This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in investing in the [REDACTED] are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to invest in the [REDACTED].

OVERVIEW

Who We Are

We are a leading intelligent control solutions provider in China, specializing in the design and delivery of integrated circuit chips, with microcontroller units (MCUs) at the core of our offerings. Leveraging domain expertise and a focus on practical technological advancement, we empower a wide range of applications with high-performance, energy-efficient, and cost-effective intelligent control solutions. According to Frost & Sullivan, we were among the earliest domestic players to independently develop and design MCUs. Our first-mover advantage and relentless innovation have kept us in an industry-leading position. In 2024, we ranked first in China's MCU industry in terms of shipment volume and third in terms of revenue.

Building on our strengths in MCU design and development, we have extended our offerings to include a broad range of system-on-chips (SoCs) and application-specific integrated circuits (ASICs), enabling us to deliver one-stop intelligent control solutions that integrate chips, embedded algorithms, and technical support. These solutions power a wide array of downstream applications, including consumer electronics, smart household appliances, industrial control, and automotive electronics. During the Track Record Period, we generated revenue from the provision of MCU, SoC, and ASIC solutions, as well as the sale of other related products.

We have built strong competitive advantages across both general consumer and high-end application scenarios. In the general consumer segment, our MCU products hold a leading position in China's consumer electronics and smart household appliance sectors. According to Frost & Sullivan, we ranked first and second in China's MCU market for smart household appliances and consumer electronics, respectively, in terms of revenue in 2024. Capitalizing on this foundation, we have successfully expanded into high-end MCU applications, particularly in the fast-growing fields of industrial control and automotive electronics.

As of December 31, 2025, we had served over 1,000 customers in aggregate, including leading industry players, renowned consumer brands, and prominent automotive manufacturers, laying a strong foundation for future growth and market expansion. Our proven delivery capabilities, strong customer retention, and integration across our operations and partnerships provide a solid foundation for continued expansion. Our customer retention rate remained strong at 63.5%, 73.2% and 82.8% in 2023, 2024 and 2025, respectively.

Our Business Model

We primarily offer MCU, SoC and ASIC products, integrated with embedded algorithms and supporting software to deliver one-stop intelligent control solutions. In addition, we provide other related products such as development tools, enabling customers to seamlessly integrate our solutions into their end-products and accelerate their time-to-market.

Operating under a fabless business model, we concentrate our resources on chip design, platform development and market-driven innovation, while partnering with leading foundries and outsourced semiconductor assembly and test providers to transform our designs into high-quality, scalable products.

Comparison of MCU, SoC and ASIC Products

The table below sets out a comparative overview of the architecture, functionality, product positioning and typical application scenarios of MCUs, SoCs and ASICs, in order to illustrate the respective characteristics of our major semiconductor offerings:

Aspect	MCU	SoC	ASIC
Architecture	• Integrated "all-in-one" chip that combines CPU, memory, and standard interfaces • Simple in structure and can operate without external components	• Highly integrated chip that incorporates multiple functional blocks into one chip, enabling more powerful and diverse functions	• Fully customized circuitry tailored for a specific function. Only includes components needed for the target use case, without general-purpose architecture
Functionality	• Performs basic, general-purpose control tasks such as temperature sensing or motor control; • The logic is relatively simple and can be reused across applications; • Does not support complex operating systems	• Supports parallel processing and multitasking, enabled by multi-core design; • Capable of handling more complex computing and processing tasks	• Designed for a single purpose with maximum efficiency and performance; • No capacity for modification or broader application
Product positioning	• Targets cost-sensitive and simple-use scenarios; • Known for being "low power, low cost, low complexity"	• Targets performance-sensitive scenarios where higher integration and functionality are needed; • Also used for multifunction applications	• Targets high-volume, high-performance applications; • Prioritizes long-term efficiency over upfront development cost
Application	• Cost-sensitive use cases such as household appliances, smart meters, and basic automotive modules (e.g. lighting control)	• Products that require more processing power or multiple functions, such as smart household appliances (e.g. washing machines, refrigerators), infotainment systems, or AIoT devices	• High-volume and high-performance scenarios with very specific needs, such as LCD drivers, biometric sensors, or battery charging management

Although these products differ in terms of architecture, functional capabilities, technical purpose and common application scenarios, they share broadly similar pricing mechanisms and are sold to a comparable base of distributors and end customers.

