# SUMMARY

*This summary aims to give you an overview of the information contained in this Document and should be read in conjunction with the full text of this Document. As this is only 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 **[REDACTED]** in the **[REDACTED]**. There are risks associated with any **[REDACTED]**. Some of the particular risks in **[REDACTED]** in the **[REDACTED]** are set out in "Risk Factors." You should read that section carefully before you decide to **[REDACTED]** in the **[REDACTED]**. Various expressions used in this section are defined or explained in "Definitions" and "Glossary of Technical Terms" in this Document.*

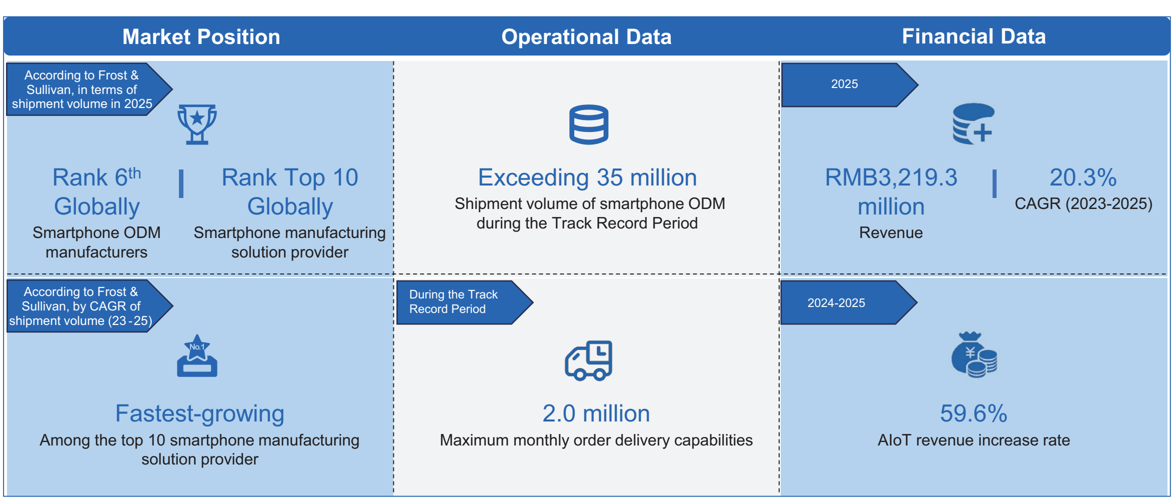
## OVERVIEW

We are a full-stack provider of smart hardware product solutions in the AI era, and one of the global top ten manufacturing solution providers for smartphone brands by shipment volume in 2025, according to Frost & Sullivan. We offer worldwide services from product definition, design and development to manufacturing and delivery. Our capabilities span product definition and planning, integrated hardware-software development with device-cloud coordination, supply chain integration, manufacturing and delivery.

We are committed to becoming a leading platform-based smart hardware company within our target sectors, driving industry digitalization through full-stack AIoT solutions, open innovation and operational efficiency. Powered by our Innovatech platform, we have established a business system encompassing opportunity sourcing, flexible design and manufacturing and an ecosystem development model characterized by empowerment and synergy. This enables us to efficiently replicate and scale our capabilities across multiple sectors and respond rapidly to customer needs with tailored solutions. We offer a diversified product portfolio, anchored in smartphones, tablets and smartwatches, and have expanded into next-generation AIoT products, including AI data acquisition terminals, AI payment terminals, AI glasses, robotic industry and AIoT components and modules. Our product solutions serve a wide range of vertical scenarios, including smart wearables, smart energy, smart logistics, smart mobility and smart payment.

We have established long-term cooperative relationships with leading enterprises in the consumer electronics industry, including Shenzhen Transsion Holdings Co., Ltd ("**Transsion**" or "**Transsion Holdings**"), ZTE Corporation ("**ZTE**"), TCL Technology Group Corporation ("**TCL**"). Transsion and ZTE are among the top ten smartphone brands globally by shipment volume. In 2025, we ranked sixth globally among smartphone ODM manufacturers in terms of ODM shipment volume, according to Frost & Sullivan. We were also the fastest-growing provider among the top ten smartphone manufacturing solution providers by CAGR of shipment volume from 2023 to 2025, according to the same source.

