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OVERVIEW

Who we are

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 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 Transsion, with which we have maintained a cooperative relationship for more than ten years, and ZTE and TCL, with which we have cooperated for more than seven years. 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:

Market Position	Operational Data	Financial Data
According to Frost & Sullivan, in terms of shipment volume in 2025  Rank 6th Globally Rank Top 10 Globally Smartphone ODM manufacturers Smartphone manufacturing solution provider	 Exceeding 35 million Shipment volume of smartphone ODM during the Track Record Period	2025  RMB3,219.3 million 20.3% CAGR (2023-2025) Revenue
According to Frost & Sullivan, by CAGR of shipment volume (23-25)  Fastest-growing Among the top 10 smartphone manufacturing solution provider	During the Track Record Period  2.0 million Maximum monthly order delivery capabilities	2024-2025  59.6% AIoT revenue increase rate

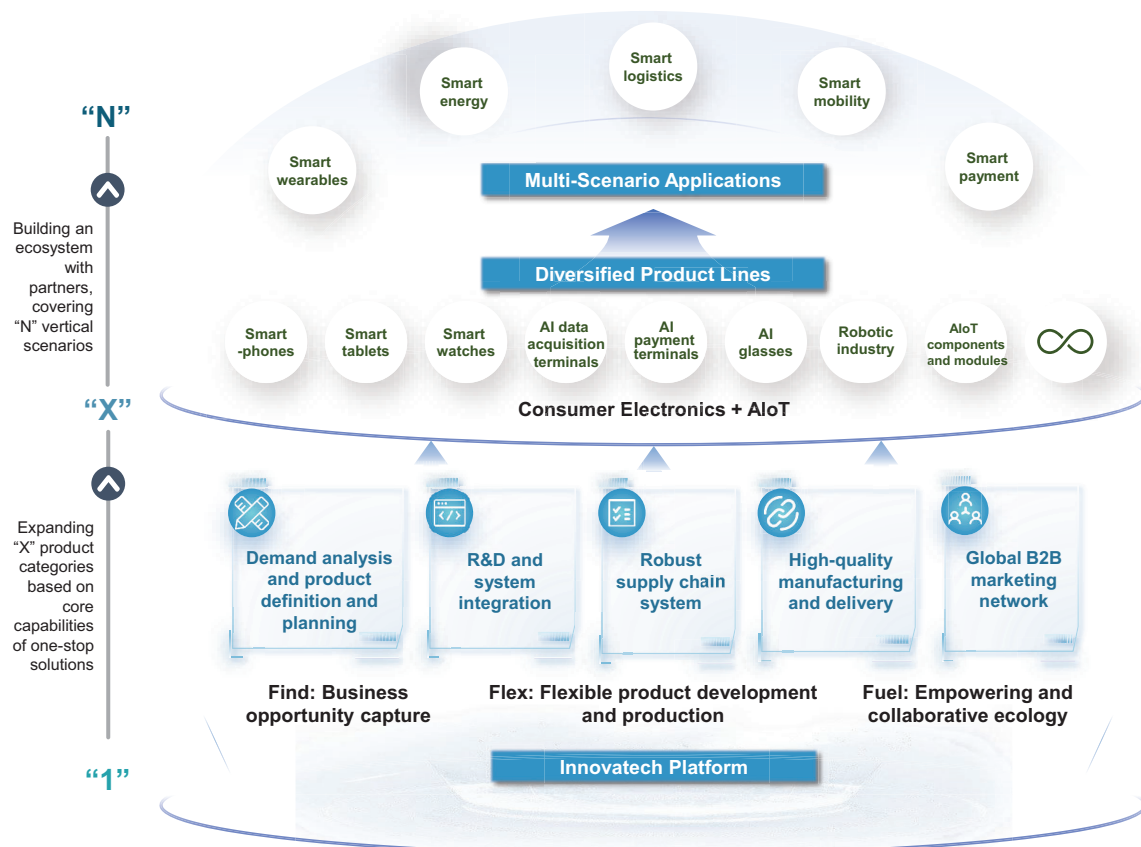
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Our Market Opportunities and the Innovatech Platform

Driven by the rapid advancement of AI, demand for intelligent upgrades across consumer electronics, IoT, automotive electronics and other industries have continued to grow. Among these, consumer electronics, with their broad user base and high user engagement, are expected to serve as primary carriers for the deployment of general AI applications. According to Frost & Sullivan, the global market size of smart terminal manufacturing solutions is projected to reach 1,517.5 million units by 2030, representing a CAGR of approximately 2.8% from 2025 to 2030. At the same time, the global market size of AIoT products manufacturing solutions is expected to reach RMB1,965.9 billion by 2030, representing a CAGR of approximately 47.4% from 2025 to 2030.

AI-driven innovation is raising the bar for smart hardware providers in terms of product R&D, supply chain management, flexible manufacturing and quality control. Providers are increasingly required to efficiently translate AI prototypes from early-stage concepts into mass-produced products. As a provider of full-stack smart hardware product solutions in the AI era, we have established our unique and proprietary Innovatech platform, which enables agile insight into customer demand, application-driven innovation, cost-efficient development and rapid delivery, empowering customers across industries in efficiently providing customization services and delivering project execution.

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



- Demand analysis and product definition and planning:** We are able to proactively identify customer needs and precisely define products, enabling our partners to expand product's intelligent features. Our Innovatech platform adopts an integrated device-cloud architecture and a end-to-end modular design approach, allowing us to respond quickly to market trends and align product solutions with evolving customer requirements.

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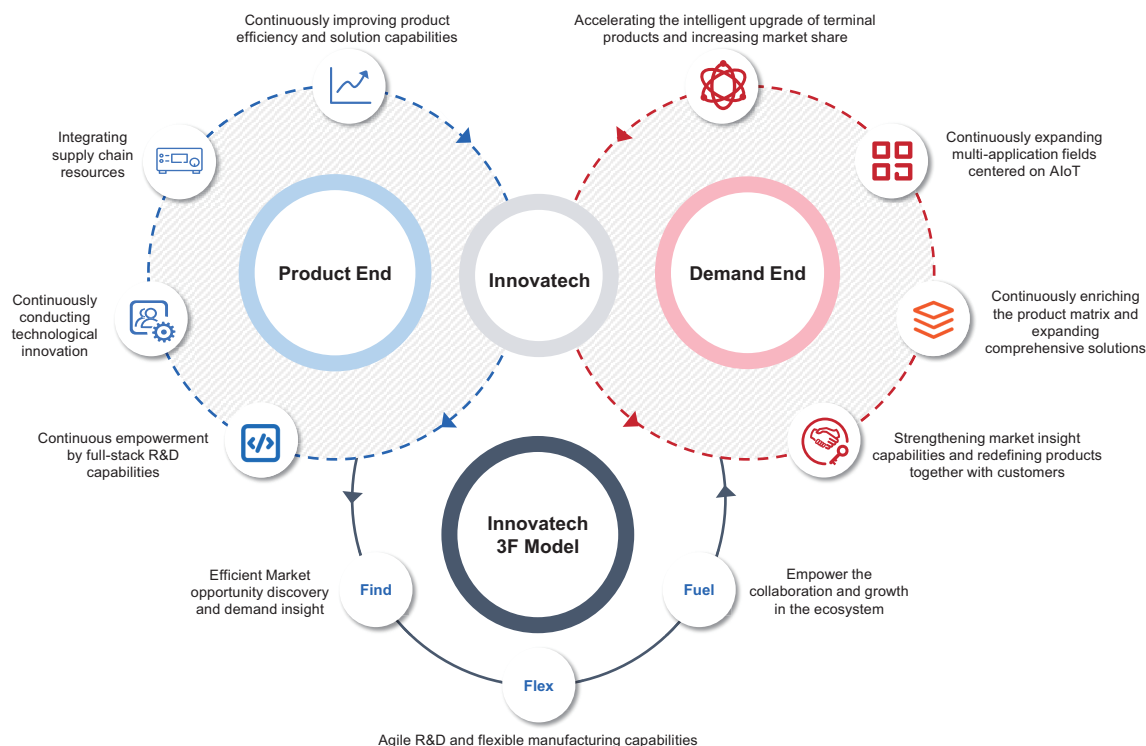
- **R&D and system integration:** We possess full-stack technology R&D capabilities and strong systems integration expertise. Based on Android and real time operating systems (“RTOS”), we carry out in-depth customized development to provide customers with integrated solutions across multiple product categories with seamless device-cloud coordination. In addition, we have established a comprehensive digital governance framework and, with a flexible product development and production system at its core, built an ecosystem-powered platform that promotes cross-functional collaboration. This allows us to provide tailored enablement support for product lines at different stages of development and to create a rich and diversified range of product offerings.
- **Robust supply chain system:** We have established a mature and stable supply chain management system. Through close collaboration with our suppliers, including joint development of new processes and technologies, we enhance product competitiveness. Our long-standing and deep cooperation with leading enterprises across industries has enabled us to build strong access to top-tier supply chain resources, enhance our supply chain responsiveness, and deliver quality product and solution offerings to our customers.
- **High-quality manufacturing and delivery:** With our Yibin manufacturing base as the principal facility, we have established a smart factory system under the Innovatech platform. Supported by our years of stable cooperation with leading customers across industries, we are able to quickly identify and efficiently implement customers’ delivery requirements. We have put in place a rigorous quality control system, and, backed by the manufacturing base’s automated lean manufacturing and flexible production and delivery capabilities, we are able to achieve stable, efficient and high-quality mass delivery.
- **Global B2B marketing network:** We have established a global B2B marketing network that enables us to effectively reach customers across different industries and regions, respond promptly to their evolving business needs and identify new commercial opportunities. Through coordinated customer development, account management and market expansion efforts, we are able to strengthen customer engagement, enhance customer stickiness, improve service quality and responsiveness, and support the commercialization of our product solutions on a global basis.

Our platform capabilities are further reinforced by our “3F” model, consisting of “Find,” “Flex” and “Fuel.” “Find” represents our business opportunity capture capability, enabling us to identify customer demand and market opportunities at an early stage. “Flex” represents our flexible product development and production capability, which allows us to respond quickly to changing customer requirements and efficiently advance projects from development to commercialization. “Fuel” represents our empowering and collaborative ecosystem, which enhances innovation, strengthens execution and supports the scalable growth of our business.

Benefiting from the evolving capabilities of our Innovatech platform, we are able to closely track end-market trends and rapidly integrate supply chain resources to deliver a broad range of smart hardware product solutions based on customer needs. This platform enables us to capture growth opportunities across industries such as consumer electronics, IoT, automotive electronics, etc., and to drive greater adoption of intelligent technologies. Our successful cooperation with ecosystem partners reinforces our platform capabilities, enhances our market presence and creates a stronger network effect.

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The growth flywheel of our platform is illustrated in the following diagram:



Benefiting also from our Innovatech platform and closed-loop ecosystem, we achieved sustained growth in both our business and financial performance throughout the Track Record Period.

- During the Track Record Period, we recorded steady business growth, and had acquired 23 new strategic customers globally. Supported by our broad customer base and strong customer stickiness, our revenue increased from RMB2,225.2 million in 2023 to RMB3,508.5 million in 2024 and RMB3,219.3 million in 2025, representing a CAGR of 20.3%.
- During the Track Record Period, our gross profit also recorded solid growth. Our gross profit increased from RMB221.3 million in 2023 to RMB239.0 million in 2024 and RMB304.6 million in 2025.

OUR COMPETITIVE STRENGTHS

Our Innovatech Platform Enables us to Efficiently Capture Opportunities in the Smart Hardware Market

We are a provider of full-stack smart hardware product solutions in the AI era. Centered on our Innovatech platform and supported by our end-to-end digitalized capabilities, we are able to accurately identify evolving customer needs and collaborate with partners to facilitate intelligent upgrades across industries including consumer electronics, AIoT, energy, etc. We operated under a unique “1 + X + N” model, whereby our Innovatech platform (“1”) supports a diversified portfolio of smart terminal and AIoT product categories (“X”), which are deployed across a wide range of vertical application scenarios (“N”). In the consumer electronics sector, we have established a prominent market position. In terms of smartphone ODM shipments in 2025, we ranked sixth globally according to Frost & Sullivan.

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Centered on the Innovatech platform, we have deeply integrated and organically coordinated key functions including design and R&D, supply chain management and manufacturing, creating strong synergies and mutually reinforcing value across technology reuse, customer conversion, resource sharing and information connectivity, and establishing a one-stop digital collaboration platform. Through deeply customized systems, including CRM, Supplier Relationship Management (“SRM”), ERP, MES, PLM and HRM, we have achieved digital collaboration across R&D, procurement, production and delivery, enabling us to provide customers with full-stack smart hardware product solutions. We were able to meet customers’ customized requirements, which positions us at the forefront of smart terminal and AIoT customization. Powered by the digital capabilities of our one-stop platform, we are able to standardize and scale the implementation of personalized customer requirements, while maximizing resource utilization efficiency, and continuously ensuring product quality and delivery stability.

Our accumulated experience and continuous enhancement of our platform capabilities enable us to efficiently capture market opportunities and scale deployment across multiple application scenarios. As of December 31, 2025, we received a number of recognitions and awards, including national-level and provincial-level Specialized and Sophisticated SME (專精特新小巨人), national-level High-Tech Enterprise (高新技術企業), Intellectual Property Advantageous Enterprise (知識產權優勢企業).

Strong Full-stack Technological Capabilities

We have established the core Innovatech platform, which provides end-to-end full-stack technological capabilities and supports a comprehensive proprietary intellectual property system. As of the Latest Practicable Date, we had obtained 146 patents, including 64 invention patents, 51 utility model patents and 31 design patterns. According to Frost & Sullivan, in the field of full-stack smart hardware product solutions in the AI era, we rank among the industry leaders in both the scale of our patent portfolio and technological innovation capabilities, with overall technological strength demonstrating a clear industry-leading edge.

We leverage our Technology Development Institute to stay closely attuned to leading trends in the smart hardware market and to pursue forward-looking strategic initiatives. By continuously advancing and exploring AIoT technologies, we have developed a comprehensive technology capability map. Supported by an integrated device-cloud collaborative architecture, we have gradually built-up core technological capabilities spanning the entire value chain, including industrial design, structural design, hardware design, software development and app development, providing solid technical support for product innovation and solution implementation. Furthermore, our core Innovatech platform has achieved stable and efficient operation. With its strong technological integration and coordination capabilities, it is able to effectively support the application of a wide range of core technologies and accurately address customers’ diverse needs for customization, high quality and intelligent solutions, further strengthening our core competitiveness.

Our full-stack technological capabilities extend from underlying infrastructure to upper-layer applications, with deep collaboration across all technology layers, forming the foundation of our efficient customization services and scalable delivery capabilities:

- **Underlying architecture design:** We possess full-stack design capabilities for major mainstream platforms such as UNISOC (Shanghai) Technologies Co., Ltd. (“UNISOC”) and MediaTek Incorporated (“MediaTek”), covering key areas including heterogeneous computing, high-speed interconnects, low-power management, thermal management, radio frequency and hardware security, and has formed an independent and well-controlled platform-based design system. Through deep chip-level integration, signal integrity optimization, dynamic power management and design geared toward mass production, we are able to significantly enhance product performance, battery life, stability and cost competitiveness.

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- **Embedded system and driver development:** We possess driver development capabilities for Android, RTOS and microcontroller units (MCUs). Through deep coordination and optimization between low-level software and hardware, we enhance system stability, power efficiency, boot speed and reliability, thereby providing robust and independently controllable low-level software support for our smart hardware products.
- **Integrated device-cloud coordination:** With a device-cloud collaborative architecture, we are able to collect and upload data from terminal devices in real time, while using our cloud platform for data aggregation, analysis and refined management. Combined with AI-enabled deep data integration, modeling and application, we further unlock the value of data and provide customers with customized solutions tailored to their business scenarios, helping them enhance device intelligence and improve management efficiency.
- **Deployment of Artificial Intelligence Applications:** We have developed and commercialized AI applications across scenarios such as human-machine interaction and BMS, including battery health monitoring and pattern recognition. We also support multi-protocol connectivity to enable intelligent IoT ecosystems across smart mobility, smart energy and other applications.

Stable and Well-established Global Collaborative Ecosystem

Through continuous evolution of our Innovatech platform and deep integration with global industrial partners, we have jointly established a full-stack smart hardware ecosystem in the AI era. Our platform enables efficient matching of high-quality supply chain resources and rapid response to evolving customer demands, creating strong network effects and enhancing our market influence.

- **Loyal customer base**

Leveraging the advantages of our Innovatech platform and end-to-end service capabilities, we have continuously expanded the application scope of our application scenarios and customer base. Through long-term collaboration with leading customers in consumer electronics and other sectors, we have strengthened customer stickiness and market presence. During the Track Record Period, we had acquired 23 new strategic customers globally, including leading enterprises across consumer electronics and AIOT. Leading smart terminal brands apply stringent selection criteria when choosing partners, taking into account a range of factors such as technological R&D capabilities, manufacturing capacity, quality management systems and delivery assurance capabilities. Once selected, partners are typically preferred for long-term, stable and scaled strategic cooperation. Through deep involvement in their product planning and R&D design processes, we have continued to strengthen our industry insight, enhance our platform capabilities through ongoing iteration, and further expand our multi-field technical expertise. This has reinforced the Innovatech platform’s ability to break down cross-industry and diverse customized needs into standardized modules, enabling efficient adaptation and scalable reuse of solutions across a wide range of scenarios, while also helping us build a strong market reputation and broad brand recognition. For details, please see “Business — Our Customers”.

- **Mature and stable supply chain management**

As of the Latest Practicable Date, we had partnered with over 400 supply chain partners and had established long-term, stable relationships with key chip suppliers, electronic component suppliers and structural component suppliers. We integrated high-quality supplier resources both in China and overseas and has developed an efficient and collaborative supply chain partnership mechanism through effective supply chain coordination and tiered, categorized supplier management, centered on three key priorities: enhancing product performance, maintaining

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effective cost control and assuring product quality. We have also established long-term and stable strategic partnerships with our key suppliers, and our core partners are able to give priority to securing production capacity and providing cost-competitive material resources. In product development, we engaged in joint R&D with our core suppliers to drive innovation in product appearance and manufacturing processes and to facilitate the implementation of new solutions. We also worked closely with mold suppliers to achieve the large-scale commercial production of innovative structural designs and enhance the structural reliability of our products. Through close collaboration with upstream supply chain partners, we combined suppliers’ technological strengths and resource advantages with our own product planning, thereby fostering an industrial collaboration ecosystem featuring value co-creation, risk sharing and mutual benefit. Supported by this supply chain system, we are able to provide customers with high-quality product solutions, continuously strengthen our core competitiveness and create long-term value for our customers. For details, please see “Business — Our Suppliers”.

Comprehensive Product and Solution Portfolio

We provide full-stack smart hardware product solutions covering product definition, R&D, manufacturing and delivery. Our end-to-end service capabilities enable us to integrate deeply into our customers’ product development processes and co-develop optimized product details. Powered by our Innovatech platform, we offer customers a broad portfolio of smart hardware and AIoT products, enabling the deployment of intelligent solutions across a wide range of application scenarios.

- **Comprehensive product portfolio:** We provide smart hardware products such as smartphones, tablets, smartwatches and related accessories, as well as products including AI data acquisition terminals, AI payment terminals, AI glasses, robotic industry and AIoT components and modules. Together with our integrated device-cloud collaborative solutions, these offerings enable us to meet users’ diverse smart hardware needs.
- **Product definition and customization capabilities:** Our strong product definition capabilities enable us to proactively capture customer needs and market opportunities and efficiently convert them into commercially viable product concepts and solution plans. We are able to provide customized services tailored to the specific requirements of our customers. Leveraging the technological reusability of our Innovatech platform and our accumulated expertise, we embed customization capabilities across the entire product value chain, including demand definition, R&D, production, delivery and after-sales services.
- **Multi-scenario deployment capabilities:** Our product solutions are adaptable across multiple industries including consumer electronics, smart wearables, smart energy, smart logistics, smart mobility, smart payments and other enterprise scenarios. We support a flexible supply model combining “small-batch customization with large-scale delivery”.