The functional distinction between MCUs and ASICs can be further illustrated by their application scope. The "single control task" of an MCU typically refers to simple yet broadly required functions, such as temperature sensing or fan speed control, which are foundational in many applications and can be rapidly implemented across different systems through minor software adjustments. In contrast, the "dedicated function" of an ASIC is highly specific to a single scenario and implemented through fixed circuit logic. Such functions are not intended to be reused or modified, but instead prioritize performance, efficiency and consistency in large-scale, repetitive deployments.

As for SoCs, their ability to support multitasking and parallel processing arises from a combination of factors: (i) multi-core or hybrid processing architectures, (ii) presence of dedicated hardware acceleration modules capable of executing specific tasks independently, and (iii) robust memory and high-speed bus systems that facilitate concurrent data processing. Even when a SoC is ultimately applied to a single commercial function, its inherent architectural strength allows for efficient and scalable performance beyond what an MCU can deliver.

Our Production Model

We primarily adopt a fabless business model, under which we do not own or operate semiconductor fabrication or packaging facilities. Instead, we mainly engage reputable foundries for wafer fabrication and leading OSAT providers for IC packaging and testing (collectively, as "**Production Partners**"). As of the Latest Practicable Date, we maintained close collaboration with six foundry partners for wafer fabrication and 20 OSAT partners for IC packaging and testing. We did not experience any material production capacity constraints from our production partners during the Track Record Period and up to the Latest Practicable Date.

Under this model, once our in-house R&D team completes the physical layout design of a chip, the finalized design is sent to a photomask manufacturer to produce precision photomasks. Our supply chain team then coordinates wafer fabrication with selected foundry partners, while delivering photomasks to facilitate production. Upon completion, wafers are either delivered to us or our designated OSAT partners, depending on contractual arrangements. The OSAT partners conduct packaging and testing based on our technical specifications. Finished products are subsequently returned to us for final inspection and, once approved, are stored in our warehouses for shipment.

To supplement this fabless production model and support rapid product iteration, we have established a self-owned production line in Suining, Sichuan Province (the "**Suining Production Line**"), which plays a strategic role in our packaging and testing process. The Suining Production Line is primarily responsible for:

- Rapid packaging and testing of newly developed products, enabling faster time-to-market;
- Performing specific types of packaging tasks that require more customized handling; and
- Conducting final product testing for chips outsourced to packaging partners that do not possess in-house testing capabilities.

Our Market Opportunities

Amid accelerating global digitalization and automation, MCUs, at the core of embedded smart control systems, are set to benefit significantly from surging downstream demand. According to Frost & Sullivan, the global and the China MCU markets are projected to continue expanding in the coming years, driven by increasing adoption of intelligent and connected devices. China represents one of the most dynamic markets for MCU applications, supported by rapid development in consumer electronics, smart household appliances, industrial control, automotive electronics and emerging fields such as AI computing and robotics. For details, see "Industry Overview — Overview of MCU Industry.

With more than two decades of industry experience, we have built a broad customer base and a solid network of partners across manufacturing and OSAT. Backed by our core technical strengths, including a modular chip design and development platform, reusable IP library, and strategic investments in frontier technologies, we are well-positioned to capture global opportunities and accelerate our expansion into high-growth verticals.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths can empower us to achieve sustainable growth:

- A leading MCU-centric intelligent control solutions provider in China;
- Robust R&D resources and deep technological reserves forming a wide and defensible moat;
- Diversified product portfolio and broad application coverage;

- Deep customer engagement and an expansive customer landscape;
- Stable and collaborative supply chain framework; and
- Visionary and technically grounded management team driving sustainable growth.

