

SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to invest in the [REDACTED].

There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in “Risk Factors” 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 public company that provides custom silicon solutions, leveraging our comprehensive and proprietary portfolio of semiconductor IPs. Founded in 2001 and headquartered in Shanghai, we operate on a unique “Silicon Platform as a Service” (“SiPaaS”) business model, offering custom silicon solution and semiconductor IP licensing services. We are well-positioned as a critical ecosystem player at the intersection of semiconductor IP, design service, and industry collaboration, enabling customers across the globe to innovate efficiently in the AI era.

According to CIC, we are a top-tier proprietary IP player, holding the largest number of IP categories across both digital IPs and analog & mixed-signal and radio frequency (“RF”) IPs as of December 31, 2025 and are the second-largest semiconductor IP provider globally that primarily focused on digital IP in terms of IP revenue in 2025. We are also the largest IP provider in Chinese mainland and the eighth-largest globally in terms of IP revenue in 2025, and the sixth-largest global IP provider in terms of IP licensing revenue in 2025.

We are also a pioneering custom silicon solution provider, with a proven track record in delivering complex system-on-chip (“SoC”) and system-in-package (“SiP”) as well as low-energy and cost effective silicon design solutions. We are the world’s fourth-largest full-stack custom silicon solution provider in terms of revenue in 2025, and the largest player in Chinese mainland, according to CIC. As of December 31, 2025, we have successfully executed numerous projects across a broad spectrum of process nodes, including the 4nm FinFET and 22nm FD-SOI process nodes, which illustrates the breadth and depth of our IP and design capabilities.

Our Business Model

Our business model reflects the ongoing paradigm shift in the traditional semiconductor value chain. As a foundational enabler, our SiPaaS model spearheads the industry-wide shift towards “design-lite.” By deeply integrating an extensive portfolio of proprietary semiconductor IPs with comprehensive custom silicon capabilities, our customers can offload their complex IC design execution and mass production processes to us. This significantly empowers both chip companies (including fabless companies and integrated device manufacturers (“IDMs”)) and system vendors (Internet companies, cloud service providers (“CSPs”), automotive companies and original equipment manufacturers (“OEMs”)), enabling them to focus on product definition and core architecture innovation while substantially lowering their operational expenditures. This model also helps insulate us from the inherent cyclicity experienced by traditional chip product companies.

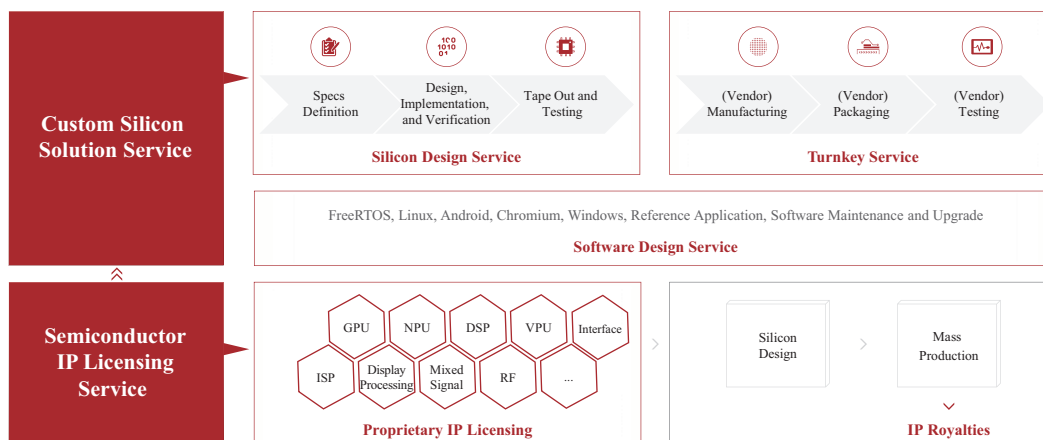
SiPaaS — Silicon Platform as a Service

Our core business model is Silicon Platform as a Service (SiPaaS). Characterized by its platform-based, comprehensive, and one-stop service nature (from specification to mass production), SiPaaS provides us with a high competitive barrier.