Intelligent Manufacturing Capabilities Enabling Efficient and High-Quality Delivery

With Yibin, Sichuan as our core manufacturing base, we have built an integrated business system covering manufacturing and digital support, with core capabilities in large-scale flexible manufacturing, digitalized operations, and efficient, high-quality fulfillment, enabling it to provide customers with customized production and large-scale delivery services. This helps us achieve efficient mass production, refined cost control, and rapid responses to customers’ diverse business needs, while ensuring large-scale delivery with high efficiency and quality.

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- **Stable and high-quality manufacturing capabilities:** We operate one self-owned manufacturing base, 11 high-speed SMT lines and 20 assembly and packaging lines, giving it large-scale manufacturing capacity for up to 16 million units/sets of smart hardware annually. Leveraging a flexible production model and optimized resource allocation, we are able to ensure stable and efficient order fulfillment. In addition, we have established a comprehensive quality management system and has obtained a number of certifications, including ISO 9001, ISO 14001, CCC, Environmental Compliance Certification, ISO 45001, RoHS and REACH.
- **Efficient operation:** Leveraging digitalized management across our operational chain, we have established an intelligent and refined operational system that enhances coordination across product development, supply chain management, manufacturing, logistics and inventory control. Supported by advanced digital collaboration tools and digitalized operating systems, we are able to improve operational visibility, optimize resource allocation, strengthen supply chain responsiveness and enhance manufacturing efficiency, thereby supporting efficient project execution and reliable delivery.
- **Customer-centric service:** We are committed to delivering responsive and customer-centric services throughout the product life cycle. By closely coordinating our engineering, quality control and project management functions, we are able to provide timely technical support, respond promptly to customer needs and resolve issues efficiently after delivery. This integrated service capability helps us enhance customer satisfaction, strengthen long-term customer relationships and reinforce our market competitiveness.

Visionary Founders and Experienced Management Team with Profound Industry Insights

Our management team possesses extensive industry experience and strategic vision. Our Chairman and Chief Executive Officer, Mr. Sun Bin, has more than 20 years of experience in the smart hardware industry. Since founding the Company in 2008, he has leveraged his expertise in consumer electronics and IoT to guide the development of our platform-based business model. Leveraging our platform-based model featuring one-stop solutions and full-stack technological capabilities, he has guided the Company in capturing the long-term trend towards intelligent terminal development. Our core management team has, on average, more than 10 years of industry experience, with a majority of them come from leading industry brands and listed ODM companies. This gives us deep insight into the development trends of the intelligent manufacturing industry and evolving customer needs.

We are committed to fostering an innovative and entrepreneurial platform where talented people can excel even further. By establishing and continuously improving our talent development, incentive and promotion mechanisms, we have built a young, creative team with diverse academic backgrounds. Our core R&D and product teams bring together expertise across multiple disciplines, including mechanical engineering, electronic engineering and physics, with a well-balanced talent structure and strong professional capabilities. Most of our R&D personnel hold a bachelor’s degree or above, providing solid talent support for our technological innovation, product iteration and sustainable business growth.

Our Development Strategies

Continue to iterate our Innovatech Platform to maintain technological leadership

We will continue to iterate our Innovatech platform through ongoing optimization of our business systems and flexible manufacturing, thereby reinforcing our technological leadership.

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- We will continue to enhance our capabilities in flexible manufacturing by establishing new production line, introducing advanced equipment and technologies, and deploying professional team. Leveraging our full-stack information platform, we can respond quickly to customer order demands.
- We will also continue to enhance our Innovatech platform’s capabilities in identifying market opportunities, gaining insights into customer needs, agile R&D and flexible manufacturing, while advancing its digital capabilities to build a full-stack information platform.

Continue to deepen the application of AI technologies, comprehensively embrace AI

We will continue to embrace AI technologies. By integrating AI capabilities with our accumulated data and resources, we will further enhance AI functionalities across our product portfolio, accelerate the intelligent upgrade of our terminal products, and iterate our operational system with AI.

- We will further expand our investment in AI, including both hardware and software algorithms. We will continue to develop and optimize our AI platform to improve internal operation. We have established a dedicated AI R&D team to drive cost efficiency.
- We will focus on the origination and development of AI-native and AI-driven products or solutions to further diversify our offerings and capture the demand for intelligent upgrades across various scenarios.
- We will continue to leverage AI technologies to upgrade operational system and improve internal efficiency. We will deepen the application of AI in supply chain management to optimize demand forecasting and inventory management, empowering our agile supply chain management. In addition, we will adopt AI to assist in decision-making of our information platform, and explore the application of AI in fields such as selling and marketing.

Advance Our Integrated AIoT Software–Hardware Ecosystem

We will continue to strengthen our integrated AIoT software-hardware ecosystem by expanding ecosystem partnerships, enhancing connectivity across the value chain and unlocking new growth opportunities.

- We will deepen collaboration with key upstream suppliers and pursue investment and acquisition opportunities in high-quality enterprises. These efforts will enhance our resource integration, technological advancement and cost optimization, further strengthening our platform capabilities.
- We will broaden our service scope and explore innovative business models by deepening cooperation with high-quality enterprise customers. Through cooperation with customers in fields such as innovative hardware and robotic industry, we aim to develop diversified product and solution offerings for both B-end and C-end markets.

Expand Our Global Customer Base and Scaling Our User Reach

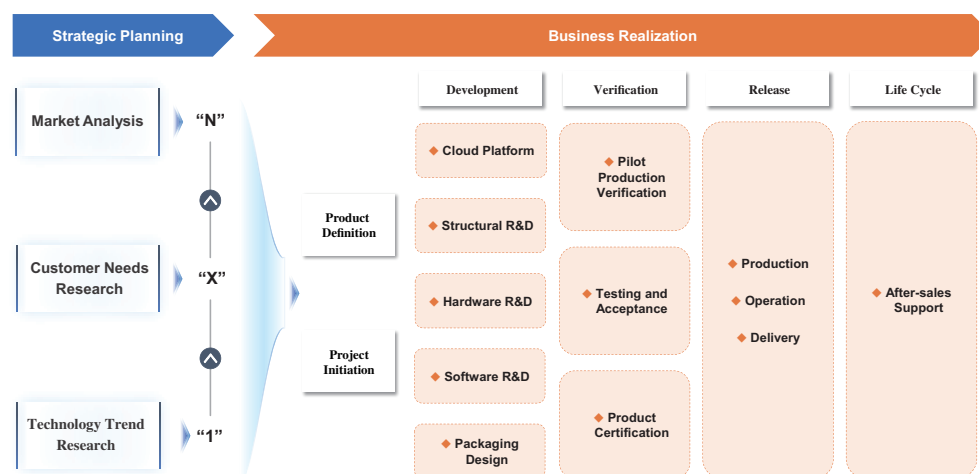
Leveraging our Innovatech platform and accumulated operational experience, we intend to deepen cooperation with existing customers and strengthen our presence in our established markets. At the same time, we will continue to expand our product portfolio and application scenarios to increase our business scale and increase our market share, while extending our overseas footprint.

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- Building on our platform capabilities, we will continue to enrich our product offerings, expanding from our existing product lines, such as smartphones and tablets, into AIoT components and modules, AI glasses, and enterprise AIoT solutions. We aim to continuously extend the boundaries of our products and business lines, enhance the breadth and depth of our offerings and expand into a wider range of terminal applications. We will focus on downstream sectors, including smart healthcare, data acquisition terminals, AI payment terminals, automotive electronics, smart energy and robotic industry, and target leading enterprises within these sectors to capture growing demand for smart hardware product solutions.
- We will continue to invest in our sales and increase our efforts in overseas markets expansion. Leveraging our domestic operating model, we plan to replicate and localize our go-to-market strategies internationally. We intend to expand our overseas customer base through a combination of online marketing, partnerships with local distributors and participation in international trade exhibitions, thereby increasing our market share in global markets.

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.



The Innovatech Platform

Central to our platform-based positioning is our Innovatech Platform, which is an integrated, reusable capability base to support the delivery of smart hardware products/solutions across multiple categories and vertical scenarios. The Innovatech Platform is designed to enable “hardware + embedded software + cloud service” integrated delivery, so that we can meet customers’ differentiated requirements.

On the cloud side, our Innovatech Platform supports a set of core platform functions that include, among others, device management, alert management, operations management and dashboards, as well as system administration modules such as user/role/account management and operation logs. For

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customers that do not have their own cloud capabilities, we are able to provide relevant cloud service hosted on our infrastructure so that such customers can access authorized cloud service without building their own cloud systems.

On AI side, the Innovatech Platform is designed to support both edge-side deployment and cloud-side deployment. In practice, we integrate third-party foundation model capabilities where appropriate, while we build and operate our own device-side engineering, application logic, and cloud service management, and perform customization and optimization on top of partner models.

Core Operating Model: Platform-based Provider of Full-stack Smart Hardware Product Solutions

We operate a flexible and integrated platform-based business model designed to participate deeply in customers’ product development and commercialization processes, from early-stage product definition through engineering validation and manufacturing delivery. A key part of our value proposition is our ability to support customers in product definition and deliver integrated solutions across the product lifecycle.

Depending on the product category and project scope, our integrated services typically include:

- product definition support and requirement analysis (including scenario adaptation);
- system and industrial design coordination;
- hardware design and optimization;
- embedded software and system-level development;
- Integrated device-cloud design;
- module/component-level customization;
- prototyping, EVT/DVT/PVT-style verification support;
- integrated testing, including factory-stage test tool/solution development;
- certification and compliance support;
- full life-cycle product quality management;
- supply chain coordination and procurement; and
- manufacturing and delivery.

Our platform capability includes the integration of hardware, software and cloud services. For AI-enabled products in particular, we also cooperate with third-party foundation model providers.

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 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

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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 as a one-off project; instead, 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 PRODUCTS

We offer a diversified and evolving portfolio of smart hardware product solutions across multiple product categories, covering both smart terminal devices and AIoT hardware. Our principal products primarily comprise smart terminal and AIoT products. Our smart terminal products mainly include smartphones, which remain an important foundation of our business and reflect our accumulated strengths in product definition, system design, hardware and software development and large-scale delivery. Our AIoT products include smart wearables and enterprise AIoT products, such as walkie-talkies, data acquisition terminals and other intelligent connected devices and modules for diversified application scenarios. Across these major product categories, we provide customers with platform-based full-stack smart hardware services and, where required, integrated hardware, software and cloud-enabled solutions, enabling us to address a broad range of consumer and industry-facing needs through a diversified and evolving product portfolio.

The following table sets out an overview of our revenue breakdown by product:

	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
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
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-grade tablets and components.

We are able to deliver our offerings in flexible forms, depending on customer requirements and project scope. We may deliver two-wheeler central control platform, and in certain cases we also deliver components or subsystems, such as central control platforms or BMS protection boards. In addition, we differentiate ourselves by providing integrated “hardware + software + cloud” solutions. For customers that lack cloud service capabilities, we are able to provide the supporting cloud services and cloud

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systems as part of an integrated solution package, enabling customers to commercialize smart products with reduced system integration burden. For example, for customers that do not possess in-house cloud capabilities, we may provide an integrated cloud service system for two-wheeler applications, including vehicle positioning and status management. By connecting to the cloud service infrastructure we provide, customers can readily enable mobile app functionalities for end users, such as viewing vehicle location, battery level and lock status.

Smart Terminal Products

Smartphones

Smartphones constitute one of our core product categories and form an important foundation of our overall business and solution offerings. We provide platform-based full-stack smart hardware services for smartphones to a range of brand customers, primarily serving customers with diversified market positioning and distribution footprints, including customers that sell products into overseas markets through their own sales networks. We are the world’s sixth largest smartphone ODM company in terms of smartphone ODM shipments in 2025, according to Frost & Sullivan. We provide full-stack smart hardware services to a wide range of leading global brands, including Transsion, TCL and ZTE. During the Track Record Period, we have successfully delivered several best-selling phone models in the global market, such as ITTEL A50, Infinix Smart 9 HD and ZTE A76. Leveraging our long-standing experience in the smartphone industry, we have delivered smartphones for approximately ten years. We also maintain a broad channel and customer coverage, with our products serving both local brand and telecom operators globally.

Our smartphone full-stack smart hardware services are designed to accommodate diversified customer needs across different market segments and distribution channels. We adopt a flexible customization approach in smartphone development, enabling customers to tailor product specifications and industrial designs to their target user groups and commercial objectives. Our ability to execute such customization efficiently is supported by (i) our modular architecture design, which enabled us to shorten customization cycles, and (ii) our engineering capabilities in thermal management, power consumption management, system smoothness, imaging performance, RF and audio performance, product reliability optimization, etc. for performance-oriented terminals.

In terms of core technology, our smartphone solutions benefit from engineering capabilities in (i) 5G communications (including 5G-A) multi-band RF optimization and protocol stack customization, (ii) multi-sensor fusion positioning (with positioning accuracy of 2.5 meters) and indoor navigation path planning, and (iii) chip-level low-power optimization and security encryption. These capabilities are applied to our smartphone products to enhance signal stability and data rate, optimize power consumption and positioning performance, and strengthen security for payment and data protection needs, while supporting multi-brand customization requirements.

We develop and deliver smart terminal devices across both 4G and 5G platforms, and our smartphone and tablets portfolio includes models designed to address mass-market requirements such as display size, battery endurance, imaging performance, durability, etc. The following table sets forth certain representative smartphone and tablet products for which we provided platform-based solution services during the Track Record Period:

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Brand & Model	Product Picture	Year of Launch	Product Specifications & Key Features
ZTE A76		2025	Chipset: T780 (octa-core 5G) Display: 6.745” Cameras: 5MP front + 50MP rear Feature: IP54 water resistance
Infinix Smart 9 HD		2024	Chipset: G36 (octa-core 4G) Display: 6.67” Cameras: 8MP front + 13MP rear
ITEL A50		2024	Chipset: T603 Display: 6.56” Cameras: 5MP front + 8MP rear

During the Track Record Period, smartphones have historically contributed a significant portion of our overall revenue and have remained a key source of operational stability. At the same time, the engineering capabilities and supply chain resources we developed through the smartphone and tablets business have supported our strategic expansion into other smart hardware and AIoT-related product categories under our “1 + X + N” strategy.

Others

Our other products under the smart terminal products consists of tablets and components. Our tablet business focuses on delivering tailored solutions for diverse application scenarios. Similar to our smartphone products, leveraging our modular design approach and system integration expertise, we are able to efficiently develop and scale tablet products with stable performance and reliable user experience. The following table sets forth certain representative tablet products for which we provided platform-based solution services during the Track Record Period:

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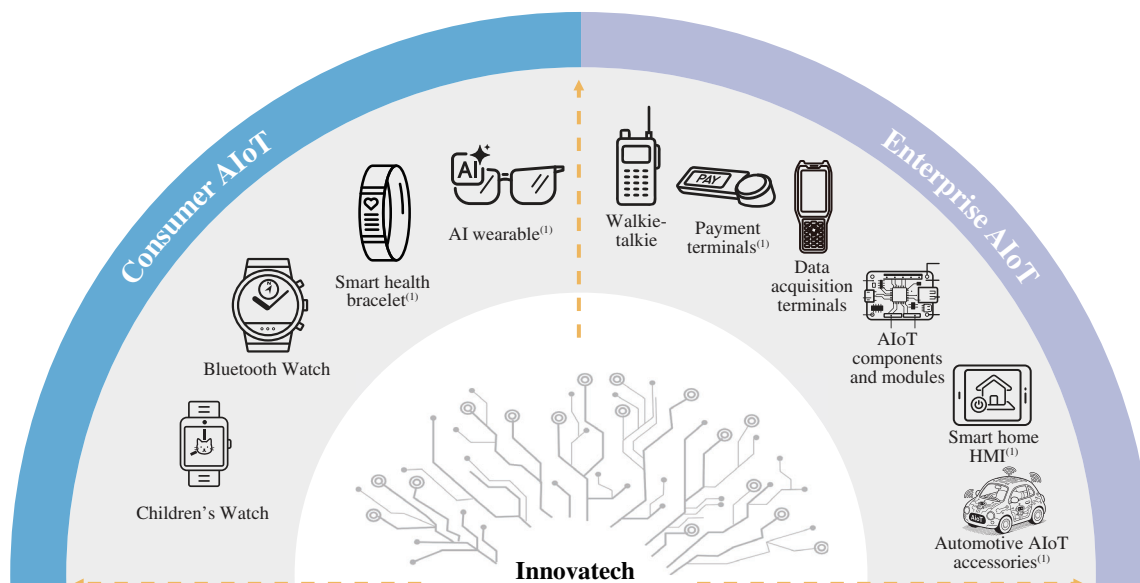
Brand & Model	Product Picture	Year of Launch	Product Specifications & Key Features
Tecno Megapad Pro		2025	Chipset: G100 (octa-core) Display: 12” Cameras: 13-megapixel rear camera Feature: Equipped with a stylus and a portable keyboard

AIoT Products

Our AIoT product portfolio encompasses a broad range of intelligent and connected devices, primarily including smart wearable and AIoT hardware products. These products are designed to address diversified application scenarios across consumer and industry-facing use cases, and form an increasingly important component of our overall business and growth strategy.

We provide platform-based full-stack smart hardware services for AIoT and related products to renowned customers, including but not limited to TCL, Hytera and ZTE, and have developed long-term cooperative relationships with certain leading global and regional brand customers. Our AIoT business has experienced rapid growth during the Track Record Period.

The figure below sets forth the industry sectors covered by our AIoT product portfolio as of the Latest Practicable Date.



Note: (1) In the first quarter of 2026, we entered into cooperation agreements with, or won bids from, customers in relation to such fields in AIoT products. As of the Latest Practicable Date, mass production and delivery of these products had not yet been achieved.

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Smart Wearables

Smart wearables constitute a core segment of our AIoT product portfolio. We provide ODM services for smart watches and smart bands to leading brand customers, including TCL and ZTE. Our smart wearable products integrate a range of functions, including health monitoring, fitness tracking, voice interaction and notification management, enabling customers to address diverse user needs and usage scenarios.

Smartwatches represent the core product category within our smart wearable solutions. Leveraging our “1+X+N” strategic framework and our platform-based R&D capabilities, we have developed a relatively comprehensive wearable product portfolio tailored to the differentiated positioning of our brand customers and the needs of regional markets. Our offerings cover major wearable product segments, including adult’s sports smartwatches, fitness bands, and children’s smartwatches. We also provide one-stop solution services covering the entire product lifecycle, from product definition and design to development, testing and validation, and mass production and delivery. Our smartwatch product portfolio is primarily categorized as follows:

- **Adult’s sports smartwatches/fitness bands** — designed for everyday fitness, health monitoring and lightweight smart interaction scenarios. Certain adult smartwatch models support eSIM capabilities, while the specific feature sets and configurations are determined based on customer project requirements.
- **Children’s smartwatches/fitness bands** — designed for child safety positioning and parent-child communication scenarios. These products typically require higher levels of positioning reliability, durability and regulatory compliance.
- **Smart health bracelet** — wearable devices designed for health monitoring and healthcare-related applications, with greater emphasis on health algorithms, data processing capabilities and compliance requirements.
- **AI wearables** — designed for intelligent, scenario-based interaction and enhanced user engagement across consumer and specialized application settings. These products typically integrate AI functionalities such as voice interaction, intelligent assistance, context-aware response and data-driven personalization, and may take various form factors depending on customer requirements and target use cases.