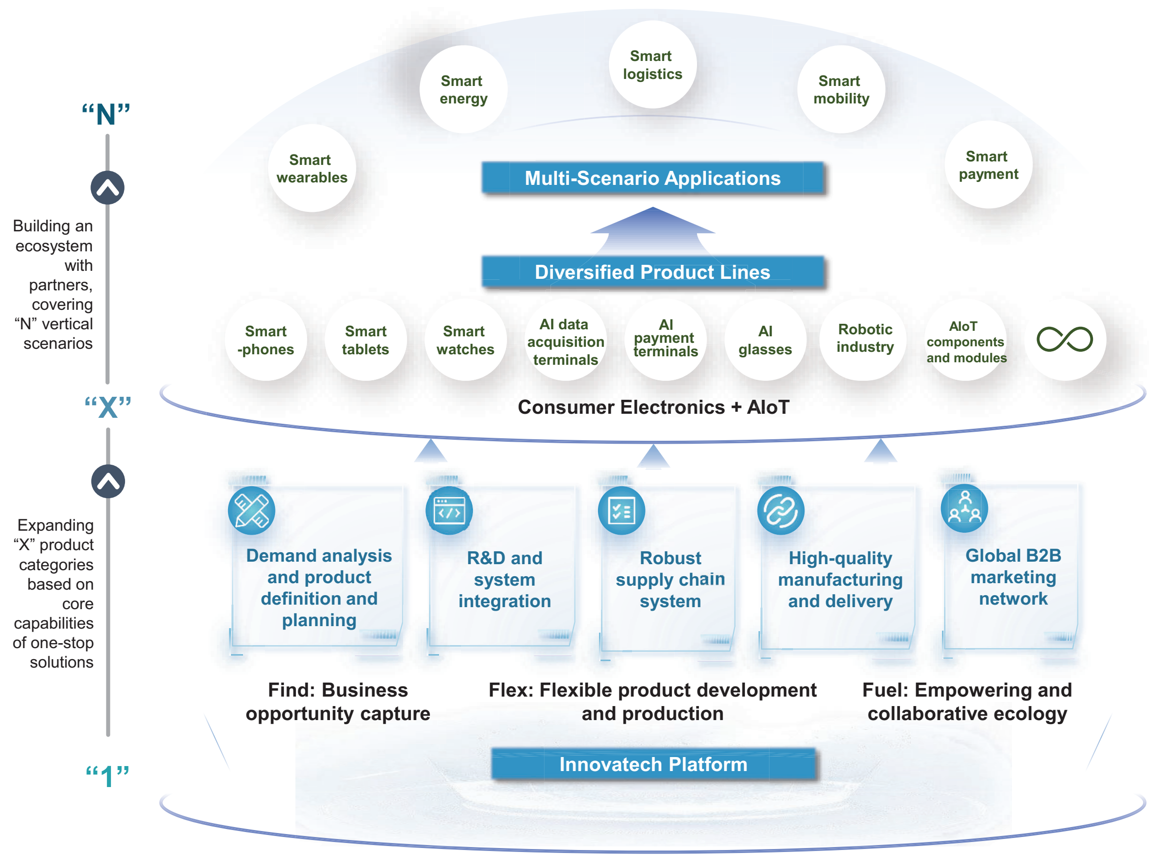
During the Track Record Period, our key achievements are set out in the following chart:



## OUR BUSINESS MODEL

We position ourselves as a platform-based provider of full-stack smart hardware product solutions for the AI era, with a strategic focus on selected high-growth segments within the smart terminal and AIoT ecosystem. We deliver integrated solutions that combine hardware, embedded software and cloud service capabilities to business customers, supported by our supply chain and manufacturing capability.

