employee health and safety as a core cornerstone of sustainable development. In line with the principles of “prevention first, full participation and continuous improvement,” we have established a management system covering the entire process of production safety, occupational health and disaster prevention and emergency response. Through the improvement of institutional frameworks, strengthened implementation and continuous training, we continuously enhance safety management standards and employee health protection capabilities, ensuring safe production and operations, an orderly environment and employee peace of mind.

In terms of occupational health management, we have established a systematic health protection mechanism in accordance with the *Occupational Health, Safety and Environmental Management Measures*, and provide regular health check-ups for employees on an annual basis, with a particular focus on personnel in production and warehousing positions. Based on examination results, we implement targeted protective measures and interventions. We continuously optimize the working environment and conduct regular inspections and maintenance of lighting, ventilation and protective facilities to ensure compliance with national occupational health and safety standards. At the same time, through training and awareness initiatives, we enhance employees’ protective awareness and self-management capabilities, realizing institutionalized and normalized occupational health management.

In terms of safety management, relying on policies such as the *Management Measures for Key and Sensitive Areas* and the *Management Measures for Surveillance Facilities*, we implement tiered control over production workshops, warehousing and office areas. Key areas are equipped with access control identification and video surveillance systems, and access rights of departing personnel are revoked immediately to ensure controlled area security. In accordance with the *Fire Exit Access Management Measures*, we regularly inspect fire doors, alarm devices and emergency passages. The administration department conducts monthly inspections of firefighting facilities, and we organize at least one safety training each year to continuously strengthen employees’ emergency response and safe operation capabilities.

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In terms of emergency management, in accordance with the *Emergency Response Management Measures*, we have established a dedicated contingency plan system and formulated emergency response plans for incidents such as fires, earthquakes, power outages and infectious diseases. We have established an Emergency Management Committee to clarify departmental responsibilities, regularly carry out risk identification and emergency drills, and conduct post-incident reviews and improvements, forming a closed-loop safety management mechanism of “pre-incident prevention, in-incident control and post-incident optimization.” Benefiting from this systematic and tiered health and safety management system, as of September 30, 2025, we had not recorded any work-related fatality incidents.

### **Sustainable Supply Chain**

We incorporate sustainable supply chain management into the core of our corporate strategy and adhere to the principles of “green procurement, win-win cooperation and fulfillment of responsibilities,” systematically building a supply chain management system covering ESG responsibilities. Through institutional framework building, process supervision and continuous improvement, while ensuring supply stability and quality compliance, we actively promote upstream and downstream partners to jointly fulfill social and environmental responsibilities, and build a safe, transparent and sustainable supply network.

In terms of the management system, in accordance with policies such as the *Procurement Management Measures* and the *Supplier Management Measures*, we have established a full life-cycle supplier management mechanism covering access review, performance evaluation, supervision and audit, and exit and elimination. At the access stage, we strictly review suppliers’ business qualifications, environmental management standards, fulfillment of social responsibilities and quality system establishment, ensuring that partners meet our standards and industry norms. During cooperation, through annual audits and performance assessments, we dynamically monitor suppliers’ performance in product quality, delivery capability, environmental compliance and social responsibility; for suppliers with violations or persistent non-compliance, we initiate risk alerts and, depending on the circumstances, suspend or terminate cooperation.

In addition, we actively guide our partners to establish sound quality and environmental management systems, promoting the overall supply chain to develop in a green and compliant direction. As of September 30, 2025, some of our suppliers have obtained ISO 9001 Quality Management System certification, ISO 14001 Environmental Management System certification and AEO Authorized Economic Operator certification, demonstrating outstanding compliance management capabilities and international competitiveness.

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### **Community Contribution**

We uphold the core philosophy of “technology for good and responsible commitment,” integrate social responsibility into our long-term corporate development strategy, and, guided by “targeted assistance and long-term collaboration,” continue to invest resources in areas including rural revitalization, livelihood support and emergency assistance, thereby building a multi-tiered and systematic framework for social welfare. As of September 30, 2025, our cumulative donations amounted to RMB 220,000, benefiting more than 100 individuals from disadvantaged groups, and continuously demonstrating the social warmth and sense of responsibility of a technology enterprise.

