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Application Proof of

Wuhan Silicon Integrated Co., Ltd.

武漢聚芯微電子股份有限公司

(the “**Company**”)

(A joint stock company established in the People’s Republic of China with limited liability)

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Wuhan Silicon Integrated Co., Ltd. 武漢聚芯微電子股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the : [REDACTED] H Shares (subject to the
[REDACTED] [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED] and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus
brokerage of 1.0%, SFC transaction levy
of 0.0027%, Stock Exchange trading fee
of 0.00565% and AFRC transaction levy
of 0.00015% (payable in full on
application in Hong Kong Dollars and
subject to refund)
Nominal Value : RMB1.00 per H Share
[REDACTED] : [REDACTED]

Joint Sponsors, [REDACTED]



國泰海通
GUOTAI HAITONG

海通國際
HAITONG



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(in no particular order)

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The [REDACTED] (for themselves and on behalf of the other [REDACTED]) may, with our consent, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range below that stated in this document at any time prior to the morning of the last day for lodging applications under the [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.sii-in.com not later than the morning of the last day for lodging applications under the [REDACTED]. See “Structure of the [REDACTED]” and “How to Apply for [REDACTED]” for further details.

Prior to making an [REDACTED] decision, prospective [REDACTED] should carefully consider all of the information set out in this document, including but not limited to the risk factors set out in “Risk Factors.”

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The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be [REDACTED], sold, pledged or transferred within the United States, or to, or for the account or benefit of U.S. persons, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED] and sold outside the United States in offshore transactions in reliance on Regulation S.

[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

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SUMMARY

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

There are risks associated with any [REDACTED]. Some of the particular risks in investing in the [REDACTED] are set out in the section headed “Risk Factors.” You should read that section carefully before you decide to invest in the [REDACTED].

OVERVIEW

We are a provider of intelligent sensing, machine vision, and imaging technology solutions integrating high-performance mixed-signal integrated circuits (ICs) and optimization algorithms, supporting smart devices to achieve precise sensing, imaging, and intelligent upgrades. During the Track Record Period, we primarily generated revenue from sales of intelligent sensing products, comprising optical sensing, smart audio and haptics products, in the PRC. Our technology, centered around three core areas — namely intelligent sensing, machine vision, and imaging technology — serves a range of high-growth scenarios in consumer electronics including smartphones, smart wearables, and tablets, contributing to improvements in interaction efficiency and imaging experiences. Besides, we are actively expanding our footprint to other emerging growth areas, including robotics, digital twins and automotive electronics. Leveraging a top intelligent sensing technology platform combined with advanced precision actuation technologies, our solutions have formed synergies between sensing (capturing signals), decision (processing data), and actuation (executing commands). By combining multimodal sensing with actuation, our solutions aim to enhance sensing performance in complex environments and may support the development of smart devices and the adoption of sensing and imaging technologies.

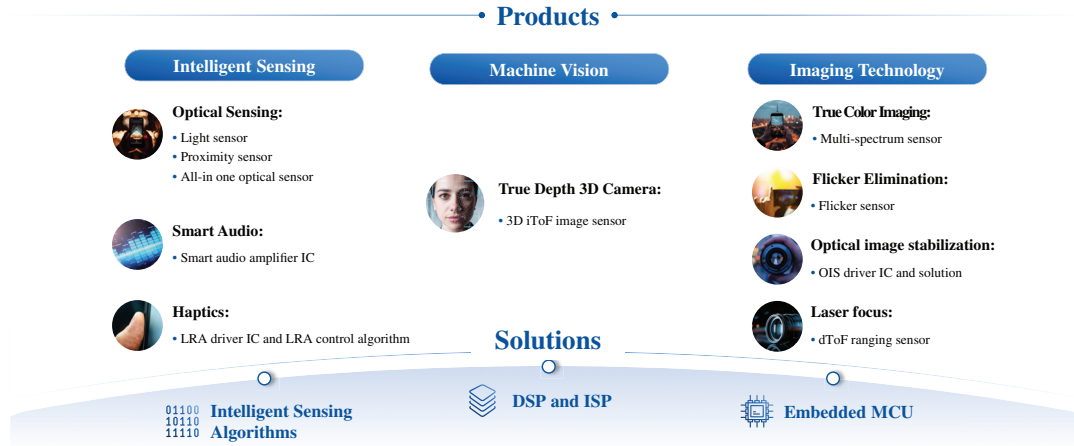
OUR PRODUCT OFFERINGS

Through ongoing technological development, we have expanded our sensing technology to a technology platform that integrates intelligent sensing, machine vision, and imaging technologies. Across these three core areas, we have developed a product matrix comprising sensing and actuator IC products. Our products incorporate intelligent algorithms, and are applied in consumer electronics including smartphones, smart wearables, and tablets. Additionally, we are expanding into areas including robotics, digital twins, and automotive electronics.

Our commercialized product lines include light sensors, proximity sensors, all-in-one optical sensors, smart audio amplifier ICs and linear resonant actuator (LRA) driver ICs and LRA control algorithm under intelligent sensing category, 3D indirect Time-of-Flight (iToF) image sensors under machine vision category, and multi-spectral sensors, flicker sensors, optical image stabilization (OIS) driver ICs and direct Time-of-Flight (dToF) ranging sensors under imaging technology category.

SUMMARY

The following diagram demonstrates our product matrix comprising our commercialized solutions as of the Latest Practicable Date:



Intelligent Sensing

We have developed a range of intelligent sensing products that integrate optical, smart audio and haptic sensing with proprietary edge AI algorithms. These products enable responsive and immersive interactions across smart devices. Our intelligent sensing solutions aim to enhance the accuracy, immediacy and immersion of human-machine interaction by enabling low-power, low-latency and privacy-preserving interactions between sensors and actuators. Our intelligent sensing products support multimodal sensing scenarios, enabling smart devices to capture light information, process sound, detect temperature fluctuations and provide haptic feedback.

Optical Sensing Solutions

Our optical sensing solutions include high-sensitivity pixel and light sensors for brightness, proximity, and color temperature detection, with applications across smartphones, wearables, XR devices, and automotive devices. As of the Latest Practicable Date, all of our light sensors, proximity sensors, and all-in-one optical sensors had been commercialized.

Smart Audio Solutions

Our smart audio amplifier ICs intelligently process, amplify audio signals and optimize acoustic quality in complex audio content and noisy environments, while enabling real-time temperature and excursion protection for speakers. Our smart audio amplifier ICs are widely used in smartphones, tablets, laptops, smart wearables, smart home devices, and in-car audio equipment.

Haptics Solutions

Our LRA driver ICs and LRA control algorithm function together with in-house developed LRA control algorithms to deliver vivid haptic control and fast response. These products are deployed in smartphones and are being expanded to laptops, AR/VR/XR devices, game controllers, smart home devices, and smart vehicles.

SUMMARY

Machine Vision Solutions

We offer a comprehensive suite of machine vision solutions that provide smart devices with spatial awareness and visual understanding. Through active optical detection and multi-spectral sensing technologies, our solutions endow smart devices with accurate 3D modeling, material composition analysis, and dynamic environment understanding, overcoming the limitations of traditional 2D imaging. Our core machine vision products under 3D iToF image sensors, have overcome the imaging limitations of traditional image sensors, allowing smart device users to perceive 3D image information and obtain object data.