The technical strengths of our smartwatch products are reflected in areas such as positioning performance, power efficiency, structural reliability, water and dust resistance, RF and communication stability, and integrated device-to-cloud user experience. In addition, we implement product testing solutions, including R&D testing, production testing, and overall system reliability testing, to ensure overall product quality. We have also established dedicated R&D teams that work closely with our manufacturing base to support large-scale mass production and delivery.

The following table sets forth certain representative smart wearables for which we provided platform-based solution services during the Track Record Period:

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Brand & Model	Product Pictures	Year of Launch	Product Specifications and Key Features
Nubia children's watches K2 Pro		2025	• Chipset: W307 • Display: 1.4" TFT • Battery: 890mAh • Camera: 500W front camera • Feature: Dual frequency GPS
Nubia adult's watches WATCH GT . .		2024	• Chipset: 3085L • Display: 1.43" AMOLED • Battery: 450mAh • Feature: Dual frequency GPS

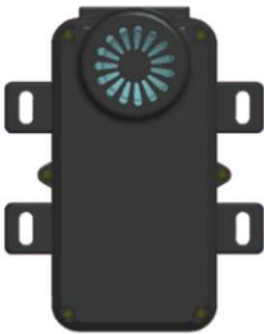
Enterprise AIoT Products

Leveraging our long-established system-level integration capabilities in smart hardware and our device-to-cloud delivery capabilities, we provide industry customers with one-stop AIoT terminal product solutions covering hardware, embedded software and cloud services. These solutions are designed for enterprise and vertical application scenarios, where reliability, stability, maintainability and scalable deployment are critical. Depending on customers’ requirements, our offerings may be delivered either as complete devices or as components and subsystems.

The following table sets forth our representative enterprise AIoT products during the Track Record Period:

Product Category	Product Picture	Key Features
Walkie-talkies		Walkie-talkies (Public Network Type) Designed for instant and reliable communication in professional and industry-oriented application scenarios via public cellular networks. These products are typically used in security, logistics, site coordination and other operational settings where stable connectivity, portability and ease of use are essential. Leveraging global public network coverage, such products enable seamless worldwide communication, and may be configured to meet diverse durability standards and functional specifications for industry-specific requirements.

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Product Category	Product Picture	Key Features
Data Acquisition Terminal		designed for efficient data capture, identification, processing and transmission in enterprise and industry-specific scenarios. These products are typically deployed in logistics, warehousing, retail and field operation settings, and may support functions such as barcode or image recognition, wireless communication and real-time data synchronization. The specific product form and performance standards are developed based on customer project requirements and operational needs.
AIoT Components and modules		designed to focus on short-distance transportation scenarios, particularly two-wheeled vehicles. We provide integrated smart hardware solutions to brand customers by combining smart components, intelligent control platforms and vehicle connectivity cloud services. Through the integration of hardware, software and cloud infrastructure, our solutions enable functions such as vehicle management, rider-vehicle interaction, riding safety monitoring, entertainment extensions and connected ecosystem services, supporting the evolution of two-wheeled vehicles toward safer, smarter and more interactive user experiences.

RESEARCH AND DEVELOPMENT

We view R&D as a core driver of our long-term competitiveness, business scalability and product innovation, and we have built a comprehensive R&D system 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, Shenzhen, Chongqing, Nanjing, Hefei 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, cloud-side 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

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property portfolio (including patents, software copyrights and trademarks of 560 as of the Latest Practicable Date, which underpins our ability to support diversified customer needs and expand into new product categories over time.

Reflecting our sustained focus on innovation, we incurred R&D expenses of RMB68.9 million, RMB73.2 million and RMB99.8 million in 2023, 2024 and 2025, respectively. As of December 31, 2025, we employed approximately 535 R&D personnel, accounting for approximately 25.4% of our total workforce. Our R&D personnel form a critical foundation for our ability to support diversified customer needs and expand into new product categories.

R&D Infrastructure

Our R&D Network

Our R&D infrastructure is designed to support Innovatech platform-based product realization, from early-stage product definition to design-for-manufacturability and scalable delivery, across both smart terminals and AIoT devices under our “1+X+N” strategy. Our R&D network is primarily organized around a multi-hub model consisting of one center and several major R&D units, each with differentiated responsibilities but coordinated through group-level planning and platform governance. Our Shanghai center serves as the Group’s headquarters-led core R&D hub, responsible for overall platform architecture, cross-category technology reuse and group-wide resource coordination, and it functions as the primary interface for product definition and system-level solution design across smart terminals and AIoT hardware. R&D activities are closely linked with our manufacturing base in Yibin, which supports manufacturing-linked engineering such as design-for-manufacturability coordination, process engineering interfaces and test/validation support to improve large-scale delivery readiness and shorten iteration cycles.

The following table shows our R&D center and units and their respective functions:

<u>Location</u>	<u>Year of Commencement</u>	<u>Focus</u>
Shanghai	2008	Group-level R&D governance and platform planning; core smart terminal, smart wearable and AIoT device R&D; architecture and key module development; cross-team resource coordination
Shenzhen	2013	Whole-device engineering and delivery management, covering system integration, supply chain resource integration, supplier coordination and quality control across the entire process.
Chongqing	2016	Smart terminal engineering support, cross-platform development and project execution; regional engineering capacity to support delivery
Yibin	2018	Manufacturing-linked engineering support, including process engineering, test development and design-for-manufacturability interface with R&D teams; supports scalable delivery capability (Yibin as the manufacturing base)

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<u>Location</u>	<u>Year of Commencement</u>	<u>Focus</u>
Nanjing	2019	Smart terminal whole-device engineering, supporting smartphone and tablet programs with platform adaptation, system integration and verification-to product execution
Hefei	2021	Smart wearable and AIoT device R&D, including device hardware/software integration and category-specific engineering (e.g., low-power optimization, connectivity and sensor integration)
Xi'an	2026	System and low-level software R&D, supporting technical implementation for smart terminal and AIoT products.

Our Technologies

Our core technologies are based on a platform-based engineering capability system that we have built to support the definition, development, verification and scalable delivery of smart terminal and AIoT hardware products across multiple device forms and use cases.

At a high level, our technology stack spans: (i) connectivity and RF engineering (including 5G platform capability building and RF development); (ii) positioning and navigation (including dual-frequency GNSS implementations for wearables and mobility devices); (iii) power management and fast charging (including higher-power charging protocol work and temperature-rise control); (iv) AI-enabled application algorithms (including customer-facing AI experiences and operational); (v) imaging and multimedia algorithms (including AE/AWB/AF/HDR and selected third-party algorithm integration); (vi) structural and reliability engineering (including IP-rated sealing design and antenna-structure co-design); and (vii) manufacturing-linked test engineering and development tooling (including production-line test/aging processes and automation scripts).

R&D Process

Our R&D process is rigorously guided by market trends and customers’ core needs, ensuring that product and technology development remains closely aligned with commercial value. At the same time, through the development of standardized technology modules, we enable the efficient cross-product-line reuse of core technology assets, effectively avoiding the resource waste and efficiency loss associated with “one-off engineering.” In practice, our product development lifecycle follows a standardized and structured process: project initiation and gate review, in-depth analysis of market and customer needs, R&D design and implementation, multi-dimensional testing and validation, phased acceptance and confirmation, and formal launch and deployment. Each stage is subject to clearly defined approval checkpoints, deliverable standards and quality thresholds, supported throughout by digital lifecycle management tools and standardized operating procedures.

We manage R&D through a group-level governance and coordination mechanism led by our headquarters, which is responsible for R&D capability building, resource planning, cross-team coordination, and process/system construction. Cross-team project priorities, key technical issues and resource allocation are coordinated through recurring meetings and a defined cross-team resource dispatch mechanism, and significant programs may be escalated to an “panel of experts” mechanism, which a pool of senior engineers, who are organized and assigned based on specific project needs, for technical review and breakthrough coordination.

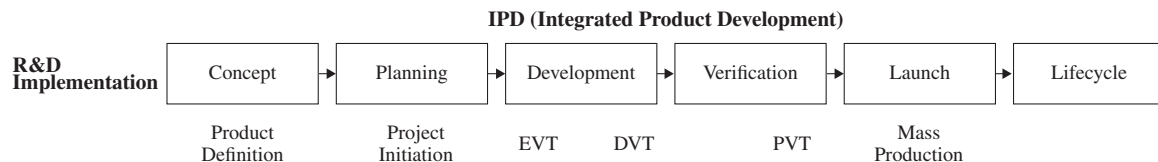
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In terms of project controls, we implement standardized phase gates, with checklists and required deliverables at each gate to confirm readiness to proceed to the next stage. These gates are used to assess whether (i) quality control requirements have been met, and (ii) key product parameters and performance outputs are aligned with agreed product requirements.

Our software development and release practices are standardized and documented internally, including a software development process, software release process and software review process maintained in our internal documentation system. Project lifecycle management is supported by a PLM system, which we use to manage project lifecycle activities and to track progress through the development stages (and which is in active operation and iterative enhancement). We also maintain standardized testing and validation procedures covering both hardware and software domains, including hardware/software testing procedures, GMS test management procedures and key component testing procedures, and we base our quality design approach on ISO 9001 principles.

Our process is designed not only to complete engineering development, but also to ensure verification rigor and manufacturing readiness. Testing and validation are embedded throughout development, and our quality management framework incorporates structured review points and defined deliverables at each phase gate. In addition, we have a dedicated team supporting manufacturing operations to develop and improve integrated testing and aging test solutions used at the factory stage, which can improve yield and efficiency and support rapid scale-up once a product enters mass production.

The following diagram illustrates our R&D processes with the Innovatech platform:



Case Studies 1

Developing a High-Integration AIoT Smart Central Control Solution for an Electric Motorcycle Manufacturer

As the new energy electric motorcycle industry entered a critical stage of intelligent upgrading, traditional central control products increasingly faced common industry pain points, including limited functionality, weak rider-vehicle interaction and insufficient integration between sensing capabilities and vehicle body control. At the same time, manufacturers were often confronted with high multi-component integration costs, complex installation processes and limited safety warning capabilities. Against this backdrop, we developed a high-integration AIoT smart central control solution designed to combine multi-dimensional sensing, multi-mode connectivity, intelligent analysis and vehicle body control in a single in-vehicle device, addressing the industry’s evolving needs for intelligent, lightweight and personalized product solutions.

To address these challenges, we focused on overcoming the technical difficulties associated with highly integrated hardware-software co-design in compact vehicle-mounted environments. In particular, we achieved deep integration and compatibility among multiple core modules, including:

- a 4G CAT1 communication module;
- a dual-frequency GNSS positioning module;

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- a dual-mode Bluetooth module; and
- a vehicle control unit, or VCU;

A key challenge in this project was enabling the stable operation of multiple modules on a single board within a compact hardware structure. To address this, we optimized hardware circuit layout and electromagnetic shielding design to reduce signal interference, while implementing coordinated scheduling across multiple protocols and algorithms at the software level. We also addressed the balance between low power consumption and high-performance operation in vehicle scenarios, thereby enabling stable and efficient performance across the integrated module system.

Through these efforts, we successfully developed a highly integrated AIoT in-vehicle core product, achieving outstanding technical performance in several key areas, including:

- Bluetooth connection success rate of at least 99.9%, with sensing response time of no more than 100 milliseconds;
- GNSS positioning accuracy of no more than 5 meters in complex operating environments;
- stable operation across a temperature range of -40°C to 85°C; and
- designed to meet automotive electronics-grade requirements.

The project created tangible value for electric motorcycle manufacturers. By replacing traditional multi-device solutions with a single high-integration device, it helped customers reduce hardware integration, installation and maintenance costs, while improving development and mass production efficiency. Intelligent interaction and safety warning functions enhanced product differentiation and market acceptance. More broadly, this case demonstrates our ability to translate industry pain points into integrated AIoT product solutions and further strengthened our position in the smart in-vehicle central control segment.

Case Studies 2

Providing 5G Smartphone and Smart Hardware Solutions for Customers Across Multiple Overseas Markets

As 5G commercialization continued to accelerate across global markets, smartphone customers increasingly required product solutions capable of meeting differentiated regional network standards, operator certification requirements and evolving user expectations for connectivity performance. In particular, customers targeting overseas markets such as Latin America and Europe faced higher demands in relation to 5G band compatibility, radio frequency architecture design, antenna performance, electromagnetic compatibility and wireless coexistence. Against this backdrop, we developed 5G smartphone and smart hardware solutions supported by our multi-platform design capabilities, enabling customers to launch products tailored to different regional markets and technical requirements.

In the course of development, we focused on balancing communication performance, certification compliance and product implementation efficiency, while supporting customers in adapting to different operator environments and regional network requirements.

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To address the technical challenges of 5G product development, we developed solutions featuring the following capabilities:

- support for 2G, 3G, 4G and 5G communications through an integrated radio frequency architecture;
- Sub-6G capability supporting key 5G frequency bands commonly used in overseas markets, including bands such as N77 and N78;
- support for different NR transmission and reception configurations, including 1T2R and, for certain frequency bands, 1T4R, depending on regional requirements;
- support for band-specific performance requirements in different regions, including configurations tailored to local operator and certification needs; and
- SRS configurations designed for different band combinations and usage scenarios to enhance signal performance and network adaptability.

In addition, through antenna splitting design and overall device-level performance optimization, we improved antenna efficiency and overall communication performance, while addressing device-level EMI and EMC issues. These efforts enabled the relevant products to complete certification and testing for major regulatory and operator standards, including:

- FCC certification;
- CE certification; and
- operator certification tests required in Europe and Latin America.

This case demonstrates our ability to provide customers with full-stack 5G smartphone and smart hardware solutions across different regional markets. By combining multi-platform development capabilities, radio frequency architecture design, antenna optimization and certification support, we helped customers improve product adaptability, accelerate overseas deployment and enhance end-user connectivity experience. More broadly, this case reflects our capability to convert complex regional and technical requirements into scalable product solutions for global commercialization.

Case Studies 3

Developing a Customized 4G Children’s Smartwatch Solution for a Brand Customer in Korea

To support a brand customer in Korea in entering the children’s smartwatch market, we worked closely with the customer to develop a customized 4G children’s smartwatch solution tailored to local market needs. As the customer was at an early stage of development in this sector and had limited experience in product planning, R&D and operations, we provided an one-stop service covering market research, hardware solution selection, device design, mobile application development and back-end cloud platform setup, helping the customer build a market-ready product solution from the ground up.

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4G children’s smartwatches are intelligent wearable devices designed primarily for child safety, real-time location tracking, two-way communication and health-related monitoring. Compared with traditional 2G products, 4G solutions generally offer more stable connectivity, faster and more accurate positioning and richer functional scalability. Against this backdrop, the customer sought to develop a product that could combine child safety features, convenient parent-child interaction and practical daily-use functions in a lightweight and easy-to-use form factor suitable for children.

Based on our software-hardware integration capabilities and product planning experience, we developed a customized solution featuring the following product strengths:

- stable network connectivity enabled by 4G full-network communication capability;
- clearer voice and video communication for remote interaction and emergency contact;
- faster and more accurate positioning, together with real-time data upload;
- broader functional extensibility, including cloud synchronization, OTA upgrades and expandable intelligent features; and
- lightweight and user-friendly operation, allowing children to use the device independently while enabling parents to manage it remotely through an application.

For the hardware solution, we provided a dedicated platform-based architecture integrating communication, connectivity and positioning capabilities in a compact smartwatch form factor. The product configuration included:

- support for 2G, 3G and 4G network communication;
- Bluetooth, Wi-Fi and GNSS satellite positioning capabilities;
- integrated memory and flash storage to support core applications and data processing;
- support for a camera module and a high-definition display to enable visual interaction; and
- a relatively large-capacity battery designed to support daily usage endurance.

In parallel, we developed the corresponding mobile application and cloud service to support the parent-side application. Based on this integrated software, hardware and cloud solution, the product was designed to provide a broad set of functions, including:

- real-time positioning and route playback, enabling parents to monitor a child’s location and movement history;
- high-definition voice and video calling for daily communication and emergency contact;
- electronic fence, one-touch SOS assistance and anti-loss alert functions;
- class mode, step counting and health-related monitoring functions; and
- auxiliary lifestyle functions such as voice messaging and alarms.

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This project demonstrates our ability to provide customers with full-stack services spanning demand insight, product definition and planning, hardware and software development, cloud architecture, and product implementation. By leveraging our experience in children’s smartwatch planning and R&D, we enabled the customer to establish an initial product offering in the Korean market and accelerated the commercialization of a differentiated 4G children’s smartwatch solution. More broadly, this case reflects our ability to translate customer needs and market trends into practical smart hardware products with integrated functionality, user-oriented design and scalable deployment potential.

R&D Initiatives

Looking ahead, our R&D priorities will continue to be customer-oriented and closely aligned with commercialization needs across our smart terminal and AIoT hardware businesses. We focus on a “1+X+N” product matrix, with particular emphasis on enhancing the transferability and efficient reusability of our core technologies across product categories and vertical application scenarios, thereby leveraging technological economies of scale to drive sustained business growth.

Key upcoming initiatives include:

Strengthening 5G dual-platform capability and next-generation terminal solutions. We will continue to enhance our 5G multi-platform R&D and mass-production capabilities, including platform adaptation, RF optimization and system performance tuning, to support customer customization needs in smartphones and related terminals.

Deepening AI enablement across both products and internal engineering workflows. We are “fully embracing AI” and will continue investing in AI-enabled product R&D (including customization based on third-party foundation models), while expanding internal AI tooling and workflow automation under group-level coordination to improve efficiency across R&D and non-R&D functions.

Enhancing cloud services capabilities as part of integrated delivery. We will further develop our cloud services management capabilities to support “device + software + cloud” solutions across multiple product lines, including wearables, student cards, smart control systems, BMS and other AI-enabled products.

Expanding AIoT initiatives in smart mobility and smart energy. We plan to continue advancing key AIoT programs such as dual-frequency BeiDou smart central control solutions and BMS battery safety and lifecycle algorithms (including thermal runaway early-warning).

Advancing low-power system solutions and high-integration design capabilities. We will continue to build system-level low-power capabilities (a stated technical advantage supported by long-term accumulation across product categories), together with high-integration hardware–software design (e.g., miniaturization, water/dust resistance) to strengthen competitiveness across wearables and other connected devices.

AI wearables and healthcare bracelets. We expect to invest in new wearables categories, particularly AI wearables and healthcare bracelets-building on our existing technology accumulation and ongoing product development collaborations with AI and healthcare companies.

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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-related hardware, and is designed to provide flexible capacity to accommodate different product categories and customer needs. This bases are equipped with over 11 sets of advanced processing equipment, including high-speed pick-and-place machines, reflow soldering machines and PCB depaneling machines and so on, complemented by more than 20 specialized assembly lines.

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. These SMT lines support high-volume production while maintaining product quality consistency.

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. These automation initiatives support our ability to deliver multi-category products through flexible manufacturing arrangements, allowing us to respond efficiently to diversified customer requirements and product specifications.

As of December 31, 2025, our Yibin manufacturing base workforce comprised over 1,000 full-time personnel. We prioritize hiring locally for our production team, which allows us to tap into the local talent pool and contribute to the economic development of the communities where we operate. Employing local personnel not only helps in improving recruitment efficiency but also ensures that our workforce is familiar with regional practices and cultural nuances, which can enhance productivity and workplace harmony.