In terms of rural revitalization, we actively respond to national strategies and focus on a “dual-engine” model driven by industrial cultivation and infrastructure improvement. Since 2021, we have launched a paired assistance program for Shanglin County, Nanning, Guangxi, with an initial donation of RMB 10,000 to support the development of local characteristic industries, and have dispatched technical teams to assist in building an agricultural product e-commerce platform. From 2023 to 2025, we made targeted donations totaling RMB 100,000 to Gaoding Village, Chengtai Township, for road repairs and infrastructure improvement, benefiting more than 200 households and significantly increasing agricultural product sales and villagers’ income. At the same time, we have participated for three consecutive years in Futian District’s “June 30” rural revitalization support initiative, with cumulative donations of RMB 60,000, and established a consumption assistance exhibition and sales center in Shenzhen. Through employee purchases and targeted consumption, we have promoted the transformation from “transfusion-style” assistance to “hematopoietic” support, thereby facilitating the sustainable development of the village collective economy.

In recognition of our outstanding performance in the field of social responsibility, we have been awarded honors such as “Caring Enterprise of Futian District.” Looking ahead, we will deepen our public welfare strategy characterized by “precision, technology enablement and ecosystem building,” plan to establish a “Rural Digital Revitalization Fund” with a focus on supporting digital infrastructure development in remote areas, and explore the integration of carbon inclusion mechanisms with charitable donations, thereby building a public welfare system with greater sustainability and social value.

### **Integrity and Ethical Conduct**

We consistently regard clean and compliant conduct as one of the core requirements of corporate governance and are committed to fostering a clean, upright, standardized and efficient operating environment. To prevent conflicts of interest and eliminate fraudulent practices, we strictly comply with relevant laws and regulations on clean and compliant conduct, and have

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established a systematic integrity management system and supervision mechanisms. Through institutional framework building, strengthened execution and strict accountability, we continuously reinforce the defense line of clean and compliant conduct, ensuring that our business operations are lawful, compliant and transparent.

In terms of institutional framework building, we have formulated and implemented core policy documents such as the *Anti-Fraud Management Measures*, the *Employee Handbook* and the *Related-Party Transactions Management Measures*. At the organizational level, we have established a three-tier supervision structure comprising the Board of Directors, the Audit Committee and management, forming an internal control mechanism with clear responsibilities and mutual checks and balances. We implement full-process supervision over key business areas including procurement, sales and bidding, require various departments to regularly submit integrity self-inspection reports, and collect issue leads through petition and whistleblowing channels. We have established a whistleblowing policy and procedure system and provide multiple anonymous reporting channels, including telephone, email and WeChat, to safeguard whistleblowers’ identities and information security. We adopt a “zero-tolerance” policy toward violations and, once verified, strictly pursue accountability, ensuring the rigor and deterrent effect of policy enforcement.

In terms of risk prevention and awareness-building, we continuously promote the development of an integrity culture, and regularly conduct integrity education and training as well as learning from warning cases, to strengthen employees’ awareness of law-abiding compliance and professional ethics. All personnel in key positions sign the *Due Diligence and Integrity Commitment Letter*, and integrity-related indicators are incorporated into employee performance assessments and position evaluations, thereby promoting the integration of clean and compliant conduct concepts into the entire process of daily work. At the same time, we continuously optimize internal audit and risk assessment mechanisms, place focused monitoring on high-risk business areas and key positions, and establish a closed-loop management system for risk identification, monitoring and handling, effectively preventing improper transfer of interests, bribery and improper related-party transactions. As of September 30, 2025, our operations were conducted in a standardized and orderly manner, internal controls were effective, and no cases related to bribery, corruption, fraud or money laundering had occurred.

## INTERNAL CONTROL AND RISK MANAGEMENT

We have established a comprehensive risk management and internal control system aimed at identifying, assessing, and mitigating risks across all aspects of our operations. Our Board of Directors oversees the implementation of risk management policies and procedures that address key operational, financial, legal, and market risks, including information system risk, financial reporting risk, human resources risk, and anti-corruption risk. These policies are integral to our internal control framework, which is periodically reviewed to ensure effectiveness and alignment with our strategic objectives.

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To further enhance our risk management capabilities, we have implemented internal control procedures designed to systematically identify, assess, and prioritize material risks, including ESG-related risks, through structured risk and opportunity analysis. This ongoing process supports our commitment to maintaining robust risk oversight and fostering a culture of compliance throughout the organization. To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have implemented, or will continue to implement, among other things, the following risk management measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control system. For the qualifications and experience of the committee members, see “Directors, Supervisors and Senior Management”;
- adopt various policies to ensure compliance with the Listing Rules, including, but not limited to, aspects related to risk management and connected transaction;
- provide training periodically to our senior management and employees on professional behavior requirements and ethics standards to enhance their knowledge of, and compliance with, applicable laws and regulations and include relevant policies against non-compliance in our employee discipline measures and supervision guidelines;
- organize training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong;
- enhance our reporting and records system for operational facilities, including centralizing their quality assurance and safety management systems and conducting regular inspections of the facilities;
- establish a set of emergency procedures in the event of major quality-related issues; and
- provide enhanced training programs on quality assurance and product safety procedures.