Imaging Technology Solutions

We have built a strong imaging product portfolio to deliver professional-grade imaging experiences for smart devices. Our imaging technology solutions address core challenges including color distortion, motion blur, telephoto shake, low-light focusing, and noise in complex environments, resolved by our flicker sensors, multi-spectral sensors, dToF ranging sensors, and OIS driver ICs. These imaging products, empowered by on-chip intelligent processing, optimize the entire imaging chain — spanning from photon capture to image output — ensuring vivid and adaptive visuals.

OUR COMPETITIVE STRENGTHS

We believe the following strengths contribute to our success and differentiate us from our competitors:

- Established expertise in intelligent sensing, machine vision, and imaging technology solutions;
- Building intelligent sensing technology capitalizing on IC and algorithm co-design;
- Collaboration with clients in vertical fields to build strong commercialization framework;
- Diversified product matrix empowering rich downstream application scenarios with a large market size;
- Localized global business presence, jointly serving and responding to domestic and overseas supply chains and customers; and
- Management team with a forward-looking vision and strategic perspective, equipped with extensive industry experience.

OUR STRATEGIES

We intend to pursue the following strategies to achieve our long-term goals of technological breakthroughs and global development:

- Increasing investment in R&D to maintain technological leadership;
- Continuous development of products, enrichment of our solution portfolio and expansion of our advantages;
- Continued efforts to strengthen our ecosystem establishment to achieve expansion of customer base and business scale;
- Accelerating our presence of globalized supply chain and localized team; and
- Exploration of strategic investment and cooperation.

SUMMARY

COMPETITION

The analog IC market comprises a wide range of product categories with significantly different technical requirements, application scenarios and functional characteristics. Among these, intelligent sensing ICs, machine vision sensors and intelligent imaging ICs represent distinct application-driven sub-segments. According to CIC, the global analog IC market reached US\$86.5 billion in 2025, and is expected to grow to US\$111.3 billion in 2030, representing a CAGR of 6.1% from 2026 to 2030. In terms of revenue, intelligent sensing ICs, machine vision sensors and intelligent imaging ICs accounted for 13.4%, 1.9% and 0.9%, respectively, of the global analog IC market in 2025, and are expected to reach 12.9%, 1.7% and 1.2%, respectively, by 2030. Within the global intelligent sensing IC market, optical sensors, smart audio amplifier ICs, and LRA driver ICs account for approximately 9%, 8% and 2% respectively in terms of revenue in 2025.

We face intense competition in the intelligent sensing, machine vision and imaging technology solutions industries. Key competitive factors in our industries include R&D capabilities, quality of products, ability to meet technological iteration demands and trends of downstream sectors, and provision of timely, effective consumer support. According to CIC, in terms of revenue in 2025, we ranked (i) the fourth in the global optical sensor market with a market share of 3.7%; (ii) the third in the global smart audio amplifier IC market with a market share of 6.1%; (iii) the third in the global LRA driver IC market with a market share of 3.8%; (iv) the third in the global 3D ToF image sensor market with a market share of 1.1%; and (v) the eighth of the global intelligent imaging IC market with a market share of 1.9%. For more information on the competitive landscape of our industry, see “Industry Overview.” Our Directors believe that we will maintain our competitiveness over other competitors and our market position by strengthening and developing our competitive strengths, which are highlighted in the paragraph headed “Business — Our Competitive Strengths” in this section.

DESIGN, RESEARCH AND DEVELOPMENT

After years of technological accumulation and deep penetration into the industry, we have developed in-house core technologies, which we view as “foundational technologies,” covering intelligent sensing algorithms and system-level solutions, highly integrated digital processing and embedded systems, design and process development capabilities of sensor sensing elements, and enhance analog IC design. These aspects are important to our operations, empowering our products with strong technologies and competitive advantages.

Our design and R&D capabilities enable us to possess solid foundational technologies, an integrated IC design platform, a science-oriented and rigorous R&D management system, and an ability to develop, upgrade and iterate existing and new products. As of December 31, 2025, our R&D team consisted of 206 experienced, expert-level engineers, approximately 60% of whom possessed postgraduate degrees or above, while more than 22% were equipped with over five years of extensive industry experience.

In 2023, 2024 and 2025, our R&D expenses amounted to RMB81.5 million, RMB77.1 million and RMB90.4 million, respectively. The decrease of R&D expenses in 2024 was mainly due to a decrease of share-based payment expenses recognized in 2024, partially offset by the increase of staff cost. Our R&D staff cost was RMB40.5 million, RMB45.8 million and RMB50.5 million, respectively, in 2023 and 2024 and 2025. The growing trend of R&D staff cost during the Track Record Period showcases our continuous investment in our R&D personnel, which is a critical force driving the growth of our R&D activities.

OUR CUSTOMERS AND SUPPLIERS

Our customers consist of direct sales customers that engage in R&D, manufacturing and sales of smartphones, electronic devices and components, as well as distributors in these industries. Revenue contributed by our five largest customers accounted for 90.5%, 78.3% and 82.2% of our total revenue in 2023, 2024 and 2025, respectively, while the largest customer in each of the years during the Track Record Period contributed 25.0%, 26.4% and 37.0% of our total revenue, respectively, for the same years. Given the significant revenue contribution by our major customers in aggregate during the Track Record Period, any decrease in sales from, or loss of, one or more of our major customers would harm our business, financial condition and results of operations. For a detailed analysis of the concentration risks we face, any mutually dependent relationship or any material adverse relationship with our major customers, see “Business — Our Customers — Concentration of Customers” and “Risk Factors — Risks Relating to our Business and Industry — A significant proportion of our revenue was derived from certain customers during the Track Record Period. Any decrease in sales from, or loss of, one or more of our major customers would have negative impacts on our results of operations.”

SUMMARY

Our suppliers consist primarily of foundries and packaging and testing service providers. In 2023, 2024 and 2025, purchases from our five largest suppliers in each of the years during the Track Record Period amounted to RMB292.5 million, RMB639.8 million and RMB529.5 million, respectively, accounting for 90.4%, 89.7% and 83.1% of our total purchases in the same years. For the same years, purchases attributable to our largest supplier in each of the years during the Track Record Period amounted to RMB136.1 million, RMB265.6 million and RMB312.5 million, respectively, accounting for 42.1%, 37.2% and 49.0% of our total purchases. Moreover, we made substantial purchases from our major foundry partners, Supplier A and Supplier B, during the Track Record Period. Given the significant purchase amount from our major suppliers and our material reliance on Supplier A and Supplier B during the Track Record Period, any interruption to the supplies from, or loss of, our major suppliers, especially from our major foundry partners, would have negative impacts on our results of operations. For a detailed analysis of the concentration risks we face, any mutually dependent relationship or any material adverse relationship with our major suppliers, or the consequences of and the prevention measures to tackle the material reliance of our major foundry suppliers, see “Business — Procurement and Supply — Relationship with Supplier A and Supplier B” and “Risk Factors — Risks Relating to Our Business and Industry — We partner with third-party wafer foundries and packaging and testing service providers. We are exposed to supplier concentration risk due to our reliance on such major suppliers.”