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The following table sets forth the production capacity and production volume by business segment for the periods indicated:

	2023			Year ended December 31, 2024			2025		
	Design production capacity ⁽¹⁾	Production volume ⁽²⁾	Utilization rate ⁽³⁾	Design production capacity ⁽¹⁾	Production volume ⁽²⁾	Utilization rate ⁽³⁾	Design production capacity ⁽¹⁾	Production volume ⁽²⁾	Utilization rate ⁽³⁾
<i>(in thousand pieces, except for percentages)</i>									
Smart Terminals . . .	7,728	6,251	80.9%	12,720	10,209	80.3%	15,648	11,005	70.3% ⁽⁵⁾
AIoT and Related Products ⁽⁴⁾	–	–	–	–	–	–	528	289	54.7%
Total	7,728	6,251	80.9%	12,720	10,209	80.3%	16,176	11,294	69.8%

Notes:

- (1) The design production capacity is calculated based on a number of assumptions, including but not limited to the daily operation time (a shift of 10 working hours), the number of working days, the capacity of each production line per hour and the total number of production lines installed for the relevant year.
- (2) The production volume represents the amount of output from our self-production only.
- (3) Utilization rate is calculated by dividing production volume of self-production only for the relevant year by production capacity as of the end of the relevant year.
- (4) We commenced the self-production of AIoT products since 2025. Prior to that, we worked with outsourcing partners to support agile delivery of our AIoT products.
- (5) The decline in the utilization rate in 2025 was primarily due to the expansion of designed production capacity outpacing the growth in actual output.

We adopt a flexible manufacturing model that combines in-house production capabilities with outsourcing arrangements to support agile delivery. We conduct production at our manufacturing base in Yibin, which serves as our core production center. Our Shanghai headquarters primarily focuses on R&D, business operations and overall management functions. In July 2024, we commenced operations at the phase II expansion of our Yibin manufacturing base, which was designed to expanding production capacity and increasing multi-category delivery capabilities. A portion of the production capacity at this base has been reserved and is not yet fully operational. We plan to gradually activate this reserved capacity between May and June 2026, primarily to support the anticipated growth in our AIoT-related product lines. The phased commissioning of this base allows us to align capacity expansion with customer demand and product development progress while maintaining operational and capital utilization efficiency. Following the phase II expansion, our Yibin manufacturing base has an annual production capacity of approximately 20 million units.

Production Process

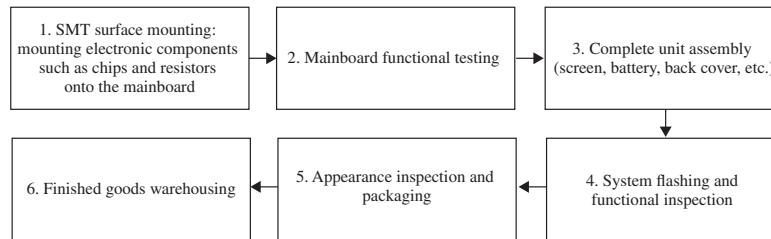
Our production process involves the coordination of raw materials and components, manufacturing, assembly, testing, packaging and warehousing. We adhere to established manufacturing practices and processes across our factories, which ensure consistency, quality and efficiency in our operations. By standardizing these practices, we can optimize the use of our production facilities and resources. As a result, we may introduce new products without the need for significant reconfiguration or investment in additional infrastructure. Standardization allows us to swiftly adapt to market demands and expand our product portfolio, thereby enhancing our competitive edge and meeting diverse customer needs while maintaining operational efficiency.

During manufacturing, we implement process-level quality controls and factory-stage engineering support. We have a dedicated team supporting manufacturing operations to develop and improve integrated testing and aging test solutions at the factory stage, which are intended to improve yield, enhance efficiency and strengthen mass-production readiness.

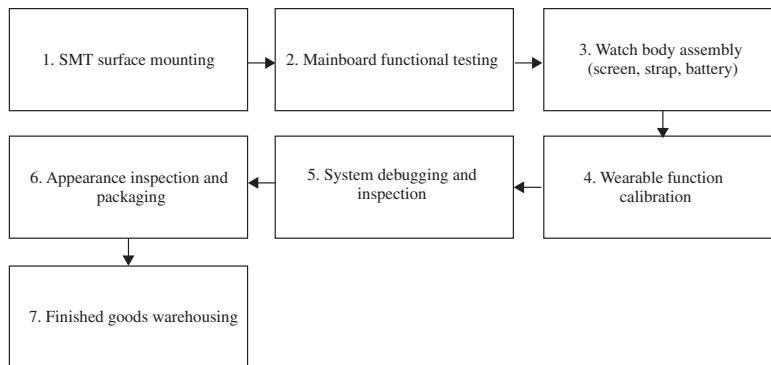
BUSINESS

The following diagram illustrates the major manufacturing and assembly processes for the representative products of ours:

Mobile Flowchart:



Watch Flowchart:



Standardization and Intelligent Manufacturing

We seek to embed standardization throughout the product lifecycle, from product architecture and engineering design to manufacturing execution, to enhance consistency, improve quality control and increase delivery efficiency. In particular, we adopt a modularized architecture and reusable engineering approach so that customer-specific tailoring can be implemented through configuration, parameterization and upper-layer module integration, while maintaining a stable standardized base for core subsystems. This approach is designed to improve R&D efficiency and technology reuse across projects and product lines.

As product requirements continue to evolve and become more complex, customers increasingly require integrated modules that combine multiple functional components and software capabilities. Under our standardization approach, we seek to assemble standardized functional components into customer-specific integrated modules more efficiently, and to enable modular replacement or removal of certain functions as product specifications change, without having to redesign the entire system architecture.

As part of our intelligent manufacturing initiatives, we incorporate factory-stage testing and validation into our manufacturing workflow. We have a dedicated team supporting manufacturing operations to develop and improve integrated testing and aging test solutions used at the factory stage, with the objective of improving yield and efficiency and strengthening mass-production readiness. In addition, our engineering teams develop and apply production-linked tools and scripts to improve debugging efficiency and support consistent execution, and we have implemented dedicated testing instrumentation for certain products (for example, a production test instrument for BMS protection boards) to enhance both R&D debugging and production-line efficiency. Through the combination of (i) a standardized product architecture and reusable engineering modules, and (ii) manufacturing-linked testing, aging and tooling solutions, we seek to enhance manufacturing accuracy, reduce defect risks and improve delivery stability.

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Outsource Arrangements

For certain smart terminal products and smart wearables products, we engage external manufacturing partners in other regions. This outsourcing arrangement is mainly driven by two considerations. First, customer order demand may experience fluctuations, and outsourcing helps us maintain production flexibility and optimize capacity utilization. Second, the geographic locations of external manufacturing partners provide logistical advantages and facilitate efficient supply chain coordination for certain projects. As of the Latest Practicable Date, we primarily cooperated with two external manufacturing partners which can meet our requirements and the demands for our operations. We have generally maintained long-term relationships with our outsourced service providers. To the best of our knowledge, each of our external manufacturing partners during the Track Record Period was an Independent Third Party. Despite these outsourcing arrangements, we continue to maintain substantial in-house manufacturing capabilities, and majority of our production is conducted internally.

The salient terms of the agreements with our external manufacturing partners are set forth below:

- **Duration.** The duration of the framework agreements typically spans a period of two years.
- **Delivery.** The outsourced service providers are typically responsible for the delivery of products to our designated location specified in each purchase order.
- **Compliance with quality requirements.** We perform sample checks on products. The external manufacturing partners shall periodically submit quality reports to us. The external manufacturing partners’ failure to meet quality requirements would obligate them to improve the products to specification at their own expense.
- **Termination.** We are entitled to reduce the purchase volume or terminate the purchase order when the external manufacturing partners fail to perform in quality or delivery and do not make timely corrections after receiving our corrective warning.

RAW MATERIALS AND SUPPLIERS

The principal raw materials used in our products primarily include electronic components and structural materials required for smart terminal and AIoT hardware manufacturing. Our electronic component procurement mainly consists of integrated circuits and related components, including master control chips, memory components, functional chips (such as audio, radio frequency and NFC chips), printed circuit boards (PCBs), power supply components, diodes, triodes and other supporting electronic components.

For certain products and key components, supplier selection and component specifications are subject to customer approval. As some customers have specific requirements regarding product specifications, quality standards and brand positioning, we may be required to procure materials from supplier or component brand pools designated or pre-approved by such customers. This approval mechanism helps ensure product compatibility, quality consistency and compliance with customer design standards and end-market requirements.

We procure certain key semiconductor components, including master control chips and memory components, from both domestic and overseas suppliers. For routine price fluctuations of such components, we typically manage procurement through internal cost control and supply chain coordination mechanisms. In the event of significant industry-wide price volatility or supply disruptions, we generally communicate and negotiate with customers regarding procurement arrangements, pricing adjustments or supply chain solutions, as appropriate.

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In addition to raw materials, we procure specialized equipment used in both R&D activities and manufacturing operations. Such equipment supports product development, testing, production processes and quality control, enabling us to maintain stable production capability and support product innovation.

Raw Materials and Procurement

Our raw materials primarily include electronic components and structural materials required for smart terminal and AIoT hardware manufacturing. For 2023, 2024 and 2025, our material costs included in cost of sales were RMB1,945.0 million, RMB3,158.5 million and RMB2,777.8 million, respectively, accounting for 97.1%, 96.6% and 95.3% of our total cost of revenue during the respective periods. Given the close correlation between the prices of casing materials, batteries, and memory we procure from our suppliers and the often volatile bulk commodity cobalt ore and oil prices, we implement a comprehensive risk management strategy to mitigate the impact of such fluctuations, which primarily incorporates a raw material price linkage mechanism in our contracts with both customers and suppliers. The price linkage mechanism, on the other hand, adjusts prices based on market fluctuations, ensuring that both our customers, suppliers, and we share the risks and benefits of price changes. During the Track Record Period, we adopted the raw material price linkage mechanism for the majority of our contracts with the customers and suppliers.

We develop procurement plans primarily based on customer demand, rolling forecasts, production schedules, inventory levels and supplier lead times, and we execute procurement under a centralized procurement model. In particular, each business unit submits a rolling forecast and we prepare rolling procurement plans on a 13-week basis, which enables us to coordinate order placement with suppliers, monitor delivery schedules and adjust procurement quantities in response to changes in customer demand and production requirements. We release material demand twice per week based on actual orders, and execute purchasing actions accordingly.

In addition to the above procurement arrangements, we also adopt a buy-and-sell procurement model with certain customers. Under this model, such customers may centralize the procurement of certain key components, such as chips and memory, from their designated suppliers and subsequently sell such components to us, and we incorporate such components into our manufacturing process and deliver finished products to our customers. According to Frost & Sullivan, such buy-and-sell arrangements are commonly observed in the smart device industry, where brand owners may centralize the procurement of certain key components and subsequently supply such components to their ODM partners, taking into account considerations such as product specification confidentiality and product quality control. For further details of our major buy-and-sell arrangements, see “— Overlapping of Customers and Suppliers.”

We utilize the Material Requirements Planning (“MRP”) system to analyze the timing and scheduling of raw material deliveries, taking into account factors such as the Master Production Schedule (“MPS”), production scheduling, inventory safety, supplier lead times and minimum order quantities. These procurement plans are synchronized with the SRM system through which these plans can be communicated to our suppliers, who will then execute deliveries according to our plans. For the procurement of others, after the procurement plans are approved, our supply chain management department will conduct a price inquiry, evaluating potential suppliers on criteria including price, quality and delivery timelines. We typically establish a reasonable price with our suppliers through a process of inquiry or competitive bidding, based on thorough market research. During the Track Record Period, we did not enter into any long-term supply agreements with our suppliers that included fixed-price arrangements. In response to the potential raw material price increases, we primarily mitigate the impact by building long-term relationships with our suppliers, signing linkage pricing agreements with the suppliers and maintaining close communication. Meanwhile, we conduct R&D on new materials and develop new suppliers to maintain the flexibility to switch to alternative materials or suppliers in the event of severe shortages or price volatility of certain raw materials. We have implemented periodic

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reviews and internal mechanisms to monitor the price of our raw materials by considering current stock levels, future sales and market trends. We timely adjust our stock levels to maintain optimal inventory levels considering anticipated price fluctuations.

Our 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.

We conduct periodic supplier performance reviews. Supplier assessments are performed on a quarterly basis, with a focus on criteria that include incoming material quality performance, delivery timeliness and supply stability, cost competitiveness and service responsiveness, and the results of such assessments are taken into account in ongoing procurement decisions and supplier cooperation arrangements. Where material quality issues arise, we typically handle such issues based on the relevant quality arrangements and by assessing the nature and extent of the quality impact, and we work with suppliers to agree remediation solutions and corrective actions.

Agreements with Suppliers

We generally procure production materials and components through non-exclusive procurement framework agreements and purchase orders. Our principal procurement items primarily comprise electronic components and related parts (including, among others, chipsets, memory and other ICs, PCBs and supporting components) and structural materials, and we source such materials from both domestic and overseas channels, depending on component category, availability and customer project requirements. Where applicable, certain key components or supplier pools may be nominated or pre-approved by customers.

We manage supply continuity primarily through rolling demand planning and supplier coordination (including communicating rolling forecasts and releasing purchasing demand based on actual orders), rather than relying on exclusivity arrangements.

We typically enter into procurement framework agreements with suppliers, under which specific product details and commercial terms are implemented through purchase orders. While the detailed terms vary by supplier, the principal terms are generally as follows:

- ***Cooperation duration.*** These framework agreements generally become effective upon being duly executed and remain effective until the parties terminate their cooperation. In addition, the agreements typically provide that either party may terminate by giving three months’ prior notice, and the purchaser may also terminate immediately upon the occurrence of specified events.
- ***Product specification.*** Product name, model/specification, brand/manufacture (if applicable), quantity, unit price, delivery location and timing, and other execution details are generally specified in the relevant purchase order. The supplier is typically required to confirm acceptance of the purchase order within a specified timeframe (commonly within 24 hours of receipt).
- ***Payment and credit term.*** Payment and credit terms are typically separately included in each order that we place with the supplier. Payment terms are typically structured as monthly settlement, with a specified settlement tenor. Payment methods may include telegraphic transfer and/or bank acceptance bills generally with a 30-90-day tenor, and the applicable

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currency may be RMB or USD depending on the supplier and transaction arrangement. Some agreements also specify a percentage allocation for acceptance bills where such method is adopted.

- **Logistics.** We are responsible for making timely payments to our suppliers, who are responsible for delivering qualifying products to our designated warehouses.
- **Quality guarantee.** Products are typically accepted in accordance with our specifications, as well as national, local and industry standards. Should any quality issues arise during the warranty period, the supplier shall be responsible for replacement.
- **Termination.** The agreements can generally be terminated by notice by both parties, or when one party breaches the agreement.

Major Suppliers

During the Track Record Period, our major suppliers primarily include suppliers of electronic components and structural materials. The credit period granted by our suppliers was generally between 30 to 90 days during the Track Record Period. In each year 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.

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For the year ended December 31, 2023

Supplier	Commencement year of business relationships	Background and principal business activities	Location	Principal products supplied	Payment method	Transaction amount	Percentage of total purchase (%)
Supplier A ⁽¹⁾	2020	A leading smart hardware company primarily engaging in the research, development, production, and sale of smartphones and smart hardware, listed on the STAR Market of the Shanghai Stock Exchange	PRC	Electronic components	Wire transfer	(RMB '000) 1,246,832	58.3
Supplier B	2020	An enterprise specializing in the research, development, production, and sales of consumer-type lithium-ion batteries, serving as a key supplier for mobile phones and other portable electronic devices	PRC	Power components	Wire transfer	57,766	2.7
Supplier C	2023	A company primarily involved in sales of telecommunications equipment	PRC	Electronic components, structural materials and dispensing component	Wire transfer	56,309	2.6
Supplier D	2022	A precision manufacturing company that specializes in providing one-stop services for plastic products, including precision mold manufacturing, injection molding, automated spraying, and silk-screen printing, primarily serving the 3C smart hardware and automotive industries	PRC	Structural materials	Wire transfer	49,431	2.3
Supplier E	2023	A company specializing in the import, export, and distribution of electronic components and computer equipments	PRC	Electronic components	Wire transfer	41,224	1.9

Notes:

(1) Represents Shenzhen Transsion Holdings Co., Ltd (深圳传音控股股份有限公司). Transsion has been one of our customers since 2014, and also become one of our suppliers since 2020. See “— Overlapping of Customers and Suppliers — Our relationship with Transsion” for details.

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For the year ended December 31, 2024

Supplier	Commencement year of business relationships	Background and principal business activities	Location	Principal products supplied	Payment method	Transaction amount (RMB'000)	Percentage of total purchase (%)
Supplier A ⁽¹⁾	2020	A leading smart hardware company primarily engaging in the research, development, production, and sale of smartphones and smart hardware, listed on the STAR Market of the Shanghai Stock Exchange	PRC	Electronic components	Wire transfer	1,618,181	62.2
Supplier F	2023	A lithium battery manufacturing company that specializes in the research, development, production, and sales of high-end polymer lithium batteries for consumer electronics	PRC	Structural materials and power components	Wire transfer	63,609	2.4
Supplier B	2020	An enterprise specializing in research, development, production, and sales of consumer-type lithium-ion batteries, serving as a key supplier for mobile phones and other portable electronic devices	PRC	Power components	Wire transfer	62,614	2.4
Supplier G	2024	A precision manufacturing company primarily engaged in the research and production of plastic and metal components for smart hardware and automotive application	PRC	Structural materials	Wire transfer	43,084	1.7
Supplier H	2023	An LCD display module manufacturer specializing in R&D, production, and sales of LCD screens and touch modules for smartphones, tablets, smart wearables, and automotive displays.	PRC	Screen	Wire transfer	42,096	1.6

Notes

- (1) Represents Shenzhen Transsion Holdings Co., Ltd (深圳傳音控股股份有限公司). Transsion has been one of our customers since 2014, and also become one of our suppliers since 2020. See “— Overlapping of Customers and Suppliers — Our relationship with Transsion” for details.

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For the year ended December 31, 2025

Supplier	Commencement year of business relationships	Background and principal business activities	Location	Principal products supplied	Payment method	Transaction amount (RMB'000)	Percentage of total purchase (%)
Supplier A ⁽¹⁾	2020	A leading smart hardware company primarily engaging in the research, development, production, and sale of smartphones and smart hardware, listed on the STAR Market of the Shanghai Stock Exchange	PRC	Electronic components	Wire transfer	1,551,594	56.8
Supplier I	2024	An enterprise specializing in research, development, production, and sales of liquid crystal module display panels, primarily serving the mobile phone, automotive GPS, tablet, and industrial control equipment markets	PRC	Screen	Wire transfer	122,885	4.5
Supplier B	2020	An enterprise specializing in research, development, production, and sales of consumer-type lithium-ion batteries, serving as a key supplier for mobile phones and other portable electronic devices	PRC	Power components	Wire transfer	76,970	2.8
Supplier G	2024	A precision manufacturing company primarily engaged in the research and production of plastic and metal components for smart hardware and automotive application	PRC	Structural materials	Wire transfer	51,356	1.9
Supplier J	2024	A precision manufacturing company that specializes in the integrated services of mold development, injection molding, spraying, and assembly, primarily engaged in the research, production, and sale of precision molds and structural components for smart hardware	PRC	Structural materials	Wire transfer	36,563	1.3

Notes

- (1) Represents Shenzhen Transsion Holdings Co., Ltd (深圳傳音控股股份有限公司). Transsion has been one of our customers since 2014, and also become one of our suppliers since 2020. See “— Overlapping of Customers and Suppliers — Our relationship with Transsion” for details.

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As of the Latest Practicable Date, none of our Directors, their close associates or any of our Shareholders (who owned or to the knowledge of Directors had 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.

The Directors confirm that we did not experience any material shortage of supply, raw material quality issue, disruptions, disputes or delays in relation to the supply of suppliers, or any material breach or early termination of our contractual arrangements with suppliers during the Track Record Period and up to the Latest Practicable Date.

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.