OUR BUSINESS STRATEGIES

We intend to leverage our existing strengths and carry out the following strategies to capture growing market opportunities, further solidify our market position and achieve our mission:

- Strengthen R&D investment and drive breakthroughs across multiple technological frontiers;
- Broaden product portfolio and capture high-end application markets to enhance market share;
- Enhance existing customer relationships, deepen key account engagement, and expand international footprint;
- Establish a global talent pool and enhance our R&D talent pipeline;
- Strengthen and expand our operations outside the PRC; and
- Selectively pursue strategic acquisitions.

OUR CUSTOMERS AND SUPPLIERS

Our Customers

During the Track Record Period, our customers primarily consisted of distributors and direct sales customers, which were located in the PRC. In 2023, 2024 and 2025, revenue contributed by our five largest customers in each year during the Track Record Period amounted to RMB172.2 million, RMB225.0 million and RMB277.7 million, respectively, accounted for 24.1%, 24.7% and 24.8% of our total revenue in the same years, respectively. In 2023, 2024 and 2025, revenue contributed by our largest customer in each year during the Track Record Period amounted to RMB85.5 million, RMB105.0 million and RMB115.6 million, respectively, accounted for 12.0%, 11.5% and 10.3% of our total revenue in the same years, respectively. See "Business — Our Customers" for more details.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest customers in each year during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders, who or which to the knowledge of the Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest customers in each year during the Track Record Period.

Our Suppliers

During the Track Record Period, our suppliers mainly comprised (i) wafer foundries, (ii) OSAT providers offering packaging and testing services, and (iii) other vendors supplying accessories and equipment. In 2023, 2024 and 2025, purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB511.3 million, RMB488.5 million and RMB618.9 million, respectively, accounted for 90.1%, 85.6% and 86.5% of our total purchases in the same years, respectively. In 2023, 2024 and 2025, purchases from our largest supplier in each year during the Track Record Period amounted to RMB265.4 million, RMB274.0 million and RMB388.1 million, respectively, accounted for 46.8%, 48.0% and 54.3% of our total purchases in the same years, respectively. See "Business — Our Suppliers — Our Major Suppliers" for more details.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest suppliers in each year during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders, who or which to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers in each year during the Track Record Period.

Reliance on Supplier A

Supplier A consistently served as our largest supplier in each year during the Track Record Period, delivering the majority of our foundry-manufactured wafers. According to Frost & Sullivan, it is common industry practice for chip design companies to procure most wafers from a limited number of trusted foundry partners to ensure consistent quality and centralized production management. Our Directors believe the risk of material adverse changes or termination of our cooperations with Supplier A is low. See "Business — Our Suppliers — Reliance on Supplier A" for more details.

COMPETITION

The global IC design industry is highly competitive and marked by high entry barriers, including complex R&D requirements, long development cycles, and close coordination across the supply chain. While global leaders dominate key segments, China's IC design market remains fragmented, requiring participants to compete on product performance, cost structure, time-to-market, and service capabilities across diverse application scenarios. Within this context, we have distinguished ourselves through a focus on product reliability, cost efficiency, and proactive customer engagement.

According to Frost & Sullivan, we ranked first in China's MCU market in terms of shipment volume in 2024 with a 12.6% market share, and third in terms of revenue in the same year. These rankings underscore our capability to secure design-wins and expand market share, driven by our diversified product portfolio, strong customer loyalty, and increasing brand recognition.

RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors." As different [REDACTED] may have different interpretations and criteria when determining the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to invest in the [REDACTED]. Some of the major risks that we face include:

- If we fail to respond to market trends or to develop new or enhanced solutions and products in a timely manner, our business, results of operations and prospects may be materially and adversely affected.
- Our business is highly dependent on the long-term growth and technological advancement of downstream industries, and any slowdown in such development could materially and adversely affect our results of operations and prospects.
- We rely on third parties for IC fabrication, testing and packaging.
- We operate in a highly competitive market, and failure to compete effectively may materially and adversely affect our business, results of operations and growth prospects.
- We rely on a limited number of suppliers for our major raw materials, and any significant disruption in supply could materially and adversely affect our business, financial condition and operating results.
- We rely on a single major wafer supplier for a substantial portion of our raw materials, and any adverse developments in our relationship with this supplier could materially and adversely affect our business, results of operations and financial condition.