An overview of our Innovatech platform is set out in the following diagram:




We pursue our growth through a "1 + X + N" strategic framework, which is designed to anchor our operations in a scalable core capability while enabling orderly expansion into new product categories and application scenarios. "1" represents core and platform-level competencies, where we have accumulated extensive experience from product definition and system design to hardware and software development, supply chain coordination, manufacturing and delivery. Building on this foundation, "X" represents our deliberate expansion into multiple smart terminal and AIoT products beyond our core platform competence, evidencing our capabilities to efficiently reuse our underlying engineering modules, system architecture and supply chain resources to develop and commercialize new device forms and solution. "N" represents the vertical application scenarios and industry sectors in which our products are deployed, including smart wearables, smart energy, smart logistics, smart mobility, smart payments and other enterprise scenarios. Under this framework, we do not treat each new product or scenario, we seek to replicate and extend reusable platform capabilities across "X" categories and "N" scenarios, thereby improving development efficiency, shortening time-to-market for new products and enhancing our ability to provide customers with integrated solutions.

As AI-enabled features increasingly become baseline requirements across smart terminals and AIoT hardware, our "1 + X + N" strategy enables us to leverage our core platform capabilities to expand across multiple product lines, embedding AI-related system integration and software capabilities. In practice, this strategy supports a balanced approach: we maintain operational stability and execution efficiency in our core business, while selectively incubating and scaling additional categories and vertical solutions to capture commercially attractive opportunities where our platform-based capabilities can deliver differentiated value to customers.

## OUR STRENGTHS

We believe our continued success is driven by a set of differentiated competitive strengths that jointly reinforce our market position and support our long-term growth. Our competitive strengths are set out in the following:

- Our Innovatech Platform enables us to efficiently capture opportunities in the smart hardware market;
- Strong full-stack technological capabilities;
- Stable and well-established global collaborative ecosystem;
- Comprehensive product and solution portfolio;
- Intelligent manufacturing capabilities enabling efficient and high-quality delivery; and
- Visionary founders and experienced management team with profound industry insights.

## OUR STRATEGIES

To further strengthen our market position and support our long-term growth, we intend to pursue the following growth strategies:

- Continue to iterate our Innovatech Platform to maintain technological leadership;
- Continue to deepen the application of AI technologies, comprehensively embrace AI;
- Advance our integrated AIoT software–hardware ecosystem; and
- Expand our global customer base and scaling our user reach.

## RESEARCH AND DEVELOPMENT

We view R&D as a core driver of our long-term competitiveness, scalability and product innovation, and we have built our R&D capabilities to support delivery across our smart terminal and AIoT hardware businesses, from product definition and system architecture to engineering validation and mass-production readiness. Over our 17-year industry experience, we have continued to invest in systematic capability building, including the establishment of the Group R&D Center and sustained R&D spending, supported by a sizeable engineering team. Our R&D footprint is organized around a multi-region structure anchored by Shanghai as our headquarter and major R&D hub, complemented by specialized R&D units across multiple locations (including, among others, Nanjing, Hefei, Chongqing, Shenzhen and Xi'an), and closely linked to our manufacturing base in Yibin, enabling tighter design-for-manufacturability operation and faster commercialization cycles.

Our R&D activities span a broad range of activities, including industrial design, hardware design, embedded software development, system integration, algorithm and AI-enabled feature development, testing and validation, as well as applied pre-research for emerging product forms and scenarios. We place particular emphasis on application-oriented engineering solutions that can be scaled across product categories and deployed in real customer environments, consistent with our platform-based strategy. This sustained innovation focus is also reflected in our accumulated intellectual property portfolio, which underpins our ability to support diversified customer needs and expand into new product categories over time.

## PRODUCTION

As of December 31, 2025, we had one manufacturing base in Yibin, Sichuan, China. This manufacturing base supports the large-scale delivery of our smart terminal products and, increasingly, our AIoT products, and is designed to provide flexible capacity to accommodate different product categories and customer needs. We adopt a flexible manufacturing model that combines in-house production capabilities with outsourcing arrangements to support agile delivery. Our manufacturing operations are supported by significant investment in automation equipment and advanced production technologies. We operate 11 surface mount technology ("**SMT**") production lines that enable efficient processing across multiple product categories. This is complemented by more than 20 specialized assembly lines to accommodate the manufacturing needs of different product categories. We also deploy industrial robotic equipment and lean production lines, including sensor- and AI-enabled automated equipment and systems for key production processes, to enhance production precision, improve operational efficiency, improve product quality consistency and reduce reliance on manual labor.