Our delivery and logistics arrangements are organized based on customer requirements. For domestic deliveries, products and materials are coordinated through our manufacturing and warehousing system, with our Yibin manufacturing base serving as a key production base, and customer-designated destinations typically including customer warehouses or logistics centers.

For cross-border logistics and certain overseas delivery coordination, we utilize arrangements involving our Hong Kong warehouse, which supports shipment consolidation and cross-border handling for parts and finished products, thereby enhancing delivery flexibility and supporting customers’ overseas distribution needs.

Our Customers

Our customers include Transsion, ZTE and TCL, and other brand customers and enterprise customers across different product categories and project types. In our smart terminal 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 smart wearables and enterprise AIoT product offerings under our AIoT business, we also collaborate with customers such as TCL, Hytera and ZTE.

Key Terms of Sales Contracts

We generally adopt a customer-customized cooperation model under which (i) we enter into master cooperation agreements/framework agreements (or project cooperation agreements) with certain customers, and (ii) customers place orders (or issue project instructions) based on actual demand, with specific commercial terms typically implemented through purchase orders, project schedules and ancillary documents. During the collaboration, we may also propose our technical service solutions

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based on our insights into customer needs and end-user experiences, subject to customers’ choice. For certain projects, the cooperation arrangements may also be supplemented by customer-specific documents such as product definition documents, quality agreements and after-sales service agreements.

While specific terms vary by customer and project, our customer arrangements typically address the following matters:

- **Cooperation duration.** Typically ranging from one to three years, terminating automatically when one party breaches the agreement. Depending on the nature of our customers’ business, certain contracts may be subject to automatic renewal.
- **Quality control.** The quality of the products shall be in compliance with the specific standards designated by our customers, or in compliance with applicable national, local or industry standards.
- **Price.** The prices of the product are generally specified in each purchase order in the case where the main sales agreement is a framework agreement.
- **Payment terms.** We generally grant our customers a credit period of up to 90 days.
- **Confidentiality.** We usually set confidentiality clauses with our customers and such obligation shall continue to exist for a certain period of time after the termination of the agreement.
- **Delivery and transportation.** We appoint third-party logistics companies to accommodate the delivery and purchase relevant insurances. The logistics companies are responsible for any product damage during the transportation.
- **Warranty.** We usually set out warranty periods depending on the products and the sales agreement. During the warranty period, our customers may request that we replace or repair defective parts and components free of charge. Following the expiration of the warranty period, we provide repair and maintenance service and supply parts and components to our customers for a fee based on the services required.
- **Termination.** Our customers are typically entitled to terminate the agreement without cause with prior written notice. The agreements may also be terminated under certain conditions as specified in the agreements, including termination by default due to a material breach that is not remedied timely, false representations, or bankruptcy. In such cases, the non-defaulting party may terminate the agreement with written notice.

Major Customers

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. Our primary means of settlement includes bank acceptance notes and bank remittance. We generally granted a credit period of between 15 to 90 days to our customers during the Track Record Period.

The tables below set forth the basic information of our top five customers in each year during the Track Record Period:

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For the year ended December 31, 2023

Customer	Commencement year of business relationships	Background and principal business activities	Location	Principal products/ service purchased	Payment method	Transaction amount (RMB '000)	Percentage of total revenue (%)
Customer A ⁽¹⁾	2014	A leading smart hardware company primarily engaging in the research, development, production, and sale of smartphones and smart hardware, listed on the STAR Market of the Shanghai Stock Exchange	PRC	Smart terminal products, AIoT product solutions	Wire transfer	1,764,997	79.3
Customer B ⁽²⁾	2019	A leading global provider of information and communication technology solutions that designs, develops, manufactures, and sells telecommunications systems, mobile devices, and enterprise network solutions for operators, businesses, and consumers worldwide, and dual-listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange	PRC	Smart terminal products, components and product solutions	Commercial bill	88,912	4.0
Customer C	2020	A telecommunications company that provides wireless communication services and devices, including cellular phones and data transmission solutions	USA	Smart terminal products and components	Wire transfer	88,156	4.0
Customer D	2019	A subsidiary of a global high-tech manufacturing company that focuses on semiconductor display, new energy photovoltaic, and semiconductor materials. Listed on the Shenzhen Stock Exchange	PRC	Smart terminal products and AIoT products	Commercial bill	78,924	3.5
Customer E	2020	A specialized subsidiary of a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, focusing on the full-industry-chain business of R&D, production, distribution, retail, and after-sales service of smart terminals, serving as a leading terminal agent and the manufacturer of its parent company's own-brand devices	PRC	Smart terminal products	Wire transfer	76,657	3.4

Notes:

- (1) Represents Shenzhen Transsion Holdings Co., Ltd (深圳傳音控股股份有限公司). Transsion has been one of our customers since 2014, and also become one of our suppliers since 2020. See “— Overlapping of Customers and Suppliers — Our relationship with Transsion” for details.
- (2) Represents ZTE Corporation (中興通訊股份有限公司).

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For the year ended December 31, 2024

Customer	Commencement year of business relationships	Background and principal business activities	Location	Principal products/service purchased	Payment method	Transaction amount (RMB'000)	Percentage of total revenue (%)
Customer A ⁽¹⁾	2014	A leading smart hardware company primarily engaging in the research, development, production, and sale of smartphones and smart hardware, listed on the STAR Market of the Shanghai Stock Exchange	PRC	Smart terminal products, AIoT product solutions	Wire transfer	3,116,843	88.8
Customer B ⁽²⁾	2019	A leading global provider of information and communication technology solutions that designs, develops, manufactures, and sells telecommunications systems, mobile devices, and enterprise network solutions for operators, businesses, and consumers worldwide, and dual-listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange	PRC	Smart terminal products, components and product solutions	Commercial bill	199,425	5.7
Customer D	2019	A subsidiary of a global high-tech manufacturing company that focuses on semiconductor display, new energy photovoltaic, and semiconductor materials. Listed on the Shenzhen Stock Exchange	PRC	Smart terminal products and AIoT products	Commercial bill	53,416	1.5
Customer F	2023	A listed company on the National Equities Exchange and Quotations, specializing in the research, development, production, and sales of IoT and mobile internet terminal products, including intelligent communication devices, IoT smart terminals, and smart education solutions	PRC	AIoT products and components	Wire transfer	25,295	0.7
Customer E	2020	A specialized subsidiary of a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, focusing on the full-industry-chain business of R&D, production, distribution, retail, and after-sales service of smart terminals, serving as a leading terminal agent and the manufacturer of its parent company's own-brand devices	PRC	Smart terminal products	Wire transfer	14,229	0.4

Notes:

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- (2) Represents ZTE Corporation (中興通訊股份有限公司).

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For the year ended December 31, 2025

Customer	Commencement year of business relationships	Background and principal business activities	Location	Principal products/ service purchased	Payment method	Transaction amount (RMB '000)	Percentage of total revenue (%)
Customer A ⁽¹⁾	2014	A leading smart hardware company primarily engaging in the research, development, production, and sale of smartphones and smart hardware, listed on the STAR Market of the Shanghai Stock Exchange	PRC	Smart terminal products, AIoT products and product solutions	Wire transfer	2,543,484	79.0
Customer B ⁽²⁾	2019	A leading global provider of information and communication technology solutions that designs, develops, manufactures, and sells telecommunications systems, mobile devices, and enterprise network solutions for operators, businesses, and consumers worldwide, and dual-listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange	PRC	Smart terminal products, components and product solutions	Commercial bill	462,758	14.4
Customer D	2019	A subsidiary of a global high-tech manufacturing company that focuses on semiconductor display, new energy photovoltaic, and semiconductor materials. Listed on the Shenzhen Stock Exchange	PRC	Smart terminal products and AIoT products	Commercial bill	79,294	2.5
Customer G	2023	A listed company on the Shenzhen Stock Exchange, it is a leading global provider of professional wireless communications solutions that researches, develops, manufactures, and sells two-way radio terminals and other professional wireless communications equipment for public safety, utilities, transportation, and industrial customer	PRC	AIoT products and components	Commercial bill	34,629	1.1
Customer H	2025	A private company in the information and communications technology sector	South Africa	Smart terminal products and components	Wire transfer	21,220	0.7

—Notes:

- (1) Represents Shenzhen Transsion Holdings Co., Ltd (深圳傳音控股股份有限公司). Transsion has been one of our customers since 2014, and also become one of our suppliers since 2020. See “— Overlapping of Customers and Suppliers — Our relationship with Transsion” for details.
- (2) Represents ZTE Corporation (中興通訊股份有限公司).

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As of the Latest Practicable Date, none of our Directors, their close associates or any of our Shareholders (who owned or to the knowledge of Directors had 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.

During the Track Record Period and up to the Latest Practicable Date, none of our major customers requested to terminate their agreements with us.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

Certain of our five largest customers in each year of the Track Record Period also acted as our supplier and certain of our five largest suppliers in each year of the Track Record Period also acted as our customers. This overlap primarily arose from our adoption of the buy-and-sell model, under which we procure certain materials components from our certain customers for our production. Except for Transsion, the revenue generated from each of these suppliers who were also our customers accounted for less than 5% of our total revenue in each year during the Track Record Period.

	Year	Sales Amount (RMB'000)	Purchase Amount (RMB'000)
Customer A/Supplier A ⁽¹⁾	2023	1,764,997	1,246,832
	2024	3,116,843	1,618,181
	2025	2,543,484	1,551,594
Supplier C	2023	18,350	56,309
	2024	7,593	8,999
	2025	11	84
Supplier H	2023	–	1,938
	2024	454	42,096
	2025	–	31,410

Notes:

(1) Represents Shenzhen Transsion Holdings Co., Ltd (深圳傳音控股股份有限公司).

During the Track Record Period, Supplier C was one of our customers. Supplier C is principally engaged in sales of telecommunications equipment. Our business relationship with Supplier C commenced in 2023. During the Track Record Period, we purchased tablets from Supplier C, and we also sold components to Supplier C based on their needs.

During the Track Record Period, Supplier H was one of our customers. Supplier H is principally engaged in sales of liquid crystal module display panels. Our business relationship with Supplier H commenced in 2023. During the Track Record Period, we purchased screen from Supplier H, and we also sold obsolete components to Supplier H.

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Our Directors confirmed that all of our sales to and purchases from Transsion, Supplier C and Supplier H were conducted in the ordinary course of business under normal commercial terms and on an arm’s length basis. According to Frost & Sullivan, such overlapping suppliers and customers is in line with the industry norm.

Our relationship with Transsion

During the Track Record Period, Transsion was our largest customer and our largest supplier.:

- Founded in 2013 and listed on the STAR Market of the Shanghai Stock Exchange (stock code: 688036), Transsion Holdings is a smart hardware and mobile internet service provider principally focused on emerging markets worldwide. Over the years, Transsion has established a strong market position and significant brand influence in emerging markets such as Africa, South Asia, the Middle East and Latin America. According to Frost & Sullivan, Transsion was the world’s third largest mobile phone provider in terms of mobile phone sales volume in 2024. Overall, Transsion is an important customer in the global smart terminal industry with strong brand recognition and substantial scale.
- Our business relationship with Transsion commenced in 2014. We have maintained a long-standing cooperative relationship with Transsion, and our cooperation model has gradually deepened over time across multiple product categories. At the initial stage of our cooperation, we primarily provided Transsion with R&D-related services. Thereafter, our cooperation continued to deepen and since 2020, our cooperation with Transsion has gradually expanded to the whole-set ODM business model, extending from early-stage R&D services to integrated services covering product definition and planning, R&D and design, materials procurement, manufacturing and delivery. The categories of products under our cooperation have, over time, gradually expanded from smart terminal products such as smartphone and tablets to smart watches and other AIoT-related products. We also worked closely with multiple brands under Transsion, including ITEL, Infinix and TECNO.
- Our cooperation with Transsion principally comprised two aspects. First, in respect of sales of smart terminal devices, we provided Transsion, as one of our customers, with R&D, design, manufacturing and delivery services for products, and participated in the development and mass production of a number of cooperative models. Second, Transsion has also become one of our suppliers since 2020. In terms of procurement arrangements, we primarily procured certain electronic components such as chips and memory for cooperative products from Transsion under the buy-and-sell model. According to Frost & Sullivan, this buy-and-sell model is commonly adopted by major international smart hardware brands to maintain relationships with their key ODM suppliers, having regard to the technical confidentiality of product specifications and product quality requirements. Transsion purchased certain electronic chips from their suppliers and subsequently reselling them to us to meet the production needs of our cooperative products. In the course of model cooperation, Transsion typically proposed product requirements and conducted reviews at key milestones, while we were principally responsible for feasibility assessment, R&D and design, engineering implementation, manufacturing and subsequent delivery.
- This customer-and-supplier relationship with Transsion arises from our business cooperation model and supply chain arrangements. During the Track Record Period, revenue generated from our sales to Transsion accounted for 79.3%, 88.8% and 79.0% of our total revenue for the respective years, while selling volume to Transsion Group accounted for 77.7%, 86.5% and 65.8% of our total selling volume for the respective years. According to Frost & Sullivan, it is not uncommon for smart terminal product manufacturing solution providers to concentrate on major customers in terms of revenue. Meanwhile, our purchases from

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Transsion accounted for 58.3%, 62.2% and 56.8% of our total purchases, respectively. Fluctuations in the transaction amount between us and Transsion during the Track Record Period were primarily attributable to the performance of specific projects and industry supply-and-demand factors, and do not necessarily indicate any material adverse change in our cooperative relationship. The increase in our transaction amount with Transsion in 2024 was mainly due to a greater number of best-selling models during that year. The decrease in transaction amount in 2025 was mainly because of shortage of memory supply in the industry, resulting in a decrease in shipping volume.

Our Directors are of the view that our business relationship with Transsion is commercially reasonable for the following principal reasons:

- Our industry positioning is complementary to that of Transsion, and our upstream and downstream cooperation is mutually beneficial. We are principally engaged in the R&D, design, production and delivery of smart terminal products and AIoT products, and provide customers with integrated ODM services. Transsion, on the other hand, is a major smart hardware and mobile internet service brand owner focused on emerging markets worldwide, with strong brand influence, market channels and end-market sales capabilities. We and Transsion operate at different levels of the smart terminal industry chain, with us serving primarily as an upstream ODM manufacturer and Transsion acting as a downstream brand operator, thereby forming a clear division of roles within the industry chain. Over the years, we have jointly launched a number of best-selling models with Transsion. Overall, our business relationship with Transsion is a natural outcome of our collaborative model.
- We collaborate and grow together with Transsion, Transsion has an ongoing demand for ODM services, and our existing cooperation model help sustain the continuity of our business relationship.
 - o At present, the consumer electronics industry is experiencing stable growth, Transsion has broad growth prospects, and there are ample opportunities for further cooperation. Benefiting from its efficiency, cost advantages and specialization, the ODM model has continued to achieve higher penetration in consumer electronics products. As a leading global consumer electronics brand, Transsion has maintained stable operating performance and possesses strong growth potential. At the same time, Transsion is actively expanding into new product categories and continuously enriching its product portfolio. While its in-house production is primarily focused on core smartphone products, it engages ODM suppliers to manufacture certain smartphones, feature phones, AIoT products and other products beyond its self-manufactured output, in order to cope with seasonal order fluctuations and to leverage the professional capabilities of ODM suppliers in launching new products. As a result, Transsion’s demand for ODM services is expected to remain strong. According to Frost & Sullivan, this Buy-and-Sale model is common for major international smart hardware brands to maintain their key ODM suppliers considering the technical confidentiality of product specification and product quality requirement.
 - o Against this backdrop, in our cooperation with Transsion, we do not merely undertake a pure manufacturing role; rather, we act as a comprehensive ODM service provider with capabilities spanning R&D, design, supply chain integration and mass production delivery for multiple product categories. We have cooperated with Transsion for over 12 years and have established a dedicated team to better serve them, through which we have developed a relatively mature product R&D and product and delivery mechanism. In the course of our cooperation, we have applied a number of production processes and technical solutions, including aluminum stamping process, FMDA process and

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innovative waterproof design process, to help it enhance product competitiveness, control costs and achieve product differentiation. In addition, aside from responding to product requirements proposed by Transsion, we also proactively provide it with product proposals and prototype products based on our overseas market research, product trend analysis and accumulated technical expertise, and, once such proposals are accepted, participate in the subsequent cooperation for the relevant projects. Overall, our cooperation model with Transsion demonstrates certain characteristics of joint development and jointly advancing product commercialization, and our relationship therefore exhibits a relatively strong degree of continuity.

- All of our cooperation with Transsion was negotiated and carried out in the ordinary course of business on normal commercial terms and on an arm’s length basis. We generally enter into supply agreements with Transsion through commercial negotiation, and the relevant sales and procurement transactions are conducted on market-based terms, fairly priced and consistent with the ordinary course of business of both parties. As regulated market participants, both Transsion and our Company have established relatively sound internal control and supply chain management mechanisms, and the relevant cooperation is supported by a transparent, standardized and sustainable commercial foundation.

Our Directors are of the view that our reliance risk on Transsion is manageable as a whole, and that our business relationship with Transsion is unlikely to undergo any material adverse change or termination in the foreseeable future, primarily for the following reasons:

- There are relatively high barriers for brand customers to replace their ODM providers, and accordingly long-term cooperation between the parties tends to demonstrate a certain degree of stickiness. In selecting qualified suppliers, Transsion considers a range of factors, including, among other things, their scale, qualifications, financial strength, joint R&D capabilities, project management capabilities, quality management capabilities, supply chain management capabilities, manufacturing capabilities and production capacity before being admitted into its qualified supplier system. Once an ODM provider has been verified over time against such key criteria, brand customers would not ordinarily replace such provider, so as to avoid the additional costs and risks associated with changing suppliers, including those relating to R&D coordination, quality validation, capacity matching and delivery schedules.
- Our order volume from Transsion is not entirely without visibility; rather, we are able to conduct business planning through rolling forecasts and day-to-day project communications. Transsion regularly provides us with a rolling forecasts for our materials preparation and production capacity planning, and such practice is also commonly adopted by other brand customers. Although such forecasts may change in response to market conditions, they nonetheless provide us with a certain degree of demand visibility and assist us in arranging production capacity and supply chain resources. In addition to such rolling forecasts, we also maintain a dedicated team that remains in ongoing communication with Transsion’s procurement, product and other personnel to follow up on delivery plans and the progress of cooperative projects. Although the above-mentioned rolling forecasts do not typically represent binding commitments regarding future procurement, it, together with day-to-day communication mechanisms, help us keep abreast of changes in Transsion’s demand on a timely basis and reduce uncertainty in our operational planning.
- Our production lines for Transsion are not exclusively for, and there are no exclusivity restrictions in our cooperation with, Transsion. If our cooperation with Transsion decreases or terminates, our existing production lines may, in principle, be used to serve other customers without incurring significant redesign costs.

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Although we have a certain degree of concentration on Transsion, the proportion of our selling volume to Transsion decreased from 86.5% in 2024 to 65.8% in 2025, indicating a steady decline in our reliance on Transsion. At present, we are continuously advancing diversification from three dimensions, namely customers, markets and products. In terms of customer expansion, we have been cooperating or is in the course of advancing cooperation with multiple potential and existing customers span multiple industries, such as smart energy, financial payments and automotive electronics. In terms of market expansion, we will continue to develop customers in markets such as North America, Asia Pacific and Europe. In terms of product expansion, we will continue to promote product categories in both smart terminal products and AIoT products, and increase the proportion of cooperation with existing customers in more diversified product categories, in order to enhance the overall resilience of our business. In 2025, our revenue from the sale of AIOT products increased by 59.6%, from 2024.

After-sale Services

We believe that timely and effective after-sales support is important to maintaining long-term customer relationships and ensuring stable product performance in end-user applications. Given our platform-based full-stack business model, our after-sales services are primarily provided to our business customers and are typically delivered through our project teams and customer service/quality teams, covering technical support during product deployment and ramp-up, issue troubleshooting, and coordination of corrective and preventive actions where product or component quality issues arise.