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Unlike the models of traditional fabless companies, the SiPaaS model is anchored by our extensive proprietary portfolio of semiconductor IPs, including processor IPs and analog & mixed-signal IPs (including RF IPs and interface IPs). By performing system-level optimization on these IPs, we have created a flexible and reusable design platforms. This not only significantly reduces customers’ design time, costs, and risks, but also enables us to provide a complete service ranging from chip definition, front-end and back-end design, and software design, to mass production management and delivery.

In addition, unlike chip companies, our SiPaaS model does not involve manufacturing or selling proprietary branded chips. We focus on providing custom silicon solution service and semiconductor IP licensing service based on our deep technological expertise.



Our revenue is derived from two highly synergistic businesses:

Custom Silicon Solution Service

Our custom silicon solution service consists of the following two components:

- **design service:** We provide silicon design service from specification definition to tape-out, generating non-recurring engineering (NRE) revenue. This service includes architecture definition, software design, IP selection and integration, RTL design, verification, physical implementation, and prototyping. Our platform-based model enables us to leverage our design expertise and scale that across a diverse client base, significantly enhancing design efficiency;
- **turnkey service:** We manage the entire production process from wafer fabrication to packaging, testing, and logistics, generating scalable mass-production revenue based on shipment volume. Our turnkey service is also scalable, allowing us to manage the significant growth in mass production volumes with a logistic operation team with relatively fixed size. This enables our profitability to scale across the business as our customers’ production volumes increase.

Semiconductor IP Licensing Service

Our semiconductor IP licensing service is divided into two phases:

- **IP licensing:** We grant customers the right to use our IPs in their chip designs and collect licensing revenue. The substantial costs required to create our IP portfolio are incurred upfront and recognized as research and development expenses. Once validated, these IPs can be licensed repeatedly with minimum incremental costs. In alignment with increasing market demand, we anticipate our high-margin IP licensing revenue will improve our financial performance;

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- **IP royalties:** We collect IP royalties based on the volume of chips shipped that integrate our IPs, forming a scalable revenue stream that grows alongside our customers’ success; and as more designs incorporating our IP enter mass production, these royalties will increasingly contribute to our profitability.

Our revenue is diversified both by end-market application and by customer type. We offer our services across a wide range of applications, including data processing, consumer electronics, IoT, computers and peripherals, industrial, and automotive electronics. Our customer base includes chip companies (fabless companies and IDMs) and system vendors (Internet companies, CSPs, automotive companies and other OEMs).

From SiPaaS to AiPaaS (AI Platform as a Service)

Our business model, SiPaaS, is inherently flexible and not bound by any specific application domain. As AI becomes pervasive, this model naturally extends into AI-specific platforms — what we refer to as our AI Platform as a Service (“**AiPaaS**”), with SiPaaS remaining the core of our platform.

As shift to the AI era accelerates, we provide customers with:

- **a rich AI processor IP portfolio:** This portfolio is centered around a scalable neural network processor technology architected to deliver highly efficient computing across a full spectrum of AI workloads. Its capabilities include optimization not only for generative AI applications like large language models (“LLMs”) and AIGC, but also for established convolution-based models and the complex mixed workloads found in real-world applications. This foundation enables a series of deeply integrated AI-enabled IPs, such as AI-ISP, AI-Display and AI-DSP. We have also launched an innovative GPGPU architecture focused on energy efficient compute and have licensed it to multiple players across the ecosystem.

Our services in this area are based on:

- **deeply integrated software and hardware co-design, as well as chip and packaging co-design capabilities:** Our hardware and software co-design approach enables the parallel development of chips and software stacks, accelerating design cycles. We also conduct silicon and packaging co-design to ensure optimal performance and reduce late-stage modifications. Our proprietary, innovative on-chip hardware acceleration service significantly optimizes the performance, power, and area characteristics of custom silicon across diverse and complex AI workloads. Concurrently, we apply our Chiplet and next-generation packaging engineering capabilities to address the increasingly complex requirements of heterogeneous computing, which is becoming more important in the AI era.
- **complete AI ASIC custom services:** Encompassing all stages from chip specification definition, front-end and back-end design, to mass production management and delivery, we provide a highly reliable complete process that shortens customers’ R&D cycles.