## SALES AND MARKETING

We primarily conduct direct sales to our customers, which enables us to maintain close communication with customers' requirements and to respond efficiently to product definition changes, project execution needs and delivery schedules. During the Track Record Period, we derived substantially all of our revenue from sales directly to customers.

We have established an extensive sales and marketing network to support both key account management and new customer development. Our products are sold to our customers and subsequently distributed through their channels to over 100 countries and regions worldwide. We maintain marketing and customer-facing functions in major operating locations (including, among others, Shenzhen as a marketing/customer service hub and Hong Kong as a logistics center), and our sales and marketing personnel generally have relevant industry experience to facilitate effective communication and project execution with customers.

## MAJOR CUSTOMERS AND SUPPLIERS

### Major Customers

Our customers include Transsion, ZTE and other brand customers and enterprise customers across different product categories and project types. In our smartphone and tablet businesses, we primarily cooperate with brand customers that are focused on specific regional markets and customer segments, including customers whose products are ultimately sold into overseas markets through their distribution networks. For our wearables and industry AIoT product offerings, we also collaborate with customers such as TCL, Hytera Communications Corporation Limited ("**Hytera**") and ZTE.

For the years ended December 31, 2023, 2024 and 2025, our five largest customers in each of such year accounted for approximately 94.2%, 97.1% and 97.7% of our total revenue, respectively, and sales to the largest customer accounted for approximately 79.3%, 88.8% and 79.0% of our total revenue, respectively.

**Major Suppliers**

We have established supplier selection, onboarding and ongoing management processes designed to ensure that our suppliers meet our quality, delivery and commercial requirements. Our supplier management is primarily led by our supply chain and quality control functions, which have dedicated teams responsible for supplier resource development, procurement and performance evaluation. Supplier onboarding and selection typically consider factors such as the supplier's ability to meet our technical specifications and quality requirements, delivery capability and responsiveness, pricing competitiveness and cooperation track record, as well as the supplier's production capacity and after-sales support capabilities.

During the Track Record Period, our major suppliers primarily include suppliers of electronic components and structural materials. In each period during the Track Record Period, the aggregate purchases from our five largest suppliers in each of such year accounted for approximately 67.8%, 70.3% and 67.3%, respectively, of our total purchases, and the purchases from our largest supplier in each of such year accounted for approximately 58.3%, 62.2% and 56.8%, respectively, of our total purchases. To avoid supplier concentration, we diversify our supplier base by engaging multiple suppliers for the same goods or services and implementing strategic sourcing practices. Additionally, we conduct regular market analysis, develop supplier relationships, and maintain contingency plans to ensure supply chain resilience.

***Our Relationship with Transsion***

During the Track Record Period, Transsion was our largest customer, and revenue generated from our sales to Transsion accounted for 79.3%, 88.8% and 79.0% of our total revenue in 2023, 2024 and 2025, respectively. We commenced our cooperation with Transsion in 2014, initially focusing on R&D-related services, and have since expanded our cooperation into an integrated whole-set ODM model covering product definition and planning, R&D and design, materials procurement, manufacturing and delivery across multiple product categories. Transsion also became one of our suppliers in 2020, primarily supplying certain electronic components for cooperative products under our buy-and-sell arrangement. Our relationship with Transsion reflects the complementary positioning of the parties within the industry chain and has been developed on normal commercial terms in the ordinary course of business. While we had a relatively high revenue concentration on Transsion during the Track Record Period, our reliance on Transsion has shown an improving trend, as evidenced by the decrease in the proportion of our volume to Transsion in 2025 as compared with 2024, and we have continued to advance customer, market and product diversification. See "Business — Overlapping of Customers and Suppliers" for details.

## OUR INDUSTRY AND COMPETITIVE LANDSCAPE

We mainly operate in the global smart hardware and AIoT industry, which are highly competitive and concentrated. According to Frost & Sullivan, the industry is undergoing structural adjustment and technological evolution. During the Track Record Period, demand for smart terminals, including smartphones and tablets, has shown signs of stabilization, while AIoT-related products such as smart wearables, audio devices and smart eyewear have experienced differentiated growth across various application scenarios and regional markets. In particular, adoption of AI-enabled smart hardware in selected consumer and industry sectors has continued to expand, driven by evolving user demand and advances in underlying technologies.