We have engaged an internal control consultant to review the effectiveness of our internal controls associated with our major business processes, identify deficiencies and areas for improvement, provide recommendations, and review the implementation status of these remedial actions. We also conduct periodic reviews of our policies and procedures to mitigate risks and align with regulatory requirements and business objectives.

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### LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that would have a material adverse effect on our business, results of operations and financial condition.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial condition.

According to our PRC Legal Advisor, the business operations we engaged in had been carried out in compliance with applicable PRC laws and regulations in all material aspects during the Track Record Period and up to the Latest Practicable Date. For further details, see “Risk Factors — Risks Relating to Our Business and Industry — Our business is primarily based in China and failure to comply with any policy changes in China affecting the industry and the end markets of our products could materially and adversely affect our business.”

### LICENSES, APPROVALS AND PERMITS

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant government authorities that are material to our business operations in China and overseas. We are required to renew such certificates, permits and licenses from time-to-time, and we are continually overseeing the compliance with the relevant laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing the licenses, approvals and permits, and currently we do not expect any material difficulties in such renewal.

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### AWARDS AND RECOGNITIONS

The following table sets forth major awards and recognitions we received as of the Latest Practicable Date:

Award/Recognition	Award Year	Awarding Institution/Authority
National Specialized, Refined, Featured and Innovative “Little Giant” Enterprise (國家級專精特新“小巨人”企業) . . . . .	2025 and 2022	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
China’s Unicorn Enterprises (中國獨角獸企業) . . . . .	2025	Greatwall Strategy Consultants (北京市長城企業戰略研究所)
Top 500 Enterprises in Guangdong (廣東省企業五百強) . . . . .	2025	Guangdong Provincial Enterprises Confederation and Guangdong Provincial Association of Entrepreneurs (廣東省企業聯合會和廣東省企業家協會)
Top 100 Private Enterprises in Guangdong Province (廣東省民營企業100強) . . . . .	2025	Guangdong Federation of Industry and Commerce (廣東省工商業聯合會)
Shenzhen Gazelle and Unicorn Enterprises (深圳瞪羚獨角獸企業) . . . . .	2025	Industry and Information Technology Bureau of Shenzhen Municipality (深圳市工業和信息化局)
Best Cooperation Partner (最佳合作夥伴) . . . . .	2025, 2024 and 2023	Xiaomi Corporation (小米科技有限責任公司)
Best Cooperation Partner (最佳合作夥伴) . . . . .	2025	Skyworth Group Co., Ltd. (創維集團有限公司)
Best Cooperation Partner (最佳合作夥伴) . . . . .	2025	Quectel Wireless Solutions Co., Ltd. (上海移遠通信技術股份有限公司)
CCID Top 100 Sci-Tech Innovation Unicorns (賽迪科創獨角獸百強) . . . . .	2024	China Center for Information Industry Development (賽迪科創)
Top 500 Enterprises in Shenzhen (深圳市企業五百強) . . . . .	2024	Shenzhen Enterprises Confederation and Shenzhen Association of Entrepreneurs (深圳市企業聯合會和深圳市企業家協會)

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## BUSINESS

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<u>Award/Recognition</u>	<u>Award Year</u>	<u>Awarding Institution/Authority</u>
Outstanding Partner (傑出合作夥伴) . . . . .	2024	Components and IC International Trade Center (電子元器件和集成電路國際交易中心)
Outstanding Support Award (鼎力支持獎) . . . . .	2023	Shenzhen Transsion Holdings Co., Ltd. (深圳傳音控股股份有限公司)
National High-Tech Enterprise (國家高新技術企業) . . . . .	2023 and 2020	Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Commission and Shenzhen Tax Service, State Taxation Administration (深圳市科技創新委員會，深圳市財政委員會和國家稅務總局深圳市稅務局)
Best Supplier (最佳供應商) . . . . .	2023	Shanghai Xiaodu Technology Co., Ltd. (上海小度技術有限公司)