INTELLECTUAL PROPERTY

We regard our patents, trademarks, know-how, domain names and other intellectual property rights as critical to our competitiveness and success. As of the Latest Practicable Date, we had 136 granted patents, including 26 utility model related patents and 110 invention related patents, and 62 integrated circuit layout design registrations in the PRC. As of the same date, we had 12 copyrights, one trademark and one registered domain names registered in the PRC. We are also in the process of applying for over 150 pending patent applications in the PRC and have five pending Patent Cooperation Treaty (“PCT”) applications.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

This summary of key financial information set forth below has been derived from, and should be read in conjunction with, our consolidated audited financial statements, including the accompanying notes, set forth in the Accountants’ Report set out in Appendix I to this document, as well as the information set forth in “Financial Information.”

Summary of Consolidated Statements of Profit and Loss

The following table sets forth a summary of our consolidated statements of profit and loss for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue	242,048	666,580	854,704
Cost of sales.	(185,022)	(510,353)	(646,678)
Gross profit.	57,026	156,227	208,026
Other income	15,522	4,173	23,876
Other gains and losses.	9,593	2,280	1,314
Loss on fair value change of financial liabilities at fair value through profit or loss (“FVTPL”)	(41,290)	(40,468)	(16,498)
Impairment losses under expected credit loss (“ECL”) model, net of reversal.	(336)	(2,633)	2,671
Selling and distribution expenses	(40,587)	(48,000)	(49,188)
General and administrative expenses	(28,445)	(24,672)	(32,082)

SUMMARY

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Research and development expenses	(81,451)	(77,103)	(90,389)
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Finance costs	(162)	(747)	(1,261)
(Loss)/profit before tax	(110,130)	(30,943)	26,110
Income tax credit/(expense)	–	40,677	380
(Loss)/profit for the year	(110,130)	9,734	26,490

Non-IFRS Measure

To supplement our consolidated statements of profit or loss and other comprehensive income presented in accordance with IFRSs, we also use adjusted net (loss)/profit (non-IFRS measure), as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that the presentation of such non-IFRS measure when shown in conjunction with the corresponding IFRS measures provides useful information to [REDACTED] and management in facilitating a comparison of our operating performance from period to period and company to company by eliminating potential impacts of certain items. However, the use of non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS financial measure may be defined differently from similar terms used by other companies.

We define adjusted net (loss)/profit (non-IFRS measure), as (loss)/profit for the year by adding back (i) share-based payments expenses related to our Pre-[REDACTED] share incentive plan, which are non-cash in nature, (ii) [REDACTED] expense which are expenses related to the [REDACTED], and (iii) loss on fair value change of financial liabilities at FVTPL relating to certain special rights granted to our Pre-[REDACTED] Investors, which is non-operating in nature and was reclassified to equity in 2025. The financial liabilities at FVTPL increased from RMB1,012.8 million as of December 31, 2023 to RMB1,053.3 million as of December 31, 2024. The increases were primarily attributable to the fair value change of such financial liabilities. Our financial liabilities FVTPL decreased to nil as of December 31, 2025 as certain special rights of our Pre-[REDACTED] Investors were terminated on July 31, 2025, resulting in a transfer of RMB1,579.4 million to other reserve. See Note 23 to the Accountants’ Report in Appendix I to this document for details.

The following table reconciles our adjusted net (loss)/profit (non-IFRS measure) for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss)/profit for the year	(110,130)	9,734	26,490
Add:			
Share-based payments expenses	43,384	20,870	8,031
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Loss on fair value change of financial liabilities at FVTPL	41,290	40,468	16,498
Adjusted net (loss)/ profit (non-IFRS measure)	(25,456)	71,072	71,378

SUMMARY

Revenue

The following table sets forth a breakdown of our revenue by business lines for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue
Intelligent sensing products . .	236,487	97.7	573,557	86.0	708,004	82.9
– <i>Optical sensing</i>	93,074	38.5	299,548	44.9	270,860	31.7
– <i>Smart audio</i>	143,374	59.2	244,631	36.7	382,675	44.8
– <i>Haptics</i>	39	–*	29,378	4.4	54,469	6.4
Machine vision products	751	0.3	46,434	7.0	70,724	8.3
Imaging technology products .	11	–*	46,501	7.0	71,192	8.3
Others⁽¹⁾	4,799	2.0	88	–*	4,784	0.5
Total	242,048	100.0	666,580	100.0	854,704	100.0

* Less than 0.1%

(1) Others primarily comprise revenue from sales of our proprietary software, which is designed to enhance the performance of IC products.

Intelligent Sensing Products

Optical Sensing: Revenue surged from 2023 to 2024, primarily driven by the expansion of sales volume from 62.2 million pieces in 2023 to 283.2 million pieces in 2024. Revenue decreased in 2025, primarily due to a decrease of average selling price (“ASP”) driven by the competitive pricing strategy and price erosion in line with the industry norm, alongside the periodic price adjustments for key customers which offset the increase in our sales volume. See “Financial Information — Sales volume and ASP by Business Lines”, for detailed discussions.

Smart Audio: Revenue grew consistently during the Track Record Period, primarily due to the significant increase in sales volume, driven by our enhanced product competitiveness and diversified product portfolio, underpinned by the continuous roll-out of next-generation products.

Haptics: Following the transition from trial production to mass production, revenue increased significantly during the Track Record Period. Such strong growth was bolstered by a successful production ramp-up and the broaden application scenarios.

Machine Vision Products

Revenue increased during the Track Record Period, primarily driven by the transition from trial production to large-scale commercialization, coupled with new customer acquisition and the launch of next-generation products.

Imaging Technology Products

Revenue expanded rapidly during the Track Record Period primarily attributable to the transition from trial production to massive production scaling and strong market adoption.

See “Financial Information — Period-To-Period Comparison of Results of Operations” for detailed discussions of fluctuations of revenue in the relevant years.

SUMMARY

Sales volume and ASP by Business Lines

In 2023, 2024 and 2025, we sold 211.8 million, 648.5 million and 827.9 million pieces of products, respectively. The table below sets forth our sales volume and ASP of our business lines for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP
	Pieces ('000)	RMB per piece	Pieces ('000)	RMB per piece	Pieces ('000)	RMB per piece
Intelligent sensing products . .	211,744	1.1	613,418	0.9	775,686	0.9
– Optical sensing	62,181	1.5	283,159	1.1	319,302	0.8
– Smart audio	149,536	1.0	309,522	0.8	413,235	0.9
– Haptics	27	1.5	20,737	1.4	43,149	1.3
Machine vision products	6	120.5	2,357	19.7	3,682	19.2
Imaging technology products .	6	1.8	32,757	1.4	48,579	1.5
Others⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A
Total	211,756		648,532		827,947	

Note:

- (1) Others primarily comprise revenue from sales of our proprietary software, which is designed to enhance the performance of integrated circuit.

Intelligent Sensing Products

Optical Sensing: Sales volume surged from 2023 to 2025, primarily attributable to our competitive pricing strategy, the favorable industry trend of domestic substitution as well as our enriched product portfolio. See “Financial Information — Sales volume and ASP by Business Lines”, for detailed discussions. The downward trend of ASP was primarily due to the competitive pricing strategy, price erosion and periodic price adjustments for key customers.