Leveraging these core capabilities, we have established our custom silicon solutions that span:

- **cloud computing platforms:** engineered for power efficient, data-intensive processing in data centers and servers.
- **edge AI computing platforms:** delivering “always-on,” ultra-low energy, ultralight spatial computing devices such as smartwatches and AI/AR glasses, AI toys, AI rings as well as high-efficiency edge computing devices such as AI PCs, AI smartphones, intelligent vehicles, and robotics.

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AI ASIC presents a historic opportunity

The launch of ChatGPT in 2022 catalyzed a new era of computing demand, requiring massive AI infrastructure centered on high-performance chips. To achieve superior energy efficiency and lower latency than general-purpose processors, system vendors worldwide are increasingly pivoting to proprietary, AI-specific custom silicon solutions, or “AI ASICs.”

We have successfully established ourselves as a trusted partner for leading CSPs globally, while simultaneously positioning for the emerging edge AI market, including the existing market for AI smartphones, AI PCs and AI Pads, as well as emerging markets for AI/AR glasses, AI toys, AI rings, and intelligent vehicles, among others. Our AI-related IP portfolio has scored substantial design wins, and our financial performance reflects this strategic positioning.

Global Strategy and Ecosystem

We have established a global R&D and sales network, operating nine R&D centers (located in Shanghai, Chengdu, Beijing, Nanjing, Haikou, and Guangzhou, China; Silicon Valley and Dallas in the United States; and Ho Chi Minh City, Vietnam) and 11 sales and customer support offices worldwide as of December 31, 2025. This strategic footprint enables us to attract top talent, enhance R&D efficiency, and deliver high-quality, localized services to our customers.



Note: illustration of our global footprint

Our revenue structure also reflects our global presence: our overseas revenue accounted for 22.8% of total revenue in 2023, 36.5% in 2024, and 32.6% in 2025. We also maintain long-term collaboration with leading international customers, including Samsung, Google, Amazon, Microsoft, Baidu, Tencent, and Alibaba. Our strategic collaboration with Google is a milestone in our edge AI strategy. Based on the Open Se Cura open-source project, we jointly developed the ultra-low-energy Coral NPU IP tailored for edge LLMs. By combining Google’s open-source technology with our enterprise-grade IP and custom silicon solution service, the Coral NPU provides an “always-on,” ultra-low-energy and ultra-lightweight computing foundation for AI glasses, wearable devices and AI toys and similar applications. In parallel, we have established deep, long-term collaborative relationships with leading global foundries and OSAT partners, including foundries such as TSMC, Samsung, SMIC and GlobalFoundries; and OSAT partners such as ASE Technology, Amkor Technology, JCET, and TFME.

We have strengthened our technology portfolio through strategic cross-border acquisitions, such as the DSP division from LSI Logic (2006, forming the foundation of our DSP IP) and Vivante Corporation (2016, adding market-leading high-performance and

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power-efficient GPU IP to our IP portfolio). We are committed to international standards and open collaboration. We actively participate in and co-build global and domestic industry organizations, including the China RISC-V Industry Consortium (CRVIC), Shanghai Open Processor Industry Innovation Center (SOPIC), RISC-V International, OpenHW Group, Chips Alliance, and the UCIE Alliance.

Financial Performance

Benefiting from our unique business model, we achieved strong financial performance during the Track Record Period. Our revenue amounted to RMB2.3 billion, RMB2.3 billion and RMB3.2 billion in 2023, 2024, and 2025, respectively, with 2025 reflecting a significant year-over-year growth of 35.9%. In second half of 2025, our revenue amounted to RMB2.2 billion, representing an increase of 56.8% compared to the second half of 2024 and 123.7% compared to the first half of 2025.