The continued development of the smart hardware and AIoT markets presents growth opportunities for ODM and full-stack hardware service providers. However, the competitive landscape remains highly dynamic and increasingly intense. We compete primarily with other companies offering smart hardware and AIoT solutions, as well as with certain upstream manufacturers that have expanded from component-level supply into system integration, product development and solution delivery. Competition in our industry is based on multiple factors, including engineering and R&D capabilities, speed of execution, product quality and reliability, supply chain integration, cost control, and multi-category support capabilities.

In the global smart terminal manufacturing solution industry, Chinese companies occupy a dominant position due to their core capabilities such as agile R&D systems, extreme cost control, and global delivery networks. In 2025, global shipments of smartphones from smart terminal manufacturing solution providers reached 986.4 million units. The Company shipped 12.0 million smartphones in 2025, ranking tenth among all providers and sixth among ODM suppliers globally, according to Frost & Sullivan. The Company's shipment CAGR of smartphones from 2023 to 2025 was the highest among the top 10 manufacturing solution providers.

## SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary of consolidated financial information as of and for the three years ended December 31, 2023, 2024 and 2025. We have derived this summary from our financial information set forth in the Accountants' Report set out in Appendix I to this Document. The summary financial data set forth below should be read together with our consolidated financial information and the related notes, as well as the section headed "Financial Information".

### Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income with line items in absolute amounts and as a percentage of our total revenue for the years indicated:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* |
| **REVENUE** | 2,225,241 | 100.0 | 3,508,457 | 100.0 | 3,219,341 | 100.0 |
| Cost of sales | (2,003,894) | (90.1) | (3,269,502) | (93.2) | (2,914,740) | (90.5) |
| **GROSS PROFIT** | 221,347 | 9.9 | 238,955 | 6.8 | 304,601 | 9.5 |
| Other net income | 8,339 | 0.4 | 35,109 | 1.0 | 22,550 | 0.7 |
| Selling and marketing expenses | (3,309) | (0.1) | (6,077) | (0.2) | (8,568) | (0.3) |
| Administrative expenses | (91,274) | (4.1) | (111,684) | (3.2) | (135,960) | (4.2) |
| Research and development costs | (68,887) | (3.1) | (73,245) | (2.1) | (99,845) | (3.1) |
| Impairment (loss)/reversal on trade receivables | 2,916 | 0.1 | (5,739) | (0.2) | (679) | (0.0) |
| **Profit from operations** | 69,132 | 3.1 | 77,319 | 2.2 | 82,099 | 2.6 |
| Finance costs | (5,505) | (0.2) | (10,387) | (0.3) | (12,115) | (0.4) |
| Share of profits of joint venture | (2,330) | (0.1) | (193) | (0.0) | – | – |
| **PROFIT BEFORE TAXATION** | 61,297 | 2.8 | 66,739 | 1.9 | 69,984 | 2.2 |
| Income tax (expense)/benefit | (5,139) | (0.2) | (4,663) | (0.1) | 233 | 0.0 |
| **PROFIT FOR THE YEAR** | 56,158 | 2.5 | 62,076 | 1.8 | 70,217 | 2.2 |

### *Revenue*

The following table sets forth a breakdown of our revenue by product category in absolute amounts and as a percentage of our total revenue for the years indicated:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* |
| **Smart Terminal Products:** | | | | | | |
| – Smartphones | 1,949,305 | 87.7 | 3,359,475 | 95.7 | 2,983,958 | 92.7 |
| – Others[(1)] | 145,586 | 6.4 | 23,882 | 0.7 | 47,163 | 1.5 |
| **Subtotal** | **2,094,891** | **94.1** | **3,383,357** | **96.4** | **3,031,121** | **94.2** |
| **AIoT Products:** | | | | | | |
| – Smart wearables | 94,786 | 4.3 | 71,930 | 2.1 | 118,491 | 3.7 |
| – Enterprise AIoT products | 33,780 | 1.5 | 40,787 | 1.2 | 61,436 | 1.9 |
| **Subtotal** | **128,566** | **5.8** | **112,717** | **3.3** | **179,927** | **5.6** |
| **Others** | **1,784** | **0.1** | **12,383** | **0.3** | **8,293** | **0.2** |
| **Total** | **2,225,241** | **100.0** | **3,508,457** | **100.0** | **3,219,341** | **100.0** |

*Note:*

(1) Refers to the sales of consumer tablets and components.