Smart Audio: Amid the favorable industry trend of domestic substitution, the sales volume increased during the Track Record Period, primarily attributable to our enhanced product competitiveness and diversified product portfolio, underpinned by the continuous roll-out of next-generation products, alongside the competitive pricing strategy. While ASP declined in 2024 due to the competitive strategy and industry-wide price erosion, it recovered to RMB0.9 in 2025 driven by an optimized product mix toward next-generation products which command higher ASP compared to our existing products.

Haptics: After transitioning from trial production since 2023, sales volume reached 43.1 million units in 2025. This growth was bolstered by the successful ramp-up of large-scale production and a broadening of application scenarios. ASP decreased from 2023 to 2025, consistent with the industry development cycle.

Machine Vision Products

Sales volume increased during the Track Record Period, primarily driven by new customer acquisition and a continuous roll-out of new products. ASP was RMB19.7 in 2024 as a reasonable price upon commercialization, followed by a modest adjustment in 2025 to maintain long-term partnerships with a major client.

SUMMARY

Imaging Technology Products

Sales volume increased rapidly, reaching 48.6 million units in 2025, primarily driven by the transition from trial production to mass production, alongside the robust adoption by clients and our leadership within the industry. ASP was relatively stable at RMB1.4 in 2024 and RMB1.5 in 2025, both being a reasonable price after commercialization, reflecting a favorable shift in our product portfolio as higher-ASP products accounted for an increased proportion of our total shipments.

See “Financial Information — Sales volume and ASP by Business Lines”, for detailed discussions of fluctuations of sales volume and ASP by each product in the relevant years.

Gross Profit and Gross Margin

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

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit/ (loss)	Gross Profit/ (loss) Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%
Intelligent sensing products	57,548	24.3	131,867	23.0	150,655	21.3
– Optical sensing	30,285	32.5	77,930	26.0	64,164	23.7
– Smart audio	28,269	19.7	41,715	17.1	63,103	16.5
– Haptics	(1,006)	(2,579.5)	12,222	41.6	23,388	42.9
Machine vision products	(865)	(115.2)	5,553	12.0	18,091	25.6
Imaging technology products	(3,759)	(34,172.7)	18,728	40.3	35,325	49.6
Others	4,102	85.5	79	89.8	3,955	82.7
Total	<u>57,026</u>	<u>23.6</u>	<u>156,227</u>	<u>23.4</u>	<u>208,026</u>	<u>24.3</u>

Note: We recorded gross loss for haptics, machine vision products and imaging technology products in 2023, primarily attributable to the recognition of inventory provisions of RMB1.0 million, RMB1.4 million and RMB3.8 million for our haptics, machine vision products and imaging technology products, respectively, which resulted in higher cost of sales.

Intelligent Sensing Products — Optical Sensing: Gross profit increased from 2023 to 2024 due to a significant increase in sales volume primarily driven by domestic substitution, and decreased in 2025 due to a decrease in ASP. Gross profit margin declined during the Track Record Period, primarily reflecting a competitive pricing strategy, industry-wide price erosion and periodic price adjustments for key customers.

Intelligent Sensing Products — Smart Audio: Gross profit increased steadily during the Track Record Period, driven by sales volume growth resulted from our enhanced product competitiveness and diversified product portfolio. Gross profit margin decreased during the Track Record Period, primarily due to the competitive pricing strategy, industry-wide price erosion and a one-off write-down of inventory.

Intelligent Sensing Products — Haptics: After a negligible gross loss in 2023 during trial production, we began to achieve gross profit in 2024. Gross profit margin increased to 42.9% in 2025, primarily due to the reduction in unit costs as we secured more favorable pricing terms from our suppliers upon reaching mass production scale.

SUMMARY

Machine Vision Products: We turned from a gross loss in 2023 to a gross profit in 2024 and 2025 following the transition to mass production. The gross profit margin increased during the Track Record Period, primarily attributable to supply chain optimization, specifically, (i) the active diversification of our supplier network to include more cost-advantageous partners to reduce procurement costs; and (ii) enhanced collaboration with suppliers to maintain stable relationship to better manage the quality and cost control, such as product yield rates improvement and on-time delivery, thereby further lowering our unit costs.

Imaging Technology Products: We turned from a gross loss in 2023 to a gross profit in 2024 and 2025 following the transition to mass production. Gross margin expanded during the Track Record Period primarily driven by supply chain optimization, coupled with a favorable shift in our product mix characterized by an increased sales contribution from products with higher gross margin.

See “Financial Information — Period-To-Period Comparison of Results of Operations” for detailed discussions of fluctuations of gross profit and gross margin in the relevant years.

Profit/(Loss) for the Year

Our net loss in 2023 were primarily due to (i) recognition of equity-settled share-based payments expenses of RMB43.4 million, and (ii) loss on fair value change of financial liabilities at FVTPL of RMB41.3 million. We recorded net profit of RMB9.7 million and RMB26.5 million in 2024 and 2025, respectively, primarily attributable to the decrease of in equity share base payment expenses and the decrease in the loss on fair value change of financial liabilities at FVTPL, partially offset by the increase in the [REDACTED] expenses related to our [REDACTED] in 2025. Concurrently, our revenue increased from RMB242.0 million in 2023 to RMB666.6 million in 2024 and further increased to RMB854.7 million in 2025, which in turn supported our overall profitability.

Summary of Consolidated Statements of Financial Position

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

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current assets			
Inventories	113,317	283,920	206,265
Trade receivables, prepayments and other receivables	185,947	313,542	154,009
Cash and cash equivalents	186,582	33,899	717,257
Total current assets	485,846	631,361	1,077,531
Total non-current assets	45,601	106,808	121,426
Current liabilities			
Trade and other payables	61,877	124,548	89,469
Contract liabilities	3,005	3,047	3,480
Borrowing	—	70,000	—
Tax payable	64	71	26
Financial liabilities at FVTPL	1,012,806	1,053,274	—
Lease liabilities	849	2,222	3,147
Total current liabilities	1,078,601	1,253,162	96,122
Total non-current liabilities	1,494	3,649	7,058
Net current (liabilities)/assets	(592,755)	(621,801)	981,409
Net (liabilities)/assets	(548,648)	(518,642)	1,095,777

SUMMARY

Our net current liabilities increased from RMB592.8 million as of December 31, 2023 to RMB621.8 million as of December 31, 2024, primary due to (i) an increase of RMB70.0 million in borrowings; (ii) an increase of RMB62.7 million in trade and other payables in parallel with our business expansion; and (iii) a decrease of RMB152.7 million in cash and cash equivalents, primarily as a result of our utilization of cash in connection with our operating activities, partially offset by an increase of RMB170.6 million in inventories.

We turned from net current liabilities of RMB621.8 million as of December 31, 2024 to net current assets of RMB981.4 million as of December 31, 2025, primarily due to (i) a decrease of RMB1,053.3 million in financial liabilities at FVTPL, as certain special rights of our Pre-[REDACTED] Investors were terminated on July 31, 2025; (ii) a decrease of RMB70.0 million in borrowings; and (iii) an increase of RMB683.4 million in cash and cash equivalents from RMB33.9 million, primarily due to the completion of our Series D+ Financing.

We had net liabilities of RMB548.6 million and RMB518.6 million as of December 31, 2023 and 2024, and we achieved net assets of RMB1,095.8 million as of December 31, 2025, which were resulted from the net movement of the profit/(loss) and total comprehensive (expense)/income for the year and equity-settled share-based transactions.