We generally support customers through a closed-loop quality management approach, covering issue identification, root cause analysis, corrective action implementation and continuous improvement. Our R&D, manufacturing and quality teams collaborate to analyze defects and deviations, develop technical improvement measures and implement process optimization where necessary. Where appropriate, we provide technical analysis and solution proposals to assist customers in addressing product issues and improving overall product reliability. In addition to the after-sales services described above, we generally provide our customers with a 12-month warranty period. For domestic customers, we typically supply replacement parts as part of our after-sales support. Once an issue is identified, we arrange for the relevant spare parts to be delivered to the customer, who will then replace the defective components on site. For overseas customers, depending on the nature and urgency of the issue, we are also able to provide on-site or resident-engineer support solutions to facilitate troubleshooting and problem resolution. Through these arrangements, we seek to ensure timely and efficient after-sales support and to minimize disruption to our customers’ operations.

When quality issues or customer complaints arise, we typically coordinate with the customer to understand the relevant operating context and application scenario, determine the cause of the issue, and implement remedial measures as appropriate. Such measures may include adjustments to product configuration or application conditions, firmware/software updates, component-level remediation, and/or manufacturing process improvements, with the objective of preventing recurrence in subsequent builds.

We also maintain return/exchange handling arrangements for defective products in accordance with customer requirements and contractual arrangements. In addition, we conduct periodic customer communications and feedback collection to assess satisfaction levels and identify improvement opportunities, which also informs product iteration priorities and customer-specific customization needs.

Pricing

We take into account various factors when determining the prices of our products, including bill of materials and other production-related costs, operating costs associated with project execution and delivery, customer demand and specifications, procurement and supply chain conditions, as well as the

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competitive landscape in the relevant markets. In general, our pricing is primarily built on a cost-based approach, taking into account material costs and other operating costs, and is negotiated with customers on a project-by-project basis depending on product category and scope.

Given the wide range of product categories and specifications we deliver, there is a significant disparity in pricing among our products. For mature product categories such as smartphones and tablets, pricing is generally more market-driven and margins tend to be broadly in line with industry norms, while for certain AIoT products, particularly where we participate in joint development and retain stronger technical leverage, profitability may be relatively higher.

We also consider the overall market conditions and pricing of comparable products offered by peers, and we seek to maintain a commercially reasonable pricing structure that supports sustainable customer relationships and long-term cooperation.

Marketing

We adopt a customer-centric marketing approach to build and expand our business relationships and enhance brand visibility in our target markets. Our marketing activities are primarily designed to support customer acquisition and relationship development and are carried out in coordination with our sales functions. Our sales and marketing team comprised 37 personnel as of December 31, 2025. Our sales personnel are embedded within our business units and product lines to support business line-specific customer development and account management.

We participate in industry exhibitions and other offline customer engagement activities as part of our marketing and business development efforts. We have exhibited at the Hong Kong Electronics Fair on an annual basis, and we have historically also attended other exhibitions primarily as visitors to identify and develop potential customer relationships. As we continue to expand, we intend to further optimize our sales and marketing network to strengthen geographic coverage in both existing and new markets.

QUALITY CONTROL

We have established and implemented documented quality management procedures covering key aspects of our operations, including supplier quality management, incoming material inspection, in-process quality control and customer quality support. Our quality system is organized into five functional teams: R&D Quality, Supplier Quality, Production Quality, IQC and Customer Service Quality—with an aggregate headcount of 55 personnel as of December 31, 2025. We also implement structured quality review points during product development and testing, and our quality design and control framework is developed with reference to ISO 9001-based quality principles.

We maintain standardized processes for software and testing quality management, including documented procedures for software development, software release and software review, as well as testing procedures such as hardware/software testing procedures, GMS test management procedures and key component testing procedures, with standardized development gates and checklists for deliverables and quality readiness. These procedures are designed to ensure that quality requirements, key product parameters and performance outputs are aligned with agreed product requirements throughout the development lifecycle.

Our quality control measures can be described as follows:

- **Supplier selection and management.** We maintain a supplier management process led by our supply chain team, including supplier development and commercial negotiation, with quality issues handled by our supplier quality function. Where material quality issues arise,

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we generally address them based on the relevant quality agreements and by assessing the nature and extent of quality losses, and we work with suppliers to agree remediation solutions.

- **Incoming material inspection (IQC).** Materials delivered by suppliers are generally subject to IQC inspection before being accepted into inventory. We formulate inspection standards for materials, and where incoming nonconformance exceeds the relevant acceptance standards, the quality function will arrange returns/exchanges with suppliers. Incoming inspection results are recorded, and qualified items are scanned and recorded into our systems for inventory entry management.
- **Production process quality control.** We implement in-process quality monitoring and inspection arrangements throughout manufacturing. Production quality control is performed through defined inspection activities and reporting, and nonconforming products are handled in accordance with internal quality handling procedures.
- **Finished product testing and release.** We maintain testing and verification requirements to ensure finished products meet internal quality standards and customer specifications prior to dispatch. Testing requirements may vary by product category and customer requirements.
- **Warehousing and traceability controls.** We apply inbound inspection, system-based inventory entry and identification/traceability controls for materials and goods.
- **Customer quality support and feedback loop.** Customer-facing quality support is handled through our customer service quality function, which supports issue triage and corrective actions. Where quality issues relate to supplier materials, supplier quality and the relevant quality agreement mechanisms are engaged to resolve the issue and allocate responsibility.

WAREHOUSING AND LOGISTICS

We are committed to maintaining an efficient logistics and warehousing framework to support production execution and customer delivery reliability. Our warehousing and logistics arrangements are designed to enhance material traceability, improve inventory visibility and facilitate timely inbound and internal transfers. As of the Latest Practicable Date, we operated two self-operated warehouses in China, consisting of (i) our self-owned warehouse at our Yibin manufacturing base and (ii) a leased turnover warehouse in Shenzhen.

Our Yibin warehouse is located within our Yibin manufacturing base and is held under self-owned property rights. Materials procured domestically are primarily stored at the Yibin factory warehouse, and suppliers arrange deliveries based on our production needs (typically aligned with one-to-two-week production requirements). We manage internal transfers and production supply based on actual orders and planning releases.

In Shenzhen, we operate a leased turnover warehouse that primarily serves as an inbound receiving and turnover hub. Domestic suppliers generally deliver materials to our designated Shenzhen turnover warehouse, and, in urgent cases, may deliver directly to our designated factories. Materials delivered to the warehouse are subject to incoming quality control (“IQC”) inspection, and, after passing inspection, are scanned and recorded for inventory entry management through our ERP/MES systems. The Shenzhen turnover warehouse is currently leased, with the lease term expiring at the end of May 2026; upon expiry, we are considering relocation to a new site, taking into account the operational convenience of such a turnover facility.

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For materials procured through Hong Kong channels (primarily certain key chips and storage components), suppliers deliver to our designated Hong Kong warehouse, and we arrange customs declaration and import procedures based on production needs.

In terms of transportation responsibilities, domestic freight is generally borne by suppliers; if materials are delivered to our designated warehouse (such as the Shenzhen turnover warehouse), we typically arrange onward transportation to the relevant factory locations. We do not have special transportation requirements beyond general industry standards, and we do not handle hazardous goods transportation.

We also engage third-party logistics service providers for certain transportation legs (for example, transfers between our Yibin manufacturing site and the Shenzhen turnover warehouse), with the factory team primarily responsible for day-to-day coordination. We select logistics partners based on factors such as company scale, industry reputation and operational cooperation.

INVENTORY MANAGEMENT

Our supply chain and inventory management are designed to support efficient coordination across order placement, procurement, manufacturing execution and delivery. We maintain reasonable inventory levels that are appropriate for our production planning requirements and seek to balance supply reliability with inventory efficiency. In determining procurement and inventory strategies, we consider customer demand, forecast visibility, procurement lead times and market conditions for key materials, and we adopt differentiated stocking approaches for different categories of materials.

We implement a demand-driven inventory management framework. For production materials, we adopt a centralized procurement model under which each business unit submits a rolling forecast, and we further communicate a rolling 13-week forecast to suppliers on a regular basis. The planning function releases material demand based on actual orders twice per week, and our supply chain team executes purchasing actions accordingly. This rolling framework enables us to coordinate supplier order placement, monitor delivery schedules and adjust procurement quantities in response to changes in customer demand and production requirements.

In terms of warehouse and inbound controls, domestic suppliers typically deliver materials to our designated locations, including our Shenzhen turnover warehouse (and, in urgent cases, directly to designated factories). For materials procured through Hong Kong channels (primarily certain key chips and storage components), suppliers deliver to our designated Hong Kong warehouse, and we arrange customs declaration and import based on production needs. For inbound warehousing, we adopt an inspection-first approach: materials delivered to the warehouse are subject to IQC inspection, and qualified items are scanned and recorded into our systems for inventory entry management, which is currently managed through ERP and MES systems.

We actively manage inventory aging and inventory turnover. Inventory is reviewed internally on a monthly basis, and that for overdue materials, relevant business owners discuss and determine the appropriate handling measures. Prior to production, materials are inspected to ensure they are not overdue; if an overdue item is proposed for use, a risk assessment is conducted, and items assessed as posing risk are not permitted for use. In addition, we set internal inventory turnover targets on a quarterly basis, with a target level generally around 30 days, and we have enhanced inbound control through our SRM-related process controls to better align supplier deliveries with production needs and timing.

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During the Track Record Period, our inventory turnover days were approximately 31 days, 31 days and 51 days in 2023, 2024 and 2025, respectively. The year-end inventory balances were RMB109.2 million, RMB452.2 million and RMB365.7 million as of December 31, 2023, December 31, 2024 and December 31, 2025, respectively. See “Financial Information — Selected Items from the Consolidated Statements of Financial Position — Inventories” for details.

INFORMATION TECHNOLOGY

Information technology systems are essential to competitiveness and efficient operations. We utilize and maintain IT systems that evolve in tandem with our business growth. We have instituted an information technology system covering all material aspects of our operations, including inventory management, production, quality control, external relationship management, internal relationship management and operation management. Our information technology team is responsible for developing and maintaining IT systems in line with our business expansion and customizing them to meet our business needs. Our key information technology systems are set forth below:

- **ERP system.** Our enterprise resource planning system (“ERP”) helps us integrate the core business processes of various departments, including financial management, supply chain, production and inventory. It can provide real-time data analysis, reduce costs, enhance operational efficiency and support our decision-making process, thereby increasing our flexibility and competitiveness. It facilitates the management of core activities such as production planning, inventory management, procurement, supply chain operations and finance. It also supports compliance with industry regulations and standards, ensuring streamlined operations across our Group.
- **MES system.** Our Manufacturing Execution System (“MES”) serves as a crucial bridge between the ERP and our production department. Its core functions include production scheduling, resource management, quality control, data acquisition and real-time monitoring of plant personnel, equipment and materials. It assists us in conducting timely checks, enhancing production efficiency, and minimizing downtime and production errors, thereby optimizing our production processes and improving our resource utilization. It provides us with greater visibility and control, supporting our decision-making process, facilitating smart manufacturing and lean production, and thereby enhancing our competitiveness and market responsiveness.
- **OA system.** Our office automation (“OA”) system is primarily utilized for daily office management. It streamlines routine administrative tasks, enhances communication and improves overall organizational efficiency by providing a centralized platform for document management, approval and sign-off process and internal collaboration.
- **CRM system.** Our Customer Relationship Management (“CRM”) system manage and analyze customer interactions and data throughout the customer lifecycle. Its main functions include contact management, sales automation and customer service. It organizes customer information, automating marketing tasks, tracking customer interactions, and providing insights into customer behavior and preferences. It helps us tailor marketing efforts more effectively, personalize communications, optimize sales processes and ultimately enhance customer satisfaction.
- **PLM system.** Our Product Lifecycle Management system (“PLM”) serves as a centralized platform for managing product development throughout the entire product lifecycle, from R&D process to mass production and product updates. The PLM system enables cross-functional coordination among our R&D, supply chain and manufacturing teams by providing

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a structured environment for product information management. It helps us standardize development processes and reduce development risks. In addition, the PLM system enhances traceability, supporting compliance with customer specifications and industry standards.

- **HRM system.** Our Human Resource Management system (“HRM”) supports the centralized management of our workforce and human capital development. Its main functions include employee information management, recruitment and onboarding, performance evaluation and training administration. The HRM system helps streamline personnel processes, enhance workforce planning and improve talent development. It also supports compliance with internal policies while strengthening organizational efficiency and employee engagement.

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

INTELLECTUAL PROPERTY

We depend on our proprietary technologies and production know-how to maintain our competitive position in the markets in which we operate, and we create intellectual property through our extensive R&D activities. Our general policy is to apply for patents on an ongoing basis, in China and other appropriate jurisdictions, on patentable developments that are considered to have commercial significance. Our portfolio of patents covers our proprietary technologies used in products as well as many aspects of our product design and manufacturing processes.

We seek to protect our intellectual property and proprietary rights primarily through intellectual property laws, relying on a combination of patent, trademark, trade secret and other intellectual property laws in China. As of the Latest Practicable Date, we held a robust portfolio of intellectual property worldwide, comprising over 560 patents, software copyrights and trademarks in China. Our patents span critical sectors, primarily including, among others, telecommunications, RF antenna design, positioning technologies, AI-powered voice interaction, electronic components manufacturing. Within our patents in China, we had 64 invention patents and 51 utility model patents. As of the same date, we had filed over 120 patent applications in China. As of the Latest Practicable Date, we had 62 registered trademarks in China.

We have a range of internal control policies and measures in place to protect our intellectual property rights and trade secrets. We proactively pursue patent applications for our technological innovations and utilize our patent rights to safeguard our legitimate interests. Meanwhile, our intellectual property team is proactive in taking reasonable steps to detect possible infringement of our intellectual property rights. Upon identifying potential patent infringements by any competitors, we conduct thorough analyses and comparisons of the competing products. For products that are confirmed to infringe on our patents, we typically take legal actions timely by securing evidence and filing relevant lawsuits. This proactive approach underscores our commitment to protecting our intellectual property and maintaining our competitive edge in the market. We rely on non-disclosure agreements to protect our interests in non-patentable know-how and hard-to-patent manufacturing processes. All contracts we enter into with employees, suppliers and other strategic partners are reviewed and approved by our in-house legal team to ensure that they contain adequate safeguards to prevent unauthorized disclosure. To the best of our knowledge, knowledge and belief, our intellectual property rights have not been subject to any material intellectual property claims by third parties during the Track Record Period and as of the Latest Practicable Date.

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COMPETITION

We mainly operate in the global smart hardware and AIoT industry, which are highly competitive and concentrated. According to Frost & Sullivan, the global smart hardware and AIoT industry is undergoing a period of 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, the 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 ODM 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 the ability to support customers across multiple product categories and application scenarios.

If we are unable to maintain and enhance our capabilities in areas such as hardware and software engineering, system integration, supply chain coordination, quality management and project execution, or if we fail to attract and retain key technical and management personnel, we may face increased competitive pressure, which could adversely affect our business performance, customer relationships and market position.

Against this competitive backdrop, we have developed a set of competitive strengths across technology, operations and customer collaboration. We maintain long-term cooperative relationships with established brand customers and work closely with them to provide product solutions tailored to their specific requirements. Supported by our Innovatech platform-based R&D organization and accumulated engineering experience, we are able to offer integrated design and engineering services covering product definition, development and manufacturing coordination across a range of smart terminal and AIoT hardware categories.

We also benefit from our experience in system-level integration and applied engineering across multiple technical domains, including (i) 4G/5G connectivity and RF platform adaptation, (ii) high-accuracy positioning and navigation, (iii) fast charging and BMS-related engineering, and (iv) AI-enabled algorithms and cloud-device integration, which enables us to deliver differentiated smart hardware product solutions. Through continuous optimization of our operational processes and close collaboration with upstream suppliers, we seek to enhance execution efficiency, shorten development cycles and support the sustainable growth of our customers in a competitive market environment.

See “Industry Overview — Analysis of Global Smart Hardware Manufacturing Solution Industry.”

DATA PROTECTION

As a full-stack hardware products and solutions provider primarily serving corporate customers, we collect, process and use various types of data in the ordinary course of business to support product definition and planning, integrated hardware-software development with cloud-side coordination, manufacturing operations, supply chain collaboration and customer project execution. Given our business model, the data we handle is primarily technical, operational and project-related in nature, rather than large-scale consumer-facing personal data. The types of data we may collect and process generally include:

- product design, performance, validation and testing data generated during research and development, trial production and manufacturing processes;

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- operational and supply chain data arising from our digitalized management across the entire operational chain, such as production planning, workflow records, materials usage, quality control and logistics-related information;
- technical specifications, project requirements and related documentation provided by customers, which are used strictly for product development, project delivery and other business execution purposes; and
- internal system and operational records, including system access logs, process records and other data used to support IT management, operational efficiency and system security.

We use such data solely for legitimate business purposes, including product development, quality assurance, operational management, process optimization, supply chain coordination, compliance monitoring and the enhancement of customer service and overall operational efficiency. To the extent personal information is involved in specific business scenarios, we process such information in accordance with applicable legal and contractual requirements and only to the extent necessary for the relevant business purposes.

We place great importance on data security and privacy protection. In light of our integrated hardware-software development model with cloud-side coordination and our digitalized operational system, we have established internal management measures and operational procedures relating to data handling, system security and information access control. In particular, we place emphasis on safeguarding customer-provided technical and project information, maintaining the security and integrity of our internal systems, and managing access to operational and technical data on a need-to-know basis.

We have adopted internal control measures designed to support the secure handling of data throughout our business operations, including access permission management, internal approval procedures for the use and sharing of relevant information, system operation monitoring, routine data backup and other security management measures aimed at reducing operational and information security risks. We also seek to enhance our data protection capabilities through ongoing internal management and IT operation measures in line with our business development and operational needs.

As of the Latest Practicable Date, we had not transferred to outside of Chinese mainland any personal information or important data collected and generated during our operations within Chinese mainland in violation of applicable PRC laws and regulations. We had complied with the relevant laws and regulations relating to cybersecurity, data security and privacy protection in all material respects in the jurisdictions in which we operate. Our Directors confirm that we had not been subject to any material administrative penalties, nor had we been involved in any unresolved material litigation or arbitration, in each case in relation to data security, data privacy or cybersecurity matters.

EMPLOYEES

As of December 31, 2025, we had 2,110 full-time employees located in China. The following table sets forth a breakdown of our employees by function as of the same date:

Business Function	Number of Employees	Percent (%)
Production	1,425	67.5
R&D	535	25.4
Administration	113	5.3
Sales	37	1.8
Total	2,110	100.0

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Adhering to our employee-centered core values, we focus on improving the working environment for employees, realizing their personal value, improving their quality of life and promoting their career growth, which are also important parts of our development strategy. We treat our employees as our core assets and strive to enhance the morale and cohesion of our Company.

Pursuant to the relevant labor laws and regulations, we established various labor management policies regarding the timely signing of employee contracts, timely and full payment of wages, payments of social welfares, vacations and welfare benefits. Furthermore, we have a performance appraisal system in place which assesses the performance of the management personnel based on the overall business objectives. In addition, we established a training system, providing trainings for our employees and encouraging them to study proactively in their spare time.

In addition, we attach great importance to the cultivation of our corporate culture, aiming at creating a healthy, positive and cooperative working environment. We also organize social events such as sports meetings, job skills competitions, festival parties and other recreational activities to effectively enhance the team cohesion.

During the Track Record Period and up to the Latest Practicable Date, we did not have any strikes, protests or other material labor conflicts that may materially impair our business and image. As of the Latest Practicable Date, our employees were represented by a labor union.