Our new bookings in the second, third, and fourth quarters of 2025 reached RMB1.2 billion, RMB1.6 billion, and RMB2.7 billion, respectively, breaking our historical record for single-quarter new bookings three times. Notably, our new bookings in the fourth quarter of 2025 grew by 70.2% compared to those in the third quarter. In 2025, the total value of new bookings was RMB6.0 billion, a year-over-year increase of 103.4%. Among these new bookings, AI computing-related orders accounted for over 73%, and data-processing end market orders accounted for over 50%, primarily driven by cloud-based AI ASICs and IPs.

As of December 31, 2025, our backlog reached RMB5.1 billion, representing a substantial increase of 54.5% from RMB3.3 billion as of September 30, 2025, and up 111.0% from RMB2.4 billion as of December 31, 2024. This metric has remained at a comparatively high level for nine consecutive quarters. Among our backlog as of December 31, 2025, turnkey service exceeded RMB3.0 billion. Based on the contractual terms of the orders comprising our backlog, we expect over 80% of our backlog as of December 31, 2025 to be converted to revenue within one year, and nearly 60% of the backlog as of December 31, 2025 is from the data-processing end market, primarily driven by cloud-based AI ASICs and IPs.

The IC design industry is characterized by long investment cycles and heavy R&D expenditure, according to CIC. We consistently maintain high R&D investments to build a high competitive barrier ensuring our leading chip design and technology R&D capabilities in the semiconductor IP and custom silicon fields. The net losses recorded during the Track Record Period were the result of deliberate, strategic investments in R&D, where we strategically emphasized campus recruitment to maintain and expand our R&D talent pool and avoided layoffs to preserve our competitive edge during semiconductor downturn from 2022 to 2023, as we anticipated that the emergence of Generative AI would unlock massive potential for custom integrated circuits. In 2023, 2024, and 2025, our R&D expenses accounted for 40.7%, 53.8%, and 41.7% of our revenue, respectively. These foundational investments were essential to strengthen our comprehensive semiconductor IP portfolio and establish from specification to production custom silicon capabilities, creating high barriers to entry and positioning us for long-term growth in the AI era. As our robust orders translate into execution, our previously invested R&D expenditures are progressively deployed into customer projects and generating output, driving a reasonable downward trend in our R&D expense ratio. From 2024 to 2025, our R&D expenses as a percentage of revenue decreased by 12.1%, demonstrating the continuous optimization of our operational efficiency and the emergence of economies of scale.

RESEARCH AND DEVELOPMENT

Our R&D activities are primarily driven by market trends and customer requirements, and are focused on, processor IPs, IP subsystem, analog and mixed-signal IPs, including RF IPs and interface IP, and software platforms, as well as key design methodologies. These R&D-driven capabilities allow us to apply advanced manufacturing processes and packaging that support the delivery of custom design projects under our SiPaaS business model. As of December 31, 2025, we have established R&D centers in nine cities (including locations in Chinese mainland and overseas), which allows us to incorporate newly-developed and leading technologies into our R&D projects.

SALES AND MARKETING

We have established a global sales and marketing platform to support our business growth and deepen our engagement with key customers. We maintain sales and technical

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support teams in a number of locations in which our major customers are located, including China, the United States, Europe, Japan and South Korea. This network enables us to closely monitor market developments and customer requirements and effectively promote and deliver our services across our target markets.

Our regional sales teams work in close coordination with our technical support team to provide customers with timely and localized support. Through this integrated sales and technical support model, we aim to improve our responsiveness to customer requests, enhance customer satisfaction, and foster long-term strategic relationships with leading industry participants in our key markets.

CUSTOMERS AND SUPPLIERS

Our Customers

Our customers primarily consist of chip companies (including fabless companies and IDMs) and system vendors (including Internet companies, CSPs, automotive companies and other OEMs). As of December 31, 2025, we had served approximately 350 customers for our custom silicon solution service and more than 465 customers for our IP licensing service. In 2023, 2024 and 2025, sales to our five largest customers amounted to RMB1,086.7 million, RMB1,033.0 million and RMB1,434.3 million, respectively, accounting for 46.7%, 44.6% and 45.6% of our total revenue in these respective years. In 2023, 2024 and 2025, sales to our largest customer amounted to RMB535.1 million, RMB469.2 million and RMB503.9 million, respectively, accounting for 23.0%, 20.3% and 16.0% of our total revenue in these respective years.