Our net liabilities decreased from RMB548.6 million as of December 31, 2023 to RMB518.6 million as of December 31, 2024 due to the recognition of net profit of RMB9.7 million in 2024, and equity-settled share-based transactions amounting to RMB20.9 million.

We turned from net liabilities of RMB518.6 million as of December 31, 2024 to net assets of RMB1,095.8 million as of December 31, 2025 due to termination of the Company’s obligations arising from preferential rights granted to the investors amounting to RMB1,579.4 million, the recognition of net profit of RMB26.5 million in 2025 and equity-settled share-based transactions amounting to RMB8.0 million.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow statement information for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash (used in)/from operating activities	(190,146)	(184,838)	270,173
Net cash from/(used in) investing activities	279,088	(35,504)	(17,778)
Net cash (used in)/from financing activities	(1,983)	67,515	430,720
Net increase/(decrease) in cash and cash equivalents	86,959	(152,827)	683,115
Cash and cash equivalents at the beginning of the year	99,473	186,582	33,899
Effect of foreign exchange rate changes	150	144	243
Total cash and cash equivalents at end of the year	186,582	33,899	717,257

We have recorded net cash used in operating activities of RMB190.1 million and RMB184.8 million in 2023 and 2024, respectively. In 2025, we have recorded net cash generated from operating activities of RMB270.2 million.

SUMMARY

Operating Cash Flows

In 2025, we had net cash generated from operating activities of RMB270.2 million, primarily consisting of our profit before tax of RMB26.1 million, as adjusted by (i) non-cash and non-operating items, which mainly consisted of share-based payment expenses of RMB8.0 million, allowance for inventories of RMB21.7 million, loss on fair value change of financial liabilities at FVTPL of RMB16.5 million, and depreciation and amortization of RMB7.1 million, partially offset by net foreign exchange gain of RMB1.0 million; and (ii) changes in working capital, which mainly reflected a decrease in inventories of RMB63.5 million and a decrease in trade receivables of RMB71.2 million, partially offset by (i) an increase in prepayments and other receivables of RMB101.7 million and (ii) a decrease in trade and other payables of RMB39.4 million.

In 2024, we had net cash used in operating activities of RMB184.8 million, primarily consisting of our loss before tax of RMB30.9 million, as adjusted by (i) non-cash and non-operating items, which mainly consisted of allowance for inventories of RMB22.8 million driven by factors including long-aged, obsolete, and slow-moving inventories, alongside ongoing technological updates and product iteration, share-based payment expenses of RMB20.9 million, loss on fair value change of financial liabilities at FVTPL of RMB40.5 million, and depreciation and amortization of RMB5.6 million, partially offset by net gain on fair value changes of financial assets at FVTPL of RMB1.6 million; and (ii) changes in working capital, which mainly reflected an increase in inventories of RMB187.2 million and an increase in trade receivables RMB113.1 million, partially offset by an increase in trade and other payables of RMB73.2 million.

In 2023, we had net cash used in operating activities of RMB190.1 million, primarily consisting of our loss before tax of RMB110.1 million, as adjusted by (i) non-cash and non-operating items, which mainly consisted of share-based payment expenses of RMB43.4 million, allowance for inventories of RMB18.9 million driven by factors including long-aged, obsolete, and slow-moving inventories, alongside ongoing technological updates and product iteration, loss on fair value change of financial liabilities at FVTPL of RMB41.3 million, and depreciation and amortization of RMB5.0 million, partially offset by net gain on fair value changes of financial assets at FVTPL of RMB8.6 million; and (ii) changes in working capital, which mainly reflected an increase in inventories of RMB100.1 million and an increase in prepayments and other receivables of RMB72.8 million, partially offset by an increase in trade and other payables of RMB14.7 million.

Working Capital Sufficiency

Our Directors are of the opinion that, taking into account the estimated net [REDACTED] from the [REDACTED] and the financial resources available to us, including expected cash generated from operating activities, we have sufficient working capital to cover our costs, including research and development expenses, selling expenses, general and administrative expenses and other operating costs, for the next 12 months from the date of this document.

As of December 31, 2025, we had RMB717.3 million in cash and cash equivalents. As of December 31, 2025, we had committed unutilized banking facilities of RMB100.0 million, and we may seek further banking facilities depending on our financing needs. In addition, we expect to receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, based on the low-end [REDACTED] of HK\$[REDACTED] per Share.

During the Track Record Period, we have implemented stringent cash management measures to regularly review our cash position and optimize allocation to support our operations.

SUMMARY

Key Financial Ratios

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

	Year ended December 31,		
	2023	2024	2025
Gross margin	23.6%	23.4%	24.3%
Net margin	(45.5)%	1.5%	3.1%
Current ratio	0.5	0.5	11.2
Quick ratio	0.3	0.3	9.1

Notes:

- (1) Gross margin is calculated based on gross profit divided by revenue and multiplied by 100%.
- (2) Net margin is calculated based on (loss) profit and total comprehensive (expense) income for the year/period divided by revenue and multiplied by 100%.
- (3) Current ratio is calculated based on total current assets divided by total current liabilities.
- (4) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.

For further details, see “Financial Information — Key Financial Ratios.”

RECENT DEVELOPMENTS

Subsequent to the Track Record Period, we continued to make progress across our various products lines, with advancements in commercialization, product development and customer expansion.

In the first quarter of 2026, the sales volume of our intelligent sensing products, machine vision products and imaging technology products reached approximately 176,982 thousand, 1,123 thousand and 9,567 thousand pieces, respectively. We expect sales volume to increase in the remainder of 2026 based on the seasonality of our business and purchase forecasts provided by our customers.

Intelligent Sensing Products: Building on our strategic focus on the wearable device segment, multiple new products developed in response to market demand secured their first orders in January 2026, marking the initial commercialization phase of our wearable-related initiatives. Tape-out of our optical navigation sensors was completed in March 2026, with anticipated commercialization in the second half of 2026.

Imaging Technology Products: Our imaging co-processor and dual-axis integrated OIS products completed tape-out and are progressing in accordance with our established R&D roadmap. Our dToF ranging sensors have entered the early commercialization stage with small-scale mass production. We delivered approximately 78,000 pieces of OIS driver ICs products in the first quarter of 2026. Leveraging these developments, we have expanded our customer base and broadened application scenarios, with our products gradually extending into high-end handheld photography devices and smart glasses.

Machine Vision Products: We recorded new customer engagements in January 2026 across application areas including robotic vacuum cleaners, PC cameras and real-time conferencing systems, further strengthening our market presence in these segments.

In February 2026, our Company entered into equity transfer agreements with three Independent Third Parties (the “**Vendors**”), pursuant to which (i) our Company agreed to acquire 20.07% equity interest in the target company (the “**Target Company**”) from the Vendors at a total consideration of RMB6.0 million (the “**Equity Transfers**”), and (ii) it is further proposed that our Company will subscribe for up to 5.48% post-dilution equity interest in the Target Company at a subscription price of not more than RMB30 million within six months from the completion date of the Equity Transfers, subject to terms of a separate agreement to be entered into. The Equity Transfers were completed in February 2026 and it is anticipated that the subscription, if agreed by both parties under a separate agreement, will be completed no later than August 2026, upon which

SUMMARY

our Company will hold up to 24.45% post-dilution equity interest in the Target Company. The Target Company will be accounted for as an associate and its financial results will not be consolidated into the financial statements of our Group. For this acquisition occurring after the Track Record Period, we have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in relation to the preparation of financial statements in respect of the Target Company. See “Waivers from Strict Compliance with the Requirements Under the Listing Rules — Acquisition after the Track Record Period.”