OUR CONTROLLING SHAREHOLDERS GROUP

As of the Latest Practicable Date, by virtue of the Acting-in-Concert Agreement, Mr. Yang, Mr. Zhou Yan, and Mr. Zhou Fei constitute our Controlling Shareholders Group, and our Controlling Shareholders Group in aggregate were interested in 223,292,700 Shares of our Company, representing approximately 55.77% of the voting power of our Company. Immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Controlling Shareholders Group will be entitled to exercise approximately [REDACTED]% voting rights in our Company. Therefore, The Controlling Shareholders Group will continue to be our Controlling Shareholders Group for the purpose of the Listing Rules. See "Relationship with Our Controlling Shareholders Group" for more details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth a summary of financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this document.

Selected Items from Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	**713,570**	**911,655**	**1,122,150**
Cost of sales	(644,340)	(650,989)	(753,282)
Gross profit	**69,230**	**260,666**	**368,868**
(Loss)/profit before tax	**(33,538)**	**137,632**	**305,030**
Income tax credit/(expense)	11,589	(798)	(20,848)
(Loss)/profit for the year	**(21,949)**	**136,834**	**284,182**
Other comprehensive income/(expense)			
Item that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	381	353	(447)
Total comprehensive (expense)/income for the year	**(21,568)**	**137,187**	**283,735**

During the Track Record Period, our financial performance experienced fluctuations. In 2023, we recorded a significant decline in gross profit and gross profit margin, primarily due to industry-wide downturn, weakened downstream demand and our strategic price reductions to accelerate inventory clearance. These factors also contributed to our net loss in 2023, in contrast to the net profits recorded in 2024 and 2025, respectively. In 2024, our gross profit margin recovered, driven by improved product integration and design efficiency, which reduced unit production costs and partially offset continued pricing pressure. Despite the recovery in profitability, inventory provision had a moderating effect on our overall gross margin performance. In 2025, our growth sustained. For details, see "Financial Information — Year-to-Year Comparison of Results of Operations."

Revenue

The table below sets forth our revenue by business line during the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Solutions and products						
MCU solutions	571,164	80.1	697,843	76.6	846,387	75.4
SoC solutions	91,190	12.8	185,085	20.3	241,030	21.5
ASIC solutions	32,280	4.5	24,048	2.6	31,489	2.8
Other related products(1)	15,219	2.1	3,676	0.4	1,887	0.2
Sub-total	709,853	99.5	910,652	99.9	1,120,793	99.9
Other products(2)	1,223	0.2	1,003	0.1	1,357	0.1
Other services(3)	2,494	0.3	—	—	—	—
Total	**713,570**	**100.0**	**911,655**	**100.0**	**1,122,150**	**100.0**

Notes:

(1) Other related products primarily comprise development tools.

(2) Other products primarily comprise the sales of scrap materials.

(3) Other services primarily comprise technical support services.

We experienced the steady revenue growth during the Track Record Period. We recorded revenue of RMB713.6 million, RMB911.7 million and RMB1,122.2 million in 2023, 2024 and 2025, respectively. Over this period, we derived revenue primarily from MCU, SoC and ASIC solutions, with fluctuations mainly driven by changes in sales volumes and product mix across these solution categories in response to downstream market demand and application expansion, which generally offset the impact of changes in average selling prices. To a lesser extent, we also generated revenue from the sale of other related products. See "Financial Information — Description of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue" for more details.

The table below sets forth our sales volume and average selling price by product category during the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Sales volume	**Average selling price(1)**	**Sales volume**	**Average selling price(1)**	**Sales volume**	**Average selling price(1)**
	(Unit' 000)	*(RMB)*	*(Unit' 000)*	*(RMB)*	*(Unit' 000)*	*(RMB)*
MCUs	1,417,561	0.40	1,908,191	0.37	3,374,022	0.25
SoCs	69,751	1.31	176,126	1.05	228,888	1.05
ASICs	295,369	0.11	310,968	0.08	420,214	0.07
Other related products(2)	31,707	0.48	3,433	1.07	37,870	0.05
Total	**1,814,388**		**2,398,718**		**4,060,994**	

Notes:

(1) Average selling price is calculated by dividing revenue by the corresponding sales volume during the same period.