Our Suppliers

Our major suppliers primarily consist wafer foundries, OSAT partners and IP/EDA suppliers. In 2023, 2024 and 2025, purchases from our five largest suppliers amounted to RMB656.7 million, RMB803.8 million and RMB1,297.6 million, respectively, accounting for 73.6%, 67.2% and 67.7% of our total purchases in these respective years. In 2023, 2024 and 2025, purchases from our largest supplier amounted to RMB264.3 million, RMB213.8 million and RMB546.1 million, respectively, accounting for 29.6%, 17.9% and 28.5% of our total purchases in these respective years.

OUR COMPETITIVE STRENGTHS

We believe the following advantages position us well to seize future industry opportunities and achieve sustained growth:

- a unique SiPaaS business model amplifying synergies and delivers structural advantages
- our advanced and comprehensive semiconductor IP portfolio
- strong custom silicon capabilities from specification to mass production
- global presence with strong and expanding industry ecosystem partners across the industry chain
- continuous R&D investments driving innovation and technological advancements
- experienced management team and sustainable talent culture

OUR GROWTH STRATEGIES

We intend to reinforce our position as a leading public custom silicon solution service provider. To achieve this goal, we plan to pursue the following strategies:

- from IP to AI-enabled IP
- from SoC to SiP
- from cloud AI ASIC to edge AI ASIC

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- deepening global ecosystem collaboration
- continued investment in talent and active fulfillment of corporate social responsibility
- pursuing M&A and strategic investment

COMPETITION

The markets for our services are highly competitive and are characterized by rapid technological change, evolving industry standards and changing customer requirements. Our customers and potential customers also seek to manage their overall cost of design and may consolidate their procurement with a limited number of vendors. We compete with other providers of semiconductor IP and design services, as well as with in-house engineering teams of semiconductor companies that develop IP or undertake design work internally. As the markets in which we operate continue to develop, we expect existing competitors to increase their investments and new market participants to emerge. See “Industry Overview” for details relating to our competitive landscape.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Results of Operations

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in thousands, except for percentages)</i>					
Revenue	2,328,953	100.0	2,316,976	100.0	3,148,403	100.0
Cost of sales	(1,289,294)	(55.4)	(1,392,953)	(60.1)	(2,074,688)	(65.9)
Gross profit	1,039,659	44.6	924,023	39.9	1,073,715	34.1
Other income	66,859	2.9	61,380	2.6	63,997	2.0
Other gains and losses . .	(405)	(0.0)	19,586	0.8	12,239	0.4
Research and development (“R&D”) expenses	(947,223)	(40.7)	(1,247,302)	(53.8)	(1,312,692)	(41.7)
Administrative expenses .	(121,771)	(5.2)	(125,381)	(5.4)	(147,006)	(4.7)
Selling and marketing expenses	(114,853)	(4.9)	(119,983)	(5.2)	(127,208)	(4.0)
Other expense	(10,079)	(0.4)	(8,727)	(0.4)	(7,929)	(0.3)
Impairment losses under expected credit loss (“ECL”) model, net reversal	(125,475)	(5.4)	(43,627)	(1.9)	(27,144)	(0.9)
Share of results of associates	(32,757)	(1.4)	(5,686)	(0.2)	113	0.0
Finance costs	(23,179)	(1.0)	(36,166)	(1.6)	(41,355)	(1.3)
Loss before tax	(269,224)	(11.5)	(581,883)	(25.2)	(513,270)	(16.4)
Income tax expenses . . .	(27,243)	(1.2)	(18,996)	(0.8)	(14,543)	(0.5)
Loss for the year	(296,467)	(12.7)	(600,879)	(26.0)	(527,813)	(16.9)

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Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRSs, we also use certain non-IFRS measures, including adjusted loss (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with, the IFRS. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner, as they are aligned with how our management evaluates our operating performance and formulates business plans. However, our adjusted loss (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation, or as a substitute for analysis of, our results of operations or financial position as reported under the IFRS.