NO MATERIAL CHANGE

Our Directors have confirmed that up to the Latest Practicable Date there has been no material adverse change in our financial or trading position or prospects since December 31, 2025 and there has been no event since December 31, 2025 which would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.

OUR CONTROLLING SHAREHOLDERS

Immediately upon completion of the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED]), Mr. Liu and our Share Incentive Platforms, namely Juxinwei Enterprise, Zhihui Juxin, Zhike Juxin, Zhituo Juxin and Zhixin Enterprise, will be directly interested in an aggregate of [REDACTED]% of the total number of Shares. Accordingly, immediately upon completion of the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED]), Mr. Liu and our Share Incentive Platforms will be our Controlling Shareholders under the Listing Rules.

PRE-[REDACTED] INVESTMENTS

Since our establishment, we have received substantial investments and support from our Pre-[REDACTED] Investors which are renowned private equity and strategic investors, and have raised funds of over RMB1,100 million as of the Latest Practicable Date. See “History, Development and Corporate Structure — Pre-[REDACTED] Investments” for details.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of the [REDACTED] of, and permission to [REDACTED], our H Shares to be converted from Unlisted Shares and issued pursuant to the [REDACTED], on the basis that we satisfy the [REDACTED]/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2025, which exceeds HK\$500 million, and (ii) our expected [REDACTED] at the time of [REDACTED], which exceeds [REDACTED].

RISK FACTORS

Our business and operations involve certain risks and uncertainties, many of which are beyond our control. Some of the major risk factors that we face include:

- a significant proportion of our revenue was derived from certain customers during the Track Record Period. Any decrease in sales from, or loss of, one or more of our major customers would have negative impacts on our results of operations;
- we rely on major suppliers for procurement of raw materials during the Track Record Period. Any decrease in purchases from, or loss of, one or more of our major suppliers would have negative impacts on our results of operations;
- our business growth and prospects are affected by our ability to continuously innovate and iterate our existing products and to expand our product mix and penetrate new markets;

SUMMARY

- our inability to continuously develop our technological capabilities and improve our R&D capabilities could make our products uncompetitive and obsolete, which may impede our ability to address the requirements in technology segments that are expected to contribute to our growth;
- the industries in which we operate are highly competitive. If we fail to compete against other market players, our business, results of operations and financial condition may be materially and adversely affected;
- our business, financial condition and results of operations may be materially and adversely affected by international laws, regulations and policies and international export controls and economic sanctions;
- our business is susceptible to any policy changes affecting the semiconductor industry which may materially and adversely affect our business;
- our operational performance depends in part on our ability to enforce our intellectual property rights and to maintain freedom to operate in all jurisdictions where we conduct business;
- we may be unable to adequately protect our proprietary rights, which may impact our ability to compete effectively and
- our historical growth may not be indicative of our future growth. If we are unable to manage our growth or execute our business strategies effectively, our results of operations and business prospects may be materially and adversely affected.

DIVIDEND

No dividend was paid or declared by our Company since its date of incorporation and up to the end of the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy. The determination of whether to pay a dividend and in which amount is based on factors the Board may deem relevant. Any dividend distribution will also be subject to the approval of the Shareholders in a Shareholders’ meeting. Under PRC law and the Articles of Association, the general reserve requires annual appropriations of 10% of after-tax profits at each year-end until the balance reaches 50% of the relevant PRC entity’s registered capital. In view of our accumulated losses, as advised by our PRC Legal Advisors, according to the relevant PRC laws and regulations and the Articles of Association, we shall not declare or pay dividend until the accumulated losses are covered by our after-tax profits and sufficient statutory common reserve are drawn in accordance with the relevant laws and regulations.

[REDACTED] STATISTICS

[REDACTED]

SUMMARY

[REDACTED]

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED], after deducting the [REDACTED] and other estimated expenses payable by us in connection with the [REDACTED], assuming that the [REDACTED] is not exercised and an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range in this document. We intend to use the net [REDACTED] from the [REDACTED] for the following purpose:

- approximately [REDACTED]% (or HK\$[REDACTED] million) will be used to research and development of key technologies in the fields of intelligent sensing machine vision and imaging, including (i) approximately [REDACTED]% (or HK\$[REDACTED] million) will be used to retain, expand and strengthen our R&D team; (ii) approximately [REDACTED]% (or HK\$[REDACTED] million) will be used to procure tape-out services, raw materials and non-recurring engineering services; and (iii) approximately [REDACTED]% (or HK\$[REDACTED] million) will be used to upgrade our R&D technology and purchase advanced R&D equipment;
- approximately [REDACTED]% (or HK\$[REDACTED] million) will be used to expand our global sales and service network, promote our products worldwide and strengthen our relationship with customers;
- approximately [REDACTED]% (or HK\$[REDACTED] million) will be used for strategic investments and/or acquisitions to achieve our long-term growth strategies; and
- approximately [REDACTED]% (or HK\$[REDACTED] million) will be used for working capital and general corporate purposes.

See “Future Plans and Use of [REDACTED]” for details.

[REDACTED] EXPENSES

Based on the mid-point of the indicative [REDACTED] of HK\$[REDACTED] per Share, the total estimated [REDACTED] expenses in relation to the [REDACTED] are RMB[REDACTED] million (HK\$[REDACTED] million), assuming the [REDACTED] is not exercised, which constitute approximately [REDACTED]% of the gross [REDACTED]. Our total estimated [REDACTED] expenses consist of (i) [REDACTED] related expenses of RMB[REDACTED] million (HK\$[REDACTED] million), and (ii) non-[REDACTED]-related expenses of RMB[REDACTED] million (HK\$[REDACTED] million), including (a) fees payable to our legal advisors and Reporting Accountants of RMB[REDACTED] million (HK\$[REDACTED] million) and (b) other fees and expenses, including fees payable to other professional parties such as financial printers, industry consultant, background search agent and [REDACTED], of RMB[REDACTED] million (HK\$[REDACTED] million). During the Track Record Period, we incurred [REDACTED] expenses of RMB[REDACTED] million (HK\$[REDACTED] million), of which RMB[REDACTED] million (HK\$[REDACTED] million) was recognized as expenses in our consolidated statements of profit or loss, and of which RMB[REDACTED] million (HK\$[REDACTED] million) was attributable to the issue of Shares and will be deducted from equity. Subsequent to the Track Record Period, RMB[REDACTED] million (HK\$[REDACTED] million) is expected to be recognized as expenses in our consolidated statements of profit or loss, and RMB[REDACTED] million (HK\$[REDACTED] million) is expected to be accounted for as a deduction from equity upon the [REDACTED]. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain technical terms are explained in the section headed “Glossary of Technical Terms.”