The table below sets forth the breakdown of the selling volume and average selling price by key product category for the years indicated.

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Selling Volume | Average Selling Price | Selling Volume | Average Selling Price | Selling Volume | Average Selling Price |
| | *Unit* | *RMB* | *Unit* | *RMB* | *Unit* | *RMB* |
| **Smart Terminal Products:** | | | | | | |
| – Smartphones | 8,091,203 | 240.9 | 12,978,408 | 258.9 | 12,031,673 | 248.0 |
| **AIoT Products:** | | | | | | |
| – Smart wearables | 469,500 | 201.9 | 402,847 | 178.6 | 679,560 | 174.4 |
| – Enterprise AIoT products | 343,220 | 98.4 | 330,099 | 123.6 | 357,018 | 172.1 |
| **Subtotal** | **812,720** | **158.2** | **732,946** | **153.8** | **1,036,578** | **173.6** |
| **Total** | **8,903,923** | **233.4** | **13,711,354** | **253.2** | **13,068,251** | **242.1** |

During the Track Record Period, a majority of our revenue was derived from smart terminal products. Growth in sales in this category from 2023 to 2024, was primarily driven by (i) launch of several best-selling models of our customers in the overseas markets which contributed to a significant increase in selling volume of smartphones; and (ii) the expansion of our production capacity after we commenced operation at phase II expansion of our Yibin manufacturing base, which enables us to accommodate growing customer needs. Decrease in sales in this category from 2024 to 2025, was primarily driven by our enhanced customer and product mix, which focus on diversifying customer base and higher gross margin product offerings.

Sales of our AIoT products achieved sustained growth from 2024 to 2025, primarily driven by (i) the expansion of our product categories as a result of our continuous R&D efforts on new AIoT initiatives, such as walkie-talkies and children's smartwatches, and cooperation with existing and new customers and brands in new industrial sectors; and (ii) our commencement of self-production for AIoT products to accommodate growing customer demand.

During the Track Record Period, fluctuations in average selling prices of our smart terminal products and AIoT products are subject to changes in product categories and models we offered for the respective year.

For more details in relation to the changes in revenue, selling volume and average selling price by key product category during the Track Record Period, see "Financial Information — Review of Historical Results of Operations."

### *Revenue by Geographic Location*

The following table sets forth our revenue by our customers' geographic location based on the location at which the goods were sold for the years indicated:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* |
| Chinese Mainland | 2,120,841 | 95.3 | 3,485,651 | 99.3 | 3,181,550 | 98.8 |
| Other countries/regions [1] | 104,400 | 4.7 | 22,806 | 0.7 | 37,791 | 1.2 |
| **Total** | **2,225,241** | **100.0** | **3,508,457** | **100.0** | **3,219,341** | **100.0** |

*Note:*

(1) Other countries/regions include Hong Kong, the United States, South Africa, and South America.

### *Gross Profit and Gross Profit Margin by Product Category*

The following table sets forth the breakdown of our gross profit and gross profit margin by product category 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* | *%* |
| **Smart Terminal Products:** | | | | | | |
| – Smartphones | 169,242 | 8.7 | 205,941 | 6.1 | 258,683 | 8.7 |
| – Others[1] | 27,636 | 19.0 | 4,211 | 17.6 | 7,472 | 15.8 |
| **Subtotal** | **196,878** | **9.4** | **210,152** | **6.2** | **266,155** | **8.8** |
| **AIoT Products:** | | | | | | |
| – Smart wearables | 17,907 | 18.9 | 14,760 | 20.5 | 22,501 | 19.0 |
| – Enterprise AIoT products | 5,568 | 16.5 | 10,075 | 24.7 | 12,770 | 20.8 |
| **Subtotal** | **23,475** | **18.3** | **24,835** | **22.0** | **35,271** | **19.6** |
| **Others** | **994** | **55.7** | **3,968** | **32.0** | **3,175** | **38.3** |
| **Total** | **221,347** | **9.9** | **238,955** | **6.8** | **304,601** | **9.5** |

*Note:*

(1) Refers to the sales of consumer tablets and components.