Labor Dispatch

We employ some of our workforce through labor dispatch arrangements, wherein workers are hired by third-party staffing agencies but provide services for us. Pursuant to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) which has become effective since March 1, 2014, an employer shall strictly control the number of dispatched workers engaged, which shall not exceed 10% of the total number of its workers (the “**Limit**”). As of December 31, 2025, the number of dispatched workers engaged by us exceeded the Limit, primarily because with the customers’ order demand growth, we need additional workers to deliver customer orders in short term, resulting in the number of dispatched workers exceeding the stipulated Limit in relevant periods. The dispatched workers were primarily engaged in auxiliary and temporary work such as assembly, packaging, boxing and labeling. Our PRC Legal Advisors have advised us that, pursuant to relevant PRC laws and regulations, if the number of dispatched workers exceeds the Limit, the employer may be ordered to make corrections within a time limit by labor administrative authorities, and failure to make such corrections may lead to a fine ranging from RMB5,000 to RMB10,000 per dispatched worker imposed by labor administrative authorities. During the Track Record Period, the number of dispatched workers hired by us had historically exceeded the Limit. However, we have proactively made rectifications and reduced the percentage of our dispatched workers to strictly comply with the relevant PRC laws and regulations. As advised by our PRC Legal Advisors, since the prerequisite for imposing such fine is the failure to rectify the non-compliance within a prescribed time limit upon the order of the labor administrative authorities, and we have voluntarily rectified the historical non-compliance, the risk of us being penalized is remote. During the Track Record Period and up to the Latest Practicable Date, we and our subsidiaries had not been subject to any administrative penalties or other disciplinary actions relating to labor dispatch by relevant government authorities. As of Latest Practicable Date, we had enhanced our dispatched worker arrangements to ensure the number of dispatched workers engaged by us was within the Limit. We have set a 10% threshold for the utilization of dispatched employees, which is allocated to each department and incorporated into the performance evaluations of department heads. Departments must provide a clear rationale for employing dispatched staff, and we utilize our human resource information system to monitor workforce data and the ratios of dispatched employees in real time across the organization. See also “Risk Factors — Risks Relating to Government Regulations — Failure to comply with labor laws

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and regulations, including regulations in relation to social insurance and housing fund contributions for our employees, could subject us to legal liabilities, fines and other legal or administrative sanctions, and reputational harm.”

Social Insurance and Housing Provident Funds

As required by PRC laws and regulations, we participate in housing funds and various employee social insurance plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, and unemployment benefit plans. We are required under applicable PRC laws to contribute to statutory employee benefit plans at certain percentages of the salaries of our employees up to a maximum amount specified by the local government from time to time. During the Track Record Period, we did not make full contributions to social insurance and housing provident funds for our employees as required under the relevant PRC laws and regulations. In addition, we paid the social insurance or housing provident funds through third-party human resources agencies for certain of our employees, primarily because they prefer their social insurance and housing provident funds to be paid at their respective places of residence for the convenience of utilizing such benefits locally during the Track Record Period.

Pursuant to relevant PRC laws and regulations, an employer that has not made social insurance contributions at a rate and based on an amount prescribed by the law, or at all, may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late fee of up to 0.05% of the outstanding amount for each day of delay. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times the amount overdue. Additionally, if there is a failure to pay the full amount of the housing provident fund as required, the housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. As advised by our PRC Legal Advisors, based on their consultations with the relevant local competent authorities, provided that there are no material adverse changes in the current regulatory policies and environment, and no material employee complaints or reports against us, the likelihood that the relevant government authorities would actively demand the full payment of the historical shortfalls or impose administrative penalties on us is remote. Pursuant to the Notice on Implementing the Comprehensive Plan for Lowering Social Insurance Premium Rates (《人力資源社會保障部、財政部、稅務總局、國家醫保局關於貫徹落實〈降低社會保險費率綜合方案〉的通知》) issued by the Ministry of Human Resources and Social Security, the Ministry of Finance, the State Taxation Administration and the National Healthcare Security Administration, it is strictly prohibited for the relevant authorities to collectively initiate and proactively collect historical outstanding social security contributions from enterprises. We undertake that in the event that if the competent authorities require us to make up for any shortfall and/or pay any overdue fine, we would seek timely compliance. We will regularly keep abreast of latest developments in the relevant PRC laws and regulations and settle the outstanding amount if required by competent authorities. Based on the foregoing, the confirmations from relevant government authorities and public information, our PRC Legal Advisors are of the view that, the likelihood that we will be subject to material administrative penalties and required by relevant authorities actively to pay the shortfall for social insurance and housing provident fund contributions entirely and collectively is remote.

During the Track Record Period and up to the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any order to settle the shortfall amount. Moreover, as of the Latest Practicable Date, we were not aware of any material complaint filed by any of our employees regarding our social insurance and housing provident fund policy. In addition, pursuant to the Urgent Notice on Enforcing the Requirement of the Executive Meeting of the State Council and Stabilizing the Levy of Social Insurance Payment (關於貫徹落實國務院常務會議精神切實

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做好穩定社保費徵收工作的緊急通知) promulgated on September 21, 2018 by the Ministry of Human Resources and Social Security, administrative authorities are prohibited from collectively recovering enterprises’ historical social insurance arrears. The above-mentioned maximum potential penalties refer to the scenario where we fail to make full payment or settle any shortfall within the specified time limit if and when requested by the relevant authorities. Considering that we will make contribution within the specified time limit if and when requested by the relevant authorities, our PRC Legal Advisors are of the view that the likelihood we will be subject to the maximum potential penalties is remote. Further, with respect to the provisions stipulated in the Interpretation II of the Supreme People’s Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), our PRC Legal Advisors are of the view that this judicial interpretation merely clarifies existing laws and regulations, without imposing any additional obligations or liabilities on us, nor does it repeal the current laws and regulations regarding social insurance and housing provident fund contributions. Therefore, it would not cause us to be subject to additional social insurance exposure. As a result, we had not made any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date. For details, see “Risk Factors — Risks Relating to Government Regulations — Failure to comply with labor laws and regulations, including regulations in relation to social insurance and housing fund contributions for our employees, could subject us to legal liabilities, fines and other legal or administrative sanctions, and reputational harm.”

PROPERTIES

As of December 31, 2025, we owned the land use rights of two parcels for manufacturing and R&D in Yibin, China, with an aggregate site area of approximately 67,148 square meters, among all the land parcels owned by the Company. All of these land parcels have been granted land use right certificates.

As of December 31, 2025, we leased 11 properties in Chinese Mainland for productions and operations, each exceeding 40 square meters, with an aggregate site area of approximately 17.7 thousand square meters, in China.

As of the Latest Practicable Date, we did not have any single property with a book value accounting for 15% or more of our total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

INSURANCE

We consider our insurance coverage to be adequate and in accordance with the commercial practices in the industries in which we operate. Our business and assets are covered by commercial insurances including business accident insurance and property insurance. We will continue to review and assess our risk portfolio and make necessary and appropriate adjustment to our insurance plans to align with our needs and with industry practice. During the Track Record Period, we did not make any material insurance claims in relation to our business.

However, there can be no guarantee that we will not incur losses or suffer claims beyond the limits, or outside the relevant coverage, of our insurance policies. See “Risk Factors — Risks Relating to Our Business and Industry — Our limited insurance coverage may not cover all losses, which may increase our operational costs.”

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental, Social, and Governance

The Company recognizes Environmental, Social, and Governance (ESG) as a core driver of business resilience and long-term growth. We regard sustainable development as an integral part of our business strategy and embed it not only throughout our daily operations, but also across our value chain through the active implementation of ESG principles. We firmly believe that, by continuously enhancing governance effectiveness and deepening our corporate citizenship responsibilities, we can effectively respond to market expectations on compliance and, together with all stakeholders, create enduring and resilient social and economic value.

ESG Governance Framework

The Company has consistently attached great importance to sustainable development and intends to incorporate the relevant principles into its governance and decision-making systems at the highest management level. The Company has drafted the Rules of Procedure of the Board ESG Committee (Draft), and proposes to adopt a four-tier ESG governance framework comprising the Board, the ESG Committee, the ESG Working Group and various functional departments, which is expected to be implemented after [REDACTED]. Pursuant to the Rules of Procedure of the Board ESG Committee (Draft), the Company proposes to establish an ESG Committee under the Board. The Committee is proposed to comprise four members, namely Mr. Ma Xinqiang, Mr. Chen Miaobo, Mr. Li Fei, and Ms. Sun Haiyan. Among them, Mr. Ma Xinqiang is proposed to serve as the chairman of the ESG Committee, responsible for ESG-related work.

The Board assumes ultimate responsibility for the Company’s ESG strategy, policies, risk management, and disclosures. It is responsible for approving the Company’s ESG strategy, vision, medium to long-term goals and key performance indicators, ensuring that ESG is integrated into the Company’s overall development strategy. The Board also oversees and makes decisions on material ESG-related investments, mergers and acquisitions, projects, policies, and resource allocation. In addition, the Board establishes, authorizes, and oversees the operations of the ESG Committee; approves its charter, responsibilities, and scope of work; appoints members of the ESG Committee; regularly receives reports from the ESG Committee; and evaluates its operational efficiency and discharge of duties.

The ESG Committee is a specialized body established under the Board of Directors. It is responsible for studying the Company’s long-term development plans, promoting the deep integration of ESG principles into the Company’s strategy, business layout, investment decisions-making, and supply chain management, and providing professional ESG-related recommendations on major projects subject to the Board’s approval. At the same time, the ESG Committee will be responsible for reviewing and formulating ESG visions, goals, and medium- to long-term plans; coordinating the identification, assessment, and monitoring of major risks across environmental (e.g., carbon emissions, environmental compliance management and energy management), social (e.g., employee rights and interests, occupational health and safety, supply chain management, product quality and safety management and community relations), and governance (e.g., business ethics, anti-corruption, data security and privacy protection), and approve relevant response measures and remediation plans. Furthermore, it will continuously oversee management’s implementation of ESG system development and the achievement of ESG targets, promote cross-departmental collaboration; regularly review annual ESG reports and related disclosure documents to ensure the information disclosed is true, accurate, and complete; and coordinate matters such as ESG ratings and investor communications. The ESG Committee will also seek to promote Board diversity and conduct annual reviews of the Board’s composition and the effectiveness of its practices, so as to ensure that the Board meets the Company’s long-term sustainable development needs in terms of capabilities, experience, and management.

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The ESG Committee has established an ESG Working Group, which is responsible for the implementation of specific ESG initiatives. Various functional departments are responsible for working in coordination to advance the implementation of the Company’s specific ESG strategies and targets, and to ensure that ESG principles and related governance measures are effectively embedded in its daily operations.

ESG Risk Management and Opportunity Assessment

The Company attaches great importance to the critical role of internal controls in maintaining business stability and safeguarding financial performance. To this end, we have established a three-tier risk management framework of “decision-making, execution, and operations” led by the Board’s Risk Management Committee. This ensures the ongoing operation of risk management and effectively integrates major risk assessments into the company’s strategic decision-making and planning. We conduct annual comprehensive risk identification and collection, establish a risk case database, and implement monthly self-assessments and dynamic monitoring mechanisms. The scope of risk identification broadly covers multiple dimensions, including policy and regulatory compliance, daily operations, supply chain stability, customer business conditions, as well as environmental and social factors.

To address macro-level changes, the Company has established an internal semi-annual analysis meeting mechanism on global political and economic developments, led by the Marketing Department. In 2025, the company conducted a comprehensive assessment of external political and economic factors, including changes in environmental and social policies, and formulated corresponding response strategies. Moving forward, the ESG Committee will assume full responsibility for and oversee the coordinated identification and assessment of relevant ESG risks, and will continue to improve the procedures for identifying and managing such risks.

Environment

Climate-Related Risk Management and Response

The Company fully recognizes that climate change may pose potential risks to its business operations and financial performance. We plan to gradually establish and improve our climate risk management mechanisms after [REDACTED] with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) or relevant regulatory guidelines. We will regularly review the impact of physical and transition risks on our business and disclose such information to shareholders and [REDACTED] in a timely manner.

Greenhouse Gas Emissions

The Company actively responds to the national “Dual Carbon” strategy, places high importance on, and cooperates with, supply chain partners’ stringent requirements for greenhouse gas management, focuses on internal operations, cost reduction and efficiency enhancement, and gradually advances sustainable development.

In 2024, the Company conducted a preliminary carbon emissions assessment. We estimated carbon emissions based on business scenarios and preliminarily identified the applicable accounting boundaries in conjunction with our own business operations, thereby laying a solid data foundation for subsequent formal carbon inventory and the setting of emission reduction targets. Our primary greenhouse gas emission sources cover Scope 1, Scope 2, and Scope 3 emissions, with scope 3 emissions involving, among others, the production and transportation of raw materials (Categories 1 and 4), business travel (Category 6), employee commuting (Category 7), and the transportation, distribution, use, and end-of-life disposal of products (Category 9).

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In response to the current status of these greenhouse gas emissions, the Company has formulated the “Greenhouse Gas Emission Reduction Action Plan,” aiming to gradually integrate low-carbon development into its overall business strategy. The plan sets out the responsibilities of each department and focuses on six core areas: improving energy efficiency, transitioning to clean energy, optimizing production processes, managing resource recycling, fostering green supply chain collaboration, and building internal management systems. It sets specific expected emission reduction performance targets for each area to ensure our operations continue to meet the sustainability standards of domestic and international customers and regulatory authorities. In accordance with the “Greenhouse Gas Emission Reduction Action Plan,” the company intends to implement specific greenhouse gas emission reduction measures through initiatives including, but not limited to, promoting energy-saving technological upgrades in production processes, establishing smart energy management systems, promoting the development and use of green energy, enhancing waste recycling and reducing packaging materials and promoting their reuse and recycling, advancing low-carbon logistics, incorporating supplier carbon emissions into assessment criteria, and fostering a green culture internally.

To ensure the effective implementation of the emission reduction plan, the Company explicitly states in the “Greenhouse Gas Emission Reduction Action Plan” that it will regularly monitor and record key energy consumption data (including renewable energy generation), prepare and disclose the “Greenhouse Gas Emissions and Reduction Progress Report” annually to stakeholders such as company management, customers, and government agencies; and, when necessary, engage third-party organizations to verify emissions data. Additionally, the Company will conduct at least one annual review of the plan’s progress to adjust and update reduction measures and targets in light of technological advancements, policy changes, and actual outcomes.

Environmental Protection

The Company strictly complies with applicable laws and regulations, including the Environmental Protection Law of the People’s Republic of China, the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People’s Republic of China on the Prevention and Control of Air Pollution, the Law of the People’s Republic of China on the Prevention and Control of Water Pollution, the Regulations on the Administration of Pollutant Discharge Permits, and the Energy Conservation Law of the People’s Republic of China, and clearly adopts lawful compliance as the fundamental principle of environmental management.

To fulfill our environmental compliance obligations, we have established an ISO 14001-certified environmental management system which covers 100% of our operations. The Company has established a dedicated environmental protection department to coordinate daily environmental monitoring and pollution prevention and control efforts, with a focus on managing waste generated during the production process to ensure that related emissions and disposal comply with national standards. In addition, the company has established a comprehensive environmental compliance management mechanism, regularly completing environmental impact assessments and stationary pollution source discharge registrations as required, to ensure the coordinated development of business operations and environmental protection.

Emissions Management

Adhering to the principle of clean production, the Company strictly complies with applicable environmental laws, regulations, and standards in all places where it operates, and has established standardized procedures for pollutant treatment. By implementing strict management systems, regular monitoring of key emission indicators, and continuous optimization of waste treatment and pollution prevention measures, we are committed to minimizing the potential environmental and social impacts of our business operations. The Company has formulated and implemented the “Solid Waste Management System” to centrally manage solid waste generated from its offices and factories.

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Waste Management

The Company strictly complies with the national “Standards for Pollution Control on Hazardous Waste Storage” and “Standard for Pollution Control on the Non-Hazardous Industrial Solid Waste Storage and Landfill” to properly dispose of hazardous and general solid waste generated during daily operations. To ensure that waste discharge and disposal processes remain compliant at all times, the Administration Department leads the selection of waste treatment service providers and implements strict controls over key stages such as waste sorting, collection, storage, disposal, recycling, and source reduction. We are committed to minimizing the environmental impact of non-recyclable solid waste through scientific and appropriate management mechanisms and disposal methods. For both general solid waste and hazardous waste, the Company entrusts professionally qualified third-party organizations to carry out the safe storage, transfer, and compliant disposal of waste.

The Company is committed to promoting resource conservation and source reduction of waste. In office administration, we actively advocate for green office practices such as double-sided printing. At the production and operational level, we implement a strict system for the repeated cleaning and reuse of protective equipment (including dust-proof suits and anti-static footwear) in cleanrooms to extend the useful life of such materials as far as practicable and minimize waste generation.

Wastewater Management

In accordance with the “Integrated Wastewater Discharge Standard,” the Company’s wastewater primarily originates from employees’ domestic sewage, while some production facilities also generate small amounts of industrial wastewater during their manufacturing processes. To ensure compliance, we strictly comply with the “Integrated Wastewater Discharge Standard” to properly treat and discharge such wastewater.

Air Emissions Management

The Company is committed to strictly controlling air pollutant emissions in the course of its operations to ensure that business activities comply with applicable environmental laws and standards in the places where it operates. Our primary air emissions originate from factory production processes, including tin and its compounds emitted during welding operations, as well as volatile organic compounds (VOCs) generated during gluing and cleaning processes. For these emissions, the Company strictly implements the “Integrated Emission Standard of Air Pollutants,” the “Sichuan Emission Control Standard for Volatile Organic Compounds,” and relevant fugitive emission control standards. To effectively manage air emissions, we have installed extraction vents at the relevant workstations to channel collected air emissions into treatment systems for purification, ultimately discharging them through exhaust stacks in compliance with standards.

During the reporting period, the Company’s emissions by category were as follows:

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	For the year ended December 31		
	2023	2024	2025
Waste Management			
Total Waste Generated (tons)	216.8	396.4	548.5
Waste Generation Intensity (tons/million yuan of revenue)	0.08	0.13	0.17
Hazardous Waste Generated (tons).	0.14	0.14	0.80
Hazardous Waste Generation Intensity (tons/million yuan of revenue)	0.000054	0.000047	0.000240
General Solid Waste Generated (tons)	216.7	396.3	547.7
General Solid Waste Emission Intensity (tons per million yuan in revenue)	0.08	0.13	0.17
Wastewater Management			
Total Wastewater Discharge (cubic meters) . .	42,438	62,181	75,972
Wastewater Discharge Intensity (cubic meters per 10,000 yuan of revenue)	0.15	0.20	0.22
Air Emissions Management			
Volatile Organic Compounds (VOCs)			
Emissions (kg).	/	21.8	98.4
Particulate Matter (PM) Emissions (kg)	/	111.1	354.0

Energy Management

The Company’s energy consumption primarily arises from purchased electricity used in its business operations and production. Direct energy consumption includes gasoline used for the daily operation of our in-house fleet, as well as a small amount of diesel consumed during the operation of emergency backup generators.

To continuously optimize energy efficiency, we have formulated and implemented the “Energy Conservation Management Measures,” with the Safety Management Committee responsible for the overall management of the Company’s energy resources. In the “Greenhouse Gas Emission Reduction Action Plan,” the Company identifies energy efficiency improvement and the transition to clean energy as two key priorities. We intend to advance the Company’s energy transition toward greater efficiency and cleaner sources through measures such as retrofitting and replacing high-energy-consumption equipment, upgrading power systems, installing LED lighting systems, establishing a smart energy management system, assessing the feasibility of distributed photovoltaic power generation facilities, and promoting the procurement of green electricity. Currently, the Company tracks energy consumption at the industrial park on a monthly basis and compiles annual summaries. Regarding energy-saving initiatives, the Company actively promotes the replacement of lighting with energy-efficient LED fixtures and, while ensuring production needs are met, is gradually procuring and replacing equipment with lower energy consumption. At the same time, we continuously upgrade our production processes to reduce or eliminate processes and materials that generate air emissions. Furthermore, the Company annually commissions third-party organizations to conduct environmental monitoring. We also perform regular monthly statistical analyses of production processes and corresponding energy consumption, using these insights to drive the iterative updates and design planning of equipment aimed at energy conservation.