Adjusted loss for the year (a non-IFRS measure) is defined as loss for the year, as adjusted to add back the effect of share-based compensation. Adjusted EBITDA (a non-IFRS measure) is defined as loss for the year, as adjusted to add back the effects of (i) share-based compensation; (ii) interest expenses; (iii) depreciation & amortization; and (iv) income tax expenses.

The following table sets forth the reconciliations of adjusted loss for the year (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) from the IFRS measure loss for the year in absolute amount and as percentage of revenue.

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in thousands, except for percentages)</i>					
Adjusted loss for the year						
Loss for the year	(296,467)	(12.7)	(600,879)	(26.0)	(527,813)	(16.9)
Adjusted for:						
Share-based compensation	3,605	0.2	7,290	0.3	41,613	1.3
Adjusted loss for the year	(292,862)	(12.5)	(593,589)	(25.7)	(486,200)	(15.6)
Adjusted EBITDA						
Loss for the year	(296,467)	(12.7)	(600,879)	(26.0)	(527,813)	(16.9)
Adjusted for:						
Share-based compensation	3,605	0.2	7,290	0.3	41,613	1.3
Interest expenses	23,179	1.0	36,166	1.6	41,355	1.3
Depreciation & amortization	185,989	8.0	239,841	10.4	266,350	8.5
Income tax expenses	27,243	1.2	18,996	0.8	14,543	0.5
Adjusted EBITDA	(56,451)	(2.3)	(298,586)	(12.9)	(163,952)	(5.3)

Revenue

We offer custom silicon solution service and IP licensing service. Under our custom silicon solution service, we undertake all or part of the process from chip design to mass production and provide related software design services. We also provide semiconductor IP licensing service by licensing our IPs to customers on a standalone basis, either as individual IPs or as IP platforms.

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By Service

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in thousands, except for percentages)</i>					
Custom silicon solution service						
Design service	492,470	21.1	724,794	31.3	876,558	27.9
Turnkey service	1,071,416	46.0	856,214	37.0	1,489,681	47.3
Subtotal	1,563,886	67.1	1,581,008	68.2	2,366,239	75.2
Semiconductor IP licensing service						
IP licensing	655,375	28.1	632,859	27.3	671,253	21.3
IP royalties	109,692	4.7	103,109	4.5	110,911	3.5
Subtotal	765,067	32.9	735,968	31.8	782,164	24.8
Total	2,328,953	100.0	2,316,976	100.0	3,148,403	100.0

By End Application

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in thousands, except for percentages)</i>					
Data processing	314,718	13.5	552,201	23.8	1,078,735	34.3
Consumer electronics . . .	513,007	22.0	484,939	20.9	676,157	21.5
IoT	961,432	41.3	642,553	27.7	659,092	20.9
Computers and peripherals	197,413	8.5	323,891	14.0	308,406	9.8
Industrial	185,718	8.0	98,254	4.2	216,705	6.9
Automotive electronics . .	156,665	6.7	215,138	9.3	209,308	6.6
Total	2,328,953	100.0	2,316,976	100.0	3,148,403	100.0

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in thousands, except for percentages)</i>					
AI	1,007,075	43.2	1,295,363	55.9	2,030,989	64.5
Non-AI	1,321,878	56.8	1,021,613	44.1	1,117,414	35.5
Total	2,328,953	100.0	2,316,976	100.0	3,148,403	100.0

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Gross Profit and Gross Margin

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross margin ⁽¹⁾	Gross profit	Gross margin ⁽¹⁾	Gross profit	Gross margin ⁽¹⁾
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
<i>(in thousands, except for percentages)</i>						
Custom silicon solution service						
Design service	70,720	14.4	93,298	12.9	124,652	14.2
Turnkey service	293,939	27.4	165,209	19.3	270,248	18.1
Subtotal	364,659	23.3	258,507	16.4	394,900	16.7
Semiconductor IP licensing service						
IP licensing	572,957	87.4	567,763	89.7	575,744	85.8
IP royalties	109,692	100.0	103,109	100.0	110,911	100.0
Subtotal	682,649	89.2	670,872	91.2	686,655	87.8
Inventory provision included in cost of sales	(3,548)		(1,747)		(3,451)	
Surcharge and other tax included in cost of sales	(4,101)		(3,609)		(4,389)	
Total/average	1,039,658	44.6	924,023	39.9	1,073,715	34.1

Note:

- (1) The overall gross margin is calculated as gross profit for the year divided by revenue for the corresponding year and multiplied by 100%.