(2) Other related products primarily include development tools.

The table below sets forth our revenue from provision of solutions and products by application scenario during the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Consumer electronics	310,706	43.8	359,457	39.5	466,682	41.6
Smart household appliances	298,535	42.0	337,972	37.1	353,838	31.6
Industrial control	78,156	11.0	184,905	20.3	246,829	22.0
Automotive electronics	22,456	3.2	28,318	3.1	53,444	4.8
Total	**709,853**	**100.0**	**910,652**	**100.0**	**1,120,793**	**100.0**

Consumer electronics and smart household appliances together contributed the majority of our revenue from provision of solutions and products in each year during the Track Record Period, while revenue from industrial control and automotive electronics sectors increased in absolute terms. The overall distribution of revenue across application sectors remained relatively stable over the Track Record Period.

The table below sets forth a breakdown of our revenue from provision of solutions and products by sales channel for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Distribution	400,708	56.4	520,780	57.2	782,272	69.8
Direct sales	309,145	43.6	389,872	42.8	338,521	30.2
Total	**709,853**	**100.0**	**910,652**	**100.0**	**1,120,793**	**100.0**

During the Track Record Period, a substantial portion of our revenue from provision of solutions and products was generated through distribution channels, which consistently contributed the majority of our total revenue in each period. Revenue from direct sales accounted for the remaining portion.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of gross profit and gross profit margin by business line for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Solutions and products						
MCU solutions	96,915	17.0	200,308	28.7	281,614	33.3
SoC solutions	21,953	24.1	64,730	35.0	91,339	37.9
ASIC solutions	2,098	6.5	5,573	23.2	8,828	28.0
Other related products(1)	(12)	0.0	711	19.3	1,555	82.4
Sub-total	120,954	17.0	271,322	29.8	383,336	34.2
Others						
Other products(2)	1,044	85.4	940	93.7	1,357	100.0
Other services(3)	2,494	100.0	—	—	—	—
Sub-total	3,538	95.2	940	93.7	1,357	100.0
Provision of impairment for inventories, net	(55,262)		(11,596)		(15,825)	
Total	**69,230**	**9.7**	**260,666**	**28.6**	**368,868**	**32.9**

Notes:

(1) Other related products primarily comprise development tools.

(2) Other products primarily comprise the sales of scrap materials.

(3) Other services primarily comprise technical support services.

During the Track Record Period, our gross profit and gross profit margin improved, primarily due to changes in product pricing strategies and cost structures, as well as provision of inventories. In 2023, gross profit and gross profit margin were relatively low across major product segments, primarily due to strategic price reductions and inventory clearance in response to heightened market competition, the sale of higher-cost inventory procured during periods of elevated wafer prices, and a weaker semiconductor market environment. In 2024 and 2025, as downstream demand rebounded, our profitability improved notably, driven by the launch of new products featuring enhanced performance and reduced die size, which improved production efficiency and lowered unit costs. See "Financial Information — Year to Year Comparison of Results of Operations" for more details.

The following table sets forth our gross profit and gross profit margin of provision of solutions and products by application scenario for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Consumer electronics	13,581	4.4	63,671	17.7	129,197	27.7
Smart household appliances	81,040	27.1	122,324	36.2	133,208	37.6
Industrial control	17,604	22.5	70,610	38.2	96,438	39.1
Automotive	8,729	38.9	14,717	52.0	24,493	45.8
Sub-total	120,954	17.0	271,322	29.8	383,336	34.2
Provision of impairment for inventories, net	(55,262)		(11,596)		(15,825)	
Total	**65,692**	**9.3**	**259,726**	**28.5**	**367,511**	**32.8**

Our gross profit and gross profit margin of provision of solutions and products by application scenario generally improved during the Track Record Period, primarily due to changes in customer mix, pricing strategies and cost structures. In 2023, gross profit margins were relatively low across major segments, especially in consumer electronics and smart household appliances, as a result of price reductions and inventory clearance. In 2024, margins rebounded on the back of recovering downstream demand, driven by the launch of new products with improved performance and reduced die size, as well as lower raw material costs. In 2025, our overall gross profit margin of provision of solutions and products further improved to 32.8%, supported by ongoing cost efficiency gains and product mix optimization.