Water Resource Management

We strictly comply with relevant laws and standards in our operation sites, actively manage water consumption, and improve water usage efficiency. The Company has implemented multiple water management measures, including optimizing water-using equipments and installing water-saving valves.

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Furthermore, we are committed to promoting the recycling of water resources by collecting wastewater from sinks and air conditioning condensate and reusing it for factory green belt irrigation, thereby effectively reducing our reliance on water resources and overall consumption.

During the reporting period, the Company’s resource usage by category was as follows:

	For the year ended December 31		
	2023	2024	2025
Energy Management			
Gasoline Consumption (liters)	5,358	7,908	7,125
Electricity Consumption (kWh)	4,269,209	7,390,558	9,347,650
Water Resource Management			
Water Consumption (tons)	53,048	77,726	94,965
Water Consumption Intensity (tons/10,000 yuan in revenue)	0.19	0.25	0.28

Social

Product Quality Assurance

The Company regards product quality as the cornerstone of sustained business growth and the consolidation of its market position. To ensure the effective operation of the product quality management system, the Company has established a four-tier management matrix led by the General Manager of the Quality Center and Deputy Chief Quality Officer, comprising four core functional modules: The R&D Quality Department is responsible for quality planning across all product line projects and end-to-end product quality management; The Supplier Quality Department is responsible for raw material quality planning and supplier quality management; the Production Quality Department is responsible for quality management throughout the entire production process and at subcontracting factories; and the Customer Service Department is responsible for after-sales support and quality issues resolutions. Each functional department is staffed with professionally qualified engineers and testing personnel who work collaboratively to maintain high standards of quality control.

The Company has established a comprehensive and internationally recognized quality management system. The quality-related certifications currently held, including ISO 9001, FCCA, and BSCI, cover all of its production production sites. To ensure the ongoing effectiveness of the management system, we regularly conduct compliance assessments and process optimizations against our clients’ audit standards. During the reporting period, the Company did not experience any product recalls resulting from quality defects.

Customer Service

The Company continuously improves its customer service system to ensure that all departments can respond promptly and effectively to customer complaints when handling after-sales issues. We have established the “Customer Complaint Management Procedures” to clarify the mechanisms for complaint handling, problem analysis, and verification of corrective actions, ensuring standardized after-sales management. We have also appointed dedicated after-sales engineers to serve as customer liaisons and provided them with a unified work manual to ensure standardized service processes and protect customer rights. In response to customer feedback, our after-sales engineers adhere to the “2458 Principle”: an initial response within 2 hours; emergency measures and a second response within 24 hours; root cause analysis, countermeasure formulation, and a third response within 48 hours; and a fourth response within 5 days to ensure the issue is resolved. At the same time, the Company actively

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conducts root cause analysis and follows up on corrective actions, incorporating the results of these improvements into the quality management system to continuously drive product quality optimization and service capability enhancement.

Intellectual Property Protection

The Company places a high priority on the protection and management of intellectual property and has obtained ISO 56001 Innovation Management System certification. We adhere to compliance as the foundation and are committed to maximizing the value of intellectual property and optimizing costs through efficient management mechanisms, thereby continuously empowering business innovation.

Employees

The Company firmly believes that continuous investment in employees is the cornerstone of our long-term development. We strictly comply with labor laws and regulations in the regions where we operate and ensure fairness in recruitment and promotion processes by establishing and implementing the “Innovatech Technology Employee Manual Handbook.” We ensure strict review during the recruitment and on-boarding process through an identity verification mechanism, and currently, there are no instances of child labor in the Company. At the same time, we place great importance on employees’ personal willingness and labor rights. By implementing the “Innovatech Technology Employee Handbook,” we have clearly established a flexible work schedule system and insist that all overtime work is based on the principle of employees’ voluntary consent. In 2025, the results of the Company’s employee satisfaction survey was 97.93%.

As of December 31, 2025, the Company’s workforce composition was as follows:

Total Number of Employees (persons)	2,110
Employee Gender Breakdown	
Female Employees (persons).	983
Male employees (persons).	1,127
Percentage of Female Employees (%).	46.6%
Percentage of male employees (%).	53.4%
Employee turnover rate (%)	26.9%

The Company clearly sets out provisions on employee performance and compensation in the “Innovatech Technology Employee Handbook” and ensures transparency in compensation and career advancement. In addition to basic benefits such as mandatory social insurance and housing fund contributions and statutory holidays, we also provide employees with special benefits and subsidies, including wedding bonuses, maternity benefits, hospital visit, and outstanding employees recognition programs.

In terms of occupational health and safety, the Company has established a comprehensive management system and successfully obtained ISO 45001 Occupational Health and Safety Management System certification, as well as multiple other certifications such as FCCA and BSCI, ensuring that the operational environment complies with international safety standards. Through compliance assessments and risk identification, the Company has established mechanisms for safety inspections, drills, and training, and has assigned safety responsibility targets to department heads, effectively preventing and reducing the occurrence of safety incidents. The Company adheres to an approach based on hazard identification and risk control, and continuously carries out the identification and remediation of potential hazards. To control risks at the source, we strictly regulate the daily use of special equipment, hazardous work procedures, and the management of hazardous chemicals. Regarding the work environment, the Company has installed comprehensive engineering controls such as dust suppression and noise reduction systems, and regularly conducts testing for occupational hazard

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factors in the workplace. In terms of employee protection, we ensure that employees are provided with personal protective equipment (PPE) and undergo regular occupational health examinations. We also routinely conduct safety training and emergency drills to comprehensively safeguard employees’ occupational health and production safety.

During the reporting period, the Company’s occupational health and safety management performance was as follows:

	For the year ended December 31		
	2023	2024	2025
Coverage rate for workers’ compensation insurance and workplace safety liability insurance (%)	100%	100%	100%
Incidence rate of occupational diseases among employees (%)	0	0	0

We focus on talent pipeline development and have established a full-cycle talent development system named “Dolphin.” Through “Dolphin Launch,” we help new employees integrate into the company culture and master business processes; through “Dolphin Leap,” we enhance technical staff’s professional depth and innovation capabilities; “Dolphin Sharing” offers courses on industry trends, career planning, and communication and collaboration to strengthen the overall effectiveness of all employees; and through the “Dolphin Navigation” mid-level leadership development program, we focus on empowering managers in decision-making, leadership, and talent management.

The Company actively promotes the deep integration of social responsibility into its corporate culture and is committed to building a diverse and inclusive workplace. We strictly comply with relevant laws and regulations, actively safeguard the equal employment rights of people with disabilities, and provide necessary job accommodations.

Responsible Procurement

The Company has established a rigorous and systematic supply chain management system. We have formulated and implemented institutional documents such as the “Supplier Management Guidelines,” “Supplier Management Manual,” and “Supplier Quality Management Process.” We address potential supply chain risks by promoting supplier diversity, refining supplier onboarding mechanisms, signing comprehensive supply contracts, and strengthening supplier training and empowerment. To date, the Company has obtained SCS certification.

We classify suppliers into four tiers—Strategic, Preferred, General, and Needs Improvement—based on their importance, stability of cooperation, and the criticality of the materials they supply. Strategic suppliers primarily include key material suppliers such as wafer sets, memory, displays, batteries, and casings, with whom the Company maintains long-term, stable strategic partnerships; Preferred suppliers demonstrate excellence in material competitiveness, product quality, after-sales service, and delivery timeliness, and exhibit high levels of cooperation with the company; General suppliers mainly provide conventional products with strong versatility and high market substitutability. For suppliers introduced on a temporary basis, those requiring special approval, or those identified as needing improvement due to poor quarterly performance, the Company implements strict performance monitoring and requires them to implement quality and process improvement measures within a specified timeframe to mitigate potential supply risks.

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The Company implements a closed-loop management system covering the entire supplier lifecycle, from onboarding to termination. Our “Supplier Management Guidelines” explicitly stipulate that during the onboarding phase, on-site audits must be conducted for suppliers meeting the criteria, and scores must be assigned based on audit results to ensure the signing of procurement agreements and supplier quality agreements. During the operational phase, we evaluate suppliers through quarterly assessments and annual audits. Quarterly evaluations score suppliers on quality (incoming material inspection, production anomalies, and customer complaint issues), commercial performance (product delivery times and product pricing), and service. Based on these results, we dynamically adjust supplier ratings, including upgrades, downgrades, or changes in procurement quotas. For suppliers that fail to meet the company’s quarterly assessment and annual audit criteria, cease to transact with the Company thereafter or have no transactions with the Company for one year, violate workplace ethics (such as integrity issues or concealment of facts), or pose significant operational or commercial risks, we resolutely implement a termination mechanism to ensure supply chain resilience and compliance from the source.

We continuously strengthen supplier risk management through comprehensive evaluations across supply, quality, financial, reputational, and environmental dimensions. Regarding environmental risks, we classify suppliers into three risk tiers—High Risk (A), Medium Risk (B), and Low Risk (C)—based on the maturity of their environmental management systems and product compliance, and implement tiered monitoring. For Level A high-risk suppliers, we conduct on-site audits and random material inspections at least once a year; for Level B medium-risk suppliers, on-site audits are conducted at least once every two years; and for Level C low-risk suppliers, we focus on reviewing third-party testing reports. We require all suppliers to submit valid third-party environmental reports annually and verify the validity of these reports during the incoming material inspection process. The Company also re-evaluates and dynamically adjusts the environmental risk levels of qualified suppliers annually to ensure the ongoing effectiveness and compliance of environmental management throughout the supply chain.

Community Engagement

The Company embraces a commitment to doing good as a defining feature of its corporate development, giving back to society through concrete philanthropic actions while achieving business growth. Since 2020, the Company has actively participated in various social welfare projects, focusing on educational support, assistance for children and vulnerable groups, and rural revitalization. Through a series of concrete philanthropic initiatives—including educational donations, community outreach, and agricultural support—the Company continuously deepens its social responsibility in the local communities. To date, the Company’s cumulative charitable donations have exceeded RMB140,000, demonstrating the Company’s compassion and commitment through tangible actions.

Governance

Business Ethics and Anti-Corruption

The Company is committed to upholding the highest standards of business ethics and integrity, maintaining a zero-tolerance policy toward bribery and corruption. We have established a comprehensive internal control system. As clearly stipulated in the Innovatech Technology Employee Handbook, all employees must strictly comply with national laws and regulations as well as the Company’s rules and regulations, and adhere to professional conduct and business ethics. All employees engaged in external or partner-related work must sign the “Employee Integrity Pledge” on their first day of employment. In supply chain management, we implement an open and transparent procurement mechanism, requiring all counterparties to sign the “Integrity and Transparency Agreement” before establishing a business relationship to ensure their compliance with the Company’s integrity management regulations. The Company has established open and accessible reporting channels, including a dedicated reporting email address, and encourages employees, counterparties, and others to report potential misconduct. We have

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also established procedures to protect the rights of whistleblowers. As of the latest practicable date, the Company has not been involved in any incidents of commercial bribery or corruption; nor has it received any reports or complaints through the aforementioned channels.

ESG-Related Laws and Regulations

This section will cross-reference the content on ESG-related laws and regulations in the “Regulatory Overview” section.

LICENSES AND APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we have obtained all licenses, approvals, permits and certificates that are material and necessary for our business operations in jurisdictions where we operate, and such licenses, permits, approvals and certificates are valid and subsisting. The following table sets forth our material licenses, permits and certificates.

Enterprise Name	Licenses/Permit	Expiry/Issuance Date	Customs Office
Sichuan Yijing Intelligent Terminal Co., Ltd. 四川易景智能终端有限公司	Customs Import and Export Consignor and Consignee Record 進出口貨物收發貨人備案	December 31, 2099	Chengdu Yibin Customs 蓉成關
Shenzhen Hongtaide Technology Co., Ltd. 深圳市鴻泰德科技有限公司	Customs Import and Export Consignor and Consignee Record 進出口貨物收發貨人備案	December 31, 2099	Shenzhen Fuzhong Customs 福中海關
Shanghai Innovatech Information Technology Co., Ltd. 上海易景信息科技股份有限公司	Customs Import and Export Consignor and Consignee Record 進出口貨物收發貨人備案	December 31, 2099	Shanghai Xinzhuang Customs 莘莊海關
Sichuan Yijing Intelligent Terminal Co., Ltd. Shenzhen Branch 四川易景智能终端有限公司深圳分公司	Customs Import and Export Consignor and Consignee Branch Record 進出口收發貨人分支機構備案	December 31, 2099	Shenzhen Fuzhong Customs 福中海關
Shanghai Jingyi Zhixun Technology Co., Ltd. 上海精羿智訊科技有限公司	Radio Transmission Equipment Type Approval Certificate 無線電發射設備型號核准證	November 07, 2022	Ministry of Industry and Information Technology 中華人民共和國工業和信息化部

REGULATORY COMPLIANCE AND LEGAL PROCEEDINGS

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. See “Risk Factors — Risks Relating to Our Business and Industry — Our business may suffer as a result of adverse outcomes of current or future litigation and regulatory actions, including with respect to anti-competitive practices.” As of the Latest Practicable Date, we and our major subsidiaries were not involved in any court, arbitral or administrative proceedings which we believe may be of material importance to our assets and liabilities or profits and losses nor, so far as we are aware, are any such proceedings pending or threatened. See “Risk Factors — Risks Relating to Our Business and Industry — Our business may suffer as a result of adverse outcomes of current or future litigation and regulatory actions, including with respect to anti-competitive practices.”

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

RISK MANAGEMENT AND INTERNAL CONTROL

We have established a risk management and internal control framework intended to support disciplined execution across our R&D, supply chain, manufacturing delivery and corporate functions. Our risk management approach is primarily management-led and process-based, focusing on (i) identifying and managing key operational and compliance risks in day-to-day business activities, (ii) embedding control points into key workflows (such as procurement, cash management, project execution and information security), and (iii) monitoring execution through recurring management reporting and functional reviews.

From a financial governance perspective, our finance function is organized with separate roles covering accounting and reporting, management accounting (including budgeting and budget performance tracking) and related management reporting. We use an ERP/accounting system for accounting records and reporting, and operate standard reporting timetables and approval hierarchies. Our treasury and cash management practices include centralized bank account administration, daily cash reporting (including account balances and key transactions), and a defined approach to liquidity planning and the management of idle funds, with internal approval and risk considerations applied to financial product subscriptions.

From an operational control perspective, we implement controls across the supply chain and production planning cycle. Procurement is conducted under a centralized procurement model with rolling demand planning (including a forecast mechanism and planning releases), supplier management and periodic supplier evaluation. Key procurement activities (including purchase order approvals and exception handling) follow defined internal approval workflows. These measures are intended to manage risks relating to supply continuity, pricing volatility, supplier performance and delivery execution.

From an R&D and information security perspective, we apply structured project controls and gated review processes in product development, supported by lifecycle management tools (e.g., PLM) and internal controlled documents for development, release and review procedures. We also maintain controls over samples, prototypes and confidential projects through designated custodianship, registration/return procedures and controlled storage and disposal processes. In addition, we have implemented a set of information security and confidentiality measures (including confidentiality undertakings and restrictions on access to sensitive materials) intended to mitigate risks of data leakage and unauthorized disclosure.

Overall, our internal controls are designed to support operational stability and scalable delivery while maintaining an appropriate control environment as we expand across product categories and vertical scenarios.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted, or will continue to adopt, among other things, the following risk management measures:

- establish an Internal Control and Audit Committee to review and supervise our financial reporting process and internal control system. For the qualifications and experience of the committee members, see “Directors, Supervisors and Senior Management — Board Committees — Internal Control and Audit Committee;”

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- adopt policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;
- organize training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong;
- provide trainings periodically to our senior management and employees on professional behavior requirements and ethics standards to enhance their knowledge and compliance with applicable laws and regulations, and include relevant policies against non-compliance in our employee discipline measures and supervision guidelines;
- set clear guidelines and processes for identifying, measuring and addressing operational risks, ensuring that all hedging activities are conducted within a structured and consistent framework;
- enhance our reporting and records system for factories, including centralizing their quality control and safety management systems and conducting regular inspections of the facilities;
- establish a set of emergency procedures in the event of major quality-related issues/product return;
- provide enhanced training programs on quality assurance and product safety procedures; and
- distribute employee handbooks to enhance employees’ awareness of complying with laws and regulations.

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AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognition in respect of our products, technology and innovation. The following table sets out major awards and recognitions we received during the Track Record Period:

Awarding Year	Award/Recognition	Awarding Entity
2025	Top 100 High-Growth Enterprises in Shanghai’s Software and Information Technology Services Industry (2025) 2025上海軟件和信息技術服務業高成長百家企業	Shanghai Municipal Commission of Economy and Informatization 上海市經濟和信息化委員會
2024	Chongqing Municipal Specialized and Sophisticated SME 重慶市專精特新中小企業	Chongqing Municipal Commission of Economy and Informatization 重慶市經濟和信息化委員會
2022	High-tech Enterprise (Certificate) 高新技術企業證書	Science and Technology Commission of Shanghai Municipality (STCSM) 上海市科學技術委員會 Shanghai Municipal Finance Bureau 上海市財政局 Shanghai Municipal Tax Service, State Taxation Administration (SMTS) 國家稅務總局上海市稅務局
2025	Specialized and Sophisticated SME 專精特新「小巨人」企業	Ministry of Industry and Information Technology 工業和信息化部
2024	Specialized and Sophisticated SME 專精特新中小企業	Shanghai Municipal Commission of Economy and Informatization 上海市經濟和信息化委員會
2022	Sichuan Provincial Enterprise Technology Center 四川省企業技術中心	Sichuan Provincial Department of Economy and Information Technology 四川省經濟和信息化廳 Sichuan Provincial Department of Finance 四川省財政廳 Sichuan Provincial Development and Reform Commission 四川省發展和改革委員會 Department of Science and Technology of Sichuan Province 四川省科學技術廳 Sichuan Provincial Tax Service, State Administration of Taxation 國家稅務總局四川省稅務局 Chengdu Customs District, P.R. China 中華人民共和國成都海關

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Awarding Year	Award/Recognition	Awarding Entity
2025	Candidate for National Intellectual Property Demonstration Enterprise 國家知識產權示範企業創建對象	National Intellectual Property Administration, PRC 國家知識產權局
2022	National Intellectual Property Demonstration Enterprise 國家知識產權優勢企業	National Intellectual Property Administration, PRC 國家知識產權局
2025	Appraisal Certificate for Innovation & Intellectual Property Management Capability (Based on ISO 56005) 基於 ISO 56005 的《創新與知識產權管理能力》等級證書	ZHONGGUI (BEIJING) CERTIFICATION CO., LTD. 中規(北京)認證有限公司
2025	Cloud Collaborative Endogenous Security Technology and Application for Mobile Terminals (Internationally Advanced) 雲端協同的移動終端內生安保技術及應用(國際先進)	Zhongke Hechuang (Beijing) Scientific and Technological Achievement Evaluation Center 中科合創(北京)科技成果評價中心
2022	Strong Support Award	Transsion
2022	Best Strategic Partner Award	Transsion
2024	Outstanding Supplier Award	Transsion
2024	Quality Excellence Award	ZTE
2023	Outstanding Service Award	TCL
2025	Outstanding Supplier Award	TCL
2024	Outstanding Supplier Award	Hytera