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

Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
<i>(in thousands)</i>			
Non-current assets	1,688,437	1,991,663	2,031,423
Current assets	2,717,944	2,638,196	5,686,135
Current liabilities	949,996	1,547,239	2,526,694
Net current assets	1,767,948	1,090,957	3,159,441
Total assets less current liabilities	3,456,385	3,082,620	5,190,864
Non-current liabilities	756,092	960,302	1,773,358
Net assets	2,700,293	2,122,318	3,417,506
Total equity	2,700,293	2,122,318	3,417,506

See “Financial Information — Selected Items of Consolidated Statements of Financial Position.”

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Cash Flows

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

	Year ended December 31,		
	2023	2024	2025
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>(in thousands)</i>		
Net cash used in operating activities . .	(8,523)	(345,990)	(221,686)
Net cash (used in)/from investing activities	(426,196)	46,526	(1,023,179)
Net cash generated from financing activities	356,581	248,131	2,610,893
Net (decrease)/increase in cash and cash equivalents	(78,138)	(51,333)	1,366,028
Cash and cash equivalents as of the beginning of year	761,884	685,253	642,835
Effect of foreign exchange rate changes, net	1,507	8,915	(2,438)
Cash and cash equivalents as of the end of the year	685,253	642,835	2,006,425

See “Financial Information — Cash Flows.”

KEY FINANCIAL RATIOS

The table below sets forth our key financial ratio for the years or as of the dates indicated.

	Year ended December 31,		
	2023	2024	2025
YoY revenue growth ⁽¹⁾	(12.9)%	(0.5)%	35.9%
R&D expense ratio ⁽²⁾	40.7%	53.8%	41.7%
Gross margin ⁽³⁾	44.6%	39.9%	34.1%
Adjusted loss margin ⁽⁴⁾	(12.6)%	(25.6)%	(15.4)%
Adjusted EBITDA margin ⁽⁵⁾	(2.4)%	(12.9)%	(5.2)%
Debt-to-asset ratio ⁽⁶⁾	17.1%	24.7%	20.3%

Notes:

- (1) YoY revenue growth is calculated as the change in revenue from the previous year, divided by the revenue of the previous year, and multiplied by 100%.
- (2) R&D expense ratio is calculated as research and development expenses for the year divided by revenue for the corresponding year, and multiplied by 100%.
- (3) Gross margin is calculated as gross profit for the year divided by revenue for the corresponding year, and multiplied by 100%.
- (4) Adjusted loss margin is calculated as adjusted loss for the year divided by revenue for the corresponding year, and multiplied by 100%. See also “— Non-IFRS Measures.”
- (5) Adjusted EBITDA margin is calculated as adjusted EBITDA for the year divided by revenue for the corresponding year, and multiplied by 100%. See also “— Non-IFRS Measures.”
- (6) Debt-to-asset ratio is calculated as total borrowings divided by total assets at the end of the corresponding year.

SUMMARY

[REDACTED] EXPENSES

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

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

RISK FACTORS

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

- We face intense competition and may face increased competitive pressure in the future. If we fail to compete effectively, our business, revenue growth and results of operations may be materially and adversely affected.
- Demand for our services primarily depends on trends in the semiconductor industry, which are affected by rapid technological changes and demands of our clients and end customers.
- We rely on our relationships with industry participants, and any inability to develop or maintain such relationships may adversely affect our competitiveness.
- Our revenue may be subject to pricing pressure, customer concentration and service lifecycle dynamics and may therefore be lower than expected.
- We are subject to risk in relation to concentration of customers and risks related to customers’ demand and their performance of contractual obligations.