The changes in gross profit and gross profit margin during the Track Record Period were subject to a variety of factors, including but not limited to our sales and marketing strategies, change in customer and product mix, industry competition, cost controls measures and others.

For details in relation to the changes in our gross profit and gross margin during the Track Record Period, see "Financial Information — Review of Historical Results of Operations."

**Consolidated Statements of Financial Position**

| | As of December 31, | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Non-current assets | 83,963 | 135,910 | 125,537 |
| Non-current liabilities | 12,314 | 24,122 | 6,254 |
| Current assets | 382,003 | 2,063,262 | 1,094,915 |
| Current liabilities | 367,025 | 2,029,221 | 1,000,118 |
| **Net current assets** | **14,978** | **34,041** | **94,797** |
| **Net assets** | **86,627** | **145,829** | **214,080** |

As of December 31, 2025, we had net current assets of RMB94.8 million, as compared to RMB34.0 million as of December 31, 2024, primarily due to the decrease in trade and other payables of RMB1,129.1 million, partially offset by decrease in trade and other receivables of RMB927.0 million. As of December 31, 2024, we had net current assets of RMB34.0 million, primarily due to the increase in trade and other payables of RMB1,452.6 million, partially offset by increase in trade and other receivables of RMB1,376.8 million.

**Consolidated Statements of Cash Flows**

The following table is a summary of our cash flow data from our consolidated statements of cash flows for the years indicated:

| | As of December 31, | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Net cash generated from/(used in) operating activities | 35,620 | (137,716) | 96,166 |
| Net cash used in investing activities | (9,423) | (58,701) | (43,130) |
| Net cash generated from/(used in) financing activities | 2,188 | 156,842 | (43,841) |
| Net increase/(decrease) in cash and cash equivalents | 28,385 | (39,575) | 9,195 |
| Cash and cash equivalents at beginning of the year | 18,964 | 47,361 | 7,802 |
| Effect of foreign exchange rate changes | 12 | 16 | (68) |
| **Cash and cash equivalents at end of the year** | **47,361** | **7,802** | **16,929** |

**Key Financial Ratios**

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

| | As of/For the year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| Net profit margin(1) | 2.5% | 1.8% | 2.2% |
| Return on equity(2) | N/A | 53.4% | 39.0% |
| Return on total assets(3) | N/A | 4.7% | 4.1% |
| Current ratio(4) | 1.0 | 1.0 | 1.1 |
| Quick ratio(5) | 0.7 | 0.8 | 0.7 |

*Notes:*

(1) Net profit margin is calculated using profit for the year divided by revenue and multiplied by 100%.

(2) Return on equity ratio is profit for the year as a percentage of the average balance of total equity at the beginning and the end of the year and multiplied by 100%.

(3) Return on total assets ratio is profit for the year as a percentage of the average balance of total assets at the beginning and the end of the year and multiplied by 100%.

(4) Current ratio is calculated using total current assets divided by total current liabilities as of the same date.

(5) Quick ratio is calculated using total current assets less inventories divided by total current liabilities as of the same date.

**[REDACTED]**

## OUR CONTROLLING SHAREHOLDERS

Mr. Sun Bin directly and indirectly controlled the voting rights in approximately **[REDACTED]**% issued share capital of our Company as of the Latest Practicable Date and is expected to controlled voting rights in approximately **[REDACTED]**% issued share capital of our Company immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised). See "Relationship with Our Controlling Shareholders" for further details.

## PRE-[REDACTED] INVESTMENT

We received Pre-**[REDACTED]** Investments from Baoshan Jinpu, Shanghai Changhao, Yibin Private Economic Investment and Suzhou Straits for an aggregate of RMB90.0 million. See "History and Corporate Structure — Pre-**[REDACTED]** Investment" for further details.