Net (Loss)/Profit

During the Track Record Period, our net results shifted from net loss to sustained profitability, primarily driven by changes in revenue, gross profit, other income and gains, and operating expenses. In 2023, we recorded a net loss of RMB21.9 million, primarily due to a significant decline in gross profit as a result of intensified pricing pressure, inventory clearance, impairment for inventories, and the sale of high-cost inventories, which outweighed the increase in revenue and other income. In 2024, we turned to record net profit of RMB136.8 million, mainly driven by the recovery in gross profit supported by improved product performance and cost optimization, as well as continued revenue growth and contribution from other income. In 2025, our net profit increased to RMB284.2 million, primarily due to revenue growth, further improvement in gross margin, and effective cost control.

Selected Items from Consolidated Statements of Financial Position

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

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	249,808	230,326	301,986
Total current assets	2,901,272	3,078,978	3,377,370
Total assets	**3,151,080**	**3,309,304**	**3,679,356**
Total non-current liabilities	26,399	23,396	26,810
Total current liabilities	153,042	292,538	475,156
Total liabilities	**179,441**	**315,934**	**501,966**
Net assets	**2,971,639**	**2,993,370**	**3,177,390**
Net current assets	**2,748,230**	**2,786,440**	**2,902,214**

Our net current assets remained relatively stable as of December 31, 2023, 2024 and 2025, respectively. See "Financial Information — Discussion of Certain Key Items From Our Consolidated Statements of Financial Position" for more details.

Selected Items from Consolidated Statements of Cash Flows

The following table sets forth selected items from our consolidated statements of cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash from operating activities	8,781	291,675	300,346
Net cash from/(used in) investing activities	50,977	(968,694)	(177,919)
Net cash used in financing activities	(205,192)	(24,784)	(19,075)
Net (decrease)/increase in cash and cash equivalents	(145,434)	(701,803)	103,352
Cash and cash equivalents at the beginning of the year	1,062,308	917,255	215,805
Exchange differences on translating cash flows of foreign operations	381	353	(447)
Cash and cash equivalents at the end of the year	**917,255**	**215,805**	**318,710**

We increased inventory purchases to meet anticipated demand and mitigate supply chain risks, extended credit terms to selected customers to support sales growth, and made upfront payments to secure production capacity and raw materials. See "Financial Information — Liquidity and Capital Resources — Cash Flows" for more details.

Key Financial Ratios

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

	As of/Year ended December 31,		
	2023	2024	2025
Gross profit margin	9.7%	28.6%	32.9%
Current ratio	19.0x	10.5x	7.1x
Quick ratio	15.9x	9.2x	6.4x

See "Financial Information — Key Financial Ratios" for descriptions of the calculation of the above ratios.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Recent Development

Subsequent to December 31, 2025, and up to February 28, 2026, we continued to record steady operational and financial growth. During this period, we consistently secured new orders from both existing and new customers. Total sales volume reached approximately 826.3 million units, reflecting continued growth momentum. According to our management accounts, we achieved year-on-year revenue growth of over 35.0% and maintained an overall gross profit margin of over 36.0% during this period. The growth was primarily driven by increasing sales of our MCU solutions for automotive electronics, supported by continued product enhancements, solution expansion and deepened customer engagement. These positive developments reinforced our profitability and laid a solid foundation for our long-term growth.

No Material Adverse Change

Our Directors confirm that, up to the date of this document, there has been no material changes to our business model and the general economic and regulatory environment in which we operate, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the date of the latest audited consolidated financial position of our Group as set out in the Accountants' Report in Appendix I to this document.