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the midpoint of the range of the [REDACTED] stated in this Document), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] commissions and other estimated expense in connection with the [REDACTED] (assuming the [REDACTED] is not exercised). We intend to use our [REDACTED] for the purposes and in the amounts set forth below.

- Approximately [REDACTED]% (HK\$[REDACTED]) to invest in R&D for key technologies and core business.
- Approximately [REDACTED]% (HK\$[REDACTED]) will be used to further develop our global marketing network.
- Approximately [REDACTED]% (HK\$[REDACTED]) will be used for strategic investments and/or acquisitions.
- Approximately [REDACTED]% (HK\$[REDACTED]) for working capital and other general corporate purposes.

SUMMARY

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that (i) the [REDACTED] has been completed and [REDACTED] H Shares are newly [REDACTED] in the [REDACTED], (ii) the [REDACTED] is not exercised, and (iii) no additional Shares are issued pursuant to the Restricted A Share Incentive Schemes:

	Based on an [REDACTED] of HK\$[REDACTED] per H Share	Based on an [REDACTED] of HK\$[REDACTED] per H Share
[REDACTED] of the H Shares ⁽¹⁾	HK\$[REDACTED]	HK\$[REDACTED]
Total market capitalization of the Company ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted net tangible assets per Share ⁽³⁾⁽⁴⁾	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) The calculation of [REDACTED] of the H shares is based on [REDACTED] H Shares expected to be issued immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised).
- (2) The calculation of market capitalization of the Company is based on the 525,915,273 A Shares in issues and excluding 287,000 A Shares held by us as treasury shares as of the Latest Practicable Date and [REDACTED] H Shares expected to be issued immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). The calculation of [REDACTED] of the A shares is based on the average closing price of the A Shares of RMB200.66 per A Share for the five business days immediately preceding the Latest Practicable Date.
- (3) The unaudited [REDACTED] adjusted net tangible assets per Share is arrived at after adjustments referred to in “Appendix II — Unaudited [REDACTED] Financial Information” in this document.
- (4) No adjustment has been made to reflect any trading results or other transactions of us entered into subsequent to December 31, 2025.

DIVIDENDS

Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, regulatory requirements in relation to declaration and payment of dividends, and any other factors that our Directors may consider important.

There is no assurance that dividends of any amount will be declared or be distributed in any year. We did not declare or pay dividends on our Shares during the Track Record Period. As of the Latest Practicable Date, we did not have any pre-determined dividend payout ratio. Pursuant to our Articles of Association and in accordance with the PRC Company Law and the No. 3 Guideline for the Supervision of Listed Companies – Cash Dividend Distribution of Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》), we have adopted a general dividend policy, according to which we may declare dividend by way of cash dividends, stock dividends, or a combination of cash and stock dividends where conditions for dividend distribution are met. As advised by our PRC Legal Advisor, pursuant to the provisions of the PRC Company Law, only the residual after-tax profits of the Company after it has made up for its losses and accrued reserves may be used to distribute dividends. We will pay dividends according to the applicable PRC laws and our Articles of Association.

SUMMARY

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE STAR MARKET

Since August 2020, the A Shares of our Company have been listed on the Shanghai Stock Exchange STAR Market. As of the Latest Practicable Date, our Directors confirmed that we had no instances of non-compliance with the 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 was no material matter that should be brought to the investors’ attention in relation to our compliance record on the Shanghai Stock Exchange STAR Market. Our PRC Legal Advisor advised us that during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material administrative penalties or regulatory measures imposed by the CSRC or its dispatched institutions or the Shanghai Stock Exchange, and we have complied with the relevant PRC laws and regulations on A share listings applicable to us in all material respects. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ 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.

RECENT DEVELOPMENT

In January 2026, we completed the acquisition of Pixelworks China. See “History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers — Acquisition of Pixelworks Semiconductor.”

NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, as of the date of this document, there has been no material adverse change in our financial position since December 31, 2025 and there has been no event since December 31, 2025 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.