## DIVIDEND

For the years ended December 31, 2023, 2024 and 2025, we declared and paid dividends of nil, RMB1.8 million and RMB2.0 million, respectively, to our shareholders. Our Company currently does not have a formal dividend policy or a fixed dividend payout ratio. Our Board of Directors may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment of dividends will be subject to our constitutional documents and applicable laws. Our shareholders at a general meeting must approve any declaration of dividends, which must not exceed the amount recommended by our Board of Directors. In addition, our Directors may from time to time pay such interim dividends as our Board of Directors considers to be justified by our profits and overall financial requirements, or special dividends of such amounts and on such dates as they think appropriate. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declaration of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Board of Directors.

## RISK FACTORS

Our business and the **[REDACTED]** involved certain risks, which are set out in the section headed "Risk Factors" in this Document. You should read that section in its entirety before you decide to **[REDACTED]** in the **[REDACTED]**. Some of the major risks we face include:

- The global smart hardware and AIoT industry is highly competitive and concentrated among a few major players. If we cannot compete effectively, our market share and profitability could be adversely affected.

- We derived a substantial portion of revenue from certain major customers during the Track Record Period and the loss of, or a significant reduction in, revenue from such customers could materially and adversely affect our results of operations.

- We operate in markets characterized by short product life cycles and rapid technological change, and our expansion strategy into new product categories may not deliver the expected results.

- The expansion and profitability of our business depend on the level of consumer demand and spending on smart hardware, which could be affected by factors beyond our control.

- Our success depends on a stable and adequate supply of raw materials which are subject to price volatility and risk of shortages.

- Our reliance on customer-designated supplier pools may limit our sourcing flexibility.

- Our expansion into AIoT-related products exposes us to technological uncertainty, market adoption risk and operational challenges.

- We generally do not have long-term purchase commitments from most of our customers, which may subject us to uncertainty and revenue volatility from period to period.

- Any disruption to our manufacturing operations, failure to expand production capacity or risks associated with outsourced production may adversely affect our business.

## [REDACTED] EXPENSES

We expect to incur a total of approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million) of **[REDACTED]** expenses in connection with the **[REDACTED]**, representing approximately **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range between HK$**[REDACTED]** and HK$**[REDACTED]**, and assuming that the **[REDACTED]** is not exercised), including (1) **[REDACTED]** commissions, SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all **[REDACTED]** of approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million), and (2) non-**[REDACTED]** related expenses of approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million), which consist of (i) fees and expenses of legal advisors and accountants of approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million), and (ii) sponsor fee and other fees and expenses of approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million). Approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million) is expected to be charged to our consolidated statements of profit or loss, and approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million) is expected to be deducted from equity. The **[REDACTED]** expenses above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

## USE OF [REDACTED]

We estimate that we will receive net **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]** million after deducting the **[REDACTED]** fees and expenses payable by us in the **[REDACTED]**, [assuming that the **[REDACTED]** Option is not exercised and] assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the indicative **[REDACTED]** range of HK$**[REDACTED]** to HK$**[REDACTED]** per Share in this Document.

We intend to use the net **[REDACTED]** from the **[REDACTED]** for the following purposes and in the amounts set out below, subject to changes in light of our evolving business needs and changing market conditions:

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used to upgrade our Innovatech platform, thereby supporting our business growth and product development;

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used to expand our market presence and product offerings, thereby enhancing our customer coverage, application scenario coverage and global expansion capabilities;

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for to support our strategic investments or acquisitions;

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used to integrate AI technology into our operations, thereby improving our internal efficiency; and

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for working capital and other general corporate purposes.

For further details, see "Future Plans and **[REDACTED]**" in this Document.

## RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Since the beginning of 2026 and up to the Latest Practicable Date, we entered into cooperation agreements with, or won the bids from, customers in relation to such fields, including, (i) for payment terminals, a leading digital payment platform operator in China; (ii) for AI wearables, a well-established Chinese consumer electronics group; (iii) for enterprise AIoT, a global leader in energy management and industrial automation headquartered in France; and, (iv) for automotive electronics, one of the largest automobile manufacturers headquartered in China. These recent developments demonstrate our ongoing efforts to broaden our application scenarios and enrich our product and solution portfolio and provide initial support for the future development of such business opportunities.

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the years reported in the Accountants' Report in Appendix I to this document, and there is 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.