LISTING ON THE SHANGHAI STOCK EXCHANGE STAR MARKET

Since 2022, our Company has been listed on the Shanghai Stock Exchange STAR Market. As of the Latest Practicable Date, our Directors confirmed that we had no instances of any material non-compliance with the applicable rules of the Shanghai Stock Exchange STAR Market and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there are no material matters that should be brought to the [REDACTED] attention in relation to our compliance record on the Shanghai Stock Exchange STAR Market. Our PRC Legal Advisor is of the view that, since our A Share listing and up to the Latest Practicable Date, there had been no instances of any material non-compliance with the applicable rules of the Shanghai Stock Exchange STAR Market and other applicable PRC securities laws and regulations. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause them to disagree with our Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange STAR Market.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the [REDACTED] Committee of the Stock Exchange for the granting of the [REDACTED] of, and permission to [REDACTED] in our H Shares to be issued pursuant to the [REDACTED] on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to: (i) our revenue of RMB1,122.2 million in the financial year ended December 31, 2025 which exceeds HK$500 million, and (ii) our expected market capitalization at the time of [REDACTED], which, based on the [REDACTED] of HK$[REDACTED] per [REDACTED], being the midpoint of the indicative [REDACTED] stated in this document, exceeds HK$4 billion.

[REDACTED]

[REDACTED]

[REDACTED]

The estimated total [REDACTED] (based on the mid-point of our indicative [REDACTED] for the [REDACTED] and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately RMB[REDACTED] million (HK$[REDACTED] million), including (i) [REDACTED] commissions, SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all [REDACTED] of approximately HK$[REDACTED] million; and (ii) non-[REDACTED] related expenses of approximately HK$[REDACTED] million, which consist of (a) fees and expenses of legal advisors and reporting accountant of approximately HK$[REDACTED] million; and (b) sponsor fee and other fees and expenses of approximately HK$[REDACTED] million, representing approximately [REDACTED]% of the [REDACTED] of the [REDACTED] based on the same assumptions.

During the Track Record Period, we incurred [REDACTED] of RMB[REDACTED] million, of which RMB[REDACTED] million was recognized as administrative expenses in the consolidated statements of profit or loss and other comprehensive income and RMB[REDACTED] million will be deducted from equity upon the [REDACTED]. We expect to incur [REDACTED] of approximately RMB[REDACTED] million (HK$[REDACTED] million) as administrative expenses and approximately RMB[REDACTED] million (HK$[REDACTED] million) as a deduction in equity directly upon the [REDACTED].

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

DIVIDENDS AND DIVIDEND POLICY

We declared and paid dividends in each year during the Track Record Period. We distributed dividends of RMB180.2 million, RMB99.9 million and RMB99.7 million in 2023, 2024 and 2025, respectively. The dividend declared in 2023 and 2024 had been settled as of the Latest Practicable Date. The proposed dividends of approximately RMB119.7 million for the year ended December 31, 2025 to our existing Shareholders were approved by the Board and are subject to approval by the Shareholders at the annual general meeting currently scheduled for April 9, 2026. Subject to such approval, our Company expects to settle the dividends out of its internal cash resources prior to the [REDACTED].

We cannot assure you that dividends will be declared or paid in any given year. See "Financial Information — Dividends and Dividend Policy."

USE OF [REDACTED]

We estimate the [REDACTED] of the [REDACTED] which we will receive, assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-end of the [REDACTED] stated in this document), will be approximately HK$[REDACTED] million, after deduction of [REDACTED] and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED] and assuming the [REDACTED] is not exercised.

In line with our business strategies, we intend to use the [REDACTED] of the [REDACTED] for the following purposes:

Percentage of [REDACTED]	Approximately HK$ in millions	Future Plans
[REDACTED]%	[REDACTED]	For enhancing our R&D capabilities and strengthening our technology development platforms
[REDACTED]%	[REDACTED]	For strategic investments and acquisitions
[REDACTED]%	[REDACTED]	To establish our global operations and R&D centers in Hong Kong
[REDACTED]%	[REDACTED]	For working capital and other general corporate purposes

Please see "Future Plans and [REDACTED]" for more details.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 in Chapter 13 of the Listing Rules upon the [REDACTED] of the Shares on the Stock Exchange.