“Accountants’ Report”	the accountants’ report for the Track Record Period of our Company, the text of which is set out in Appendix I to this document
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Angel Financing”	the angel financing round of the Pre-[REDACTED] Investments, the principal terms of which are summarized out in “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“Articles of Association” or “Articles”	the articles of association of our Company adopted on [●], which shall become effective as of the date on which the H Shares are [REDACTED] on the Stock Exchange, as amended from time to time, a summary of which is set out in “Appendix IV — Articles of Association” to this document
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of our Board
“Board” or “Board of Directors”	the board of Directors
“business day”	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[REDACTED]

“Chairman”	chairman of the Board
“China”, “Chinese Mainland” or “PRC”	the People’s Republic of China, unless the context requires otherwise, excluding, for the purposes of this document only, the regions of Hong Kong, the Macau Special Administrative Region and Taiwan of the People’s Republic of China
“CIC”	China Insights Industry Consultancy Limited, a professional market research and consulting company, which is an independent third party

DEFINITIONS

“CIC Report”	a commissioned industry report prepared by CIC
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“CNIPA”	China National Intellectual Property Administration (國家知識產權局)
“Co-founders”	the co-founders of our Company, namely Mr. Kong and Mr. Zhan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company,” “our Company,” “the Company,” “we” or “us”	Wuhan Silicon Integrated Co., Ltd. (武漢聚芯微電子股份有限公司), a company established as a limited liability company in the PRC on January 27, 2016 which was converted into a joint stock company with limited liability on September 18, 2025
“Company Law” or “PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to the group of Shareholders comprising Mr. Liu, Juxinwei Enterprise, Zhihui Juxin, Zhike Juxin, Zhituo Juxin and Zhixin Enterprise, as further detailed in “Relationship with Our Controlling Shareholders”
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)

DEFINITIONS

[REDACTED]

“Director(s)”	the director(s) of our Company
“Dutch Legal Advisors”	Houthoff Coöperatief U.A., our legal advisors as to Dutch laws in connection with the [REDACTED]
“EIT Law”	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as enacted by the NPC on March 16, 2007 and effective on January 1, 2008, as amended, supplemented or otherwise modified from time to time
“ESG”	environmental, social and governance
“EU”	the European Union

[REDACTED]

“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

[REDACTED]

“Founder”	the founder of our Company, namely Mr. Liu

[REDACTED]

“Group”	our Company and all of our subsidiaries
“Guide” or “Listing Guide”	the Guide for New Listing Applicants, as published by the Stock Exchange on November 29, 2023 and effective on January 1, 2024, as amended or supplemented or otherwise modified from time to time
“H Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be [REDACTED] for and [REDACTED] in Hong Kong dollars and to be [REDACTED] on the Stock Exchange
“H Shareholder(s)”	holder(s) of H Share(s)

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK” the Hong Kong Special Administrative Region of the PRC

“Hong Kong dollar(s)” or HKD” or “HK\$” Hong Kong dollars(s), the lawful currency of Hong Kong

[REDACTED]

DEFINITIONS

[REDACTED]

“IASB”	International Accounting Standards Board
“IFRS Accounting Standards”	IFRS Accounting Standards as issued by the International Accounting Standards Board
“Independent Third Party(ies)”	Individual(s) or company(ies), who or which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules

[REDACTED]

DEFINITIONS

[REDACTED]

“Joint Sponsors”	Haitong International Capital Limited and CITIC Securities (Hong Kong) Limited
“Juxinwei Enterprise”	Wuhan Juxinwei Enterprise Management Consultancy Partnership (Limited Partnership) (武漢聚芯微企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on May 17, 2017, the general partner of which is Mr. Liu, and one of our Share Incentive Platforms
“Latest Practicable Date”	April 20, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM (formerly known as the Growth Enterprise Market) of the Stock Exchange
“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)

DEFINITIONS

“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Kong”	Mr. Kong Fanxiao (孔繁曉), our Co-founder, executive Director, deputy general manager and chief marketing officer
“Mr. Liu”	Mr. Liu Deheng (劉德珩), our Founder, executive Director, chairman of our Board and chief executive officer
“Mr. Zhan”	Mr. Zhan Wanxing (詹萬幸), our Co-founder, executive Director, general manager, chief operating officer and Board secretary
“NDRC”	the National Development and Reform Commission of the State Council of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of our Board

[REDACTED]

“Overseas Listing Trial Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies 《(境內企業境外發行證券和上市管理試行辦法》) and five supporting guidelines promulgated by the CSRC on February 17, 2023 and effective on March 31, 2023

DEFINITIONS

“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》)
“PRC government”	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and organizations of such government or, as the context requires, any of them
“PRC Legal Advisors”	Yingke Law Firm, our legal advisor as to PRC laws in connection with the [REDACTED]
“PRC IP Legal Advisors”	DeHeng Law Offices (Shenzhen), our legal advisor as to the intellectual property laws in the PRC
“Pre-[REDACTED] Investment(s)”	the pre-[REDACTED] investment(s) in our Company, details of which are set out in “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“Pre-[REDACTED] Investor(s)”	the investor(s) of the Pre-[REDACTED] Investments, details of which are set out in “History, Development and Corporate Structure — Pre-[REDACTED] Investments”

[REDACTED]

“R&D”	research and development
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of our Board
“Renminbi” or “RMB”	the lawful currency of the PRC
“Reporting Accountants”	Deloitte Touche Tohmatsu, our reporting accountant
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)

DEFINITIONS

“SCNPC”	the Standing Committee of the National People’s Congress (全國人民代表大會常務委員會)
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“Seed Financing”	the seed financing round of the Pre-[REDACTED] Investments, the principal terms of which are summarized in “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“Series A Financing”	the series A round of the Pre-[REDACTED] Investments, the principal terms of which are summarized in “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“Series A+ Financing”	the series A+ round of the Pre-[REDACTED] Investments, the principal terms of which are summarized in “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“Series B Financing”	the series B round of the Pre-[REDACTED] Investments, the principal terms of which are summarized in “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“Series B+ Financing”	the series B+ round of the Pre-[REDACTED] Investments, the principal terms of which are summarized in “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“Series C Financing”	the series C round of the Pre-[REDACTED] Investments, the principal terms of which are summarized in “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“Series D Financing”	the series D round of the Pre-[REDACTED] Investments, the principal terms of which are summarized in “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“Series D+ Financing”	the series D+ round of the Pre-[REDACTED] Investments, the principal terms of which are summarized in “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“Series Pre-A Financing”	the series pre-A round of the Pre-[REDACTED] Investments, the principal terms of which are summarized in “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising the H Share(s) and the Unlisted Share(s)
“Shareholder(s)”	holder(s) of our Share(s)
“Share Incentive Platforms”	Juxinwei Enterprise, Zhihui Juxin, Zhike Juxin, Zhituo Juxin and Zhixin Enterprise, our share incentive platforms
“SI Beijing”	Beijing Silicon Integrated Co., Ltd. (北京矽新科技有限公司), a limited liability company established in the PRC on August 20, 2020 and a wholly owned subsidiary of our Company
“SI Hong Kong”	Silicon Integrated (HK) Co. Limited (聚芯微電子(香港)有限公司), a company incorporated in Hong Kong with limited liability on August 27, 2020 and a wholly-owned subsidiary of our Company
“SI Netherlands”	Silicon Integrated B.V., a company incorporated in the Netherlands with limited liability on March 13, 2019 and a wholly-owned subsidiary of our Company
“SI Shanghai”	Shanghai Silicon Integrated Co., Ltd. (上海矽新微電子有限公司), a limited liability company established in the PRC on December 4, 2019 and a wholly-owned subsidiary of our Company
“SI Shenzhen”	Shenzhen Silicon Integrated Co., Ltd. (深圳芯聚微電子有限公司), a limited liability company established in the PRC on November 30, 2017 and a wholly-owned subsidiary of our Company
“SI Singapore”	Silicon Integrated (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability on March 17, 2025 and a wholly-owned subsidiary of our Company
“SI Suzhou”	Suzhou Silicon Integrated Co., Ltd. (蘇州聚芯微電子有限公司), a limited liability company established in the PRC on May 31, 2021 and a wholly-owned subsidiary of our Company
“STA”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局); and
“Stabilizing Manager”	[●]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited

DEFINITIONS

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Track Record Period”	the three years ended December 31, 2023, 2024 and 2025

[REDACTED]

“Unlisted Share(s)”	ordinary Share(s) issued by our Company with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
“U.S.,” “US” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollar(s)” or “US\$”	United States dollar(s), the lawful currency of the United States
“U.S. persons”	U.S. persons as defined in Regulation S
“U.S. Securities Act”	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
“we,” “us” or “our”	the Company or the Group, as the context requires
“Zhihui Juxin”	Wuhan Zhihui Juxin Enterprise Management Consultancy Partnership (Limited Partnership) (武漢致匯聚芯企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on November 22, 2019, the general partner of which is Mr. Liu, and one of our Share Incentive Platforms
“Zhike Juxin”	Wuhan Zhike Juxin Enterprise Management Consultancy Partnership (Limited Partnership) (武漢致科聚芯企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on November 24, 2021, the general partner of which is Mr. Liu, and one of our Share Incentive Platforms
“Zhituo Juxin”	Wuhan Zhituo Juxin Enterprise Management Consultancy Partnership (Limited Partnership) (武漢致拓聚芯企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on May 24, 2022, the general partner of which is Mr. Liu, and one of our Share Incentive Platforms
“Zhixin Enterprise”	Wuhan Zhixin Enterprise Management Consultancy Partnership (Limited Partnership) (武漢致芯企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on December 28, 2021, the general partner of which is Mr. Liu, and one of our Share Incentive Platforms
“%”	per cent

DEFINITIONS

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

Certain amounts and percentage figures included in this document were subjected to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregation of the figures preceding them.

For the purpose of this document, references to “provinces” of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

Unless the content otherwise requires, references to “2023”, “2024” and “2025” in this document refers to our financial year ended December 31 of such year.

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain terms used in this document in connection with our Company and our business. The terminology contained in this glossary and their given meanings may not correspond to standard industry meaning or usage of these terms.

“actuator”	a component in a control system that converts an energy source into physical motion or mechanical action to control a device or system
“AI”	artificial intelligence
“algorithm(s)”	a well-defined, finite sequence of instructions or rules used to solve a specific problem or perform a computation
“amplifier”	an electronic device that can increase the power of a signal. It is a two-port electronic circuit that uses electric power from a power supply to increase the amplitude (magnitude of the voltage or current) of a signal applied to its input terminals, producing a proportionally greater amplitude signal at its output
“analog”	a signal that is a voltage, current or physical quantity that continuously varies in accordance with some time-varying parameter
“ASP”	average selling price
“augmented reality” or “AR”	a technology that overlays real-time 3D-rendered computer graphics onto a portion of the real world through a display, such as a handheld device or head-mounted display
“audio amplifier”	an electronic device or circuit that increases the power, voltage, or current of an audio-frequency signal so that it can drive loudspeakers or headphones effectively
“audio codec”	a hardware or software component that compresses and decompresses digital audio data, allowing for smaller file sizes and more efficient transmission and storage
“BCD”	a family of silicon processes comprising Bipolar, CMOS and DMOS technologies, each of which combines the strengths of three different process technologies onto a single chip
“bokeh effect”	a photography term for the aesthetic quality of the blur in the out-of-focus parts of a photographic image
“back-side illumination” or “BSI”	a type of digital image sensor that uses a novel arrangement of the imaging elements to increase the amount of light captured and thereby improve low-light performance
“CAGR”	compound annual growth rate

GLOSSARY OF TECHNICAL TERMS

“chip”	a small piece of semiconductor compact assembly that contains multiple interconnected components on a single semiconductor chip, also known as an integrated circuit or microchip
“CMOS”	complementary metal-oxide semiconductor
“CoE”	Color filter on encapsulation, a technology used in foldable OLED displays
“CPU”	central processing unit, the primary processor in a given computer
“design-in”	the engineering, technical and other support performed to allow an OEM device to incorporate products of another vendor
“digital”	a signal that represents data as a sequence of discrete values
“digital twin”	a virtual representation of an object or system designed to accurately reflect a physical object
“digital signal processor” or “DSP”	a specialized microprocessor chip, with its architecture optimized for the operational needs of digital signal processing
“direct ToF” or “dToF”	a technique used in ToF sensors for directly measuring the time it takes for a light pulse to travel to a target and return
“EDA”	electronic design automation, a category of software tools for designing electronic systems such as ICs and printed circuit boards. The tools work together in a design flow that chip designers use to design and analyze entire semiconductor chips
“ESD”	electrostatic discharge, a sudden and momentary flow of electric current between two differently-charged objects when brought close together or when the dielectric between them breaks down, often creating a visible spark associated with the static electricity between the objects
“fundamental frequency” or “F0”	the lowest frequency component of a complex periodic waveform, often perceived as pitch
“F0 Detection”	the estimation of F0
“fabless”	a business model where the entity focuses on R&D and design of ICs and outsources manufacturing to external parties
“filter”	a device or process that removes some unwanted components or features from a signal
“flicker”	a visible change in brightness between cycles displayed on video displays

GLOSSARY OF TECHNICAL TERMS

“foundry”	a factory that manufacturers integrated circuits
“Hall sensitivity”	the effectiveness of a sensor converting a magnetic field into a measurable voltage in a Hall effect sensor. It indicates the output voltage change for a given change in magnetic field strength
“haptic core waveform generation algorithm”	methods used to create the specific vibration patterns and tactile sensations delivered by haptic devices. Haptic devices are technologies that enable users to interact with digital content or environments through the sense of touch
“human-computer interaction”	process through which people operate and engage with computer systems
“integrated circuit” or “IC”	a set of electronic circuits on one small plate of semiconductor material (a chip)
“Intelligent imaging ICs”	ICs focused on enhancing system performance and optimizing image quality through specialized analog ICs
“intelligent sensing ICs”	ICs used in smart devices to collect and provide feedback on various types of environmental information
“inch”	the standard unit of measurement used to denote the diameter of wafers. In the semiconductor industry, the common sizes for wafers include 2-inch (50mm), 3-inch (75mm), 4-inch (100mm), 6-inch (150mm), 8-inch (200mm) and 12-inch (300mm)
“Internet of Things” or “IoT”	the physical objects (or groups of such objects) with sensors, processing ability, software and other technologies that connect and exchange data with other devices and systems over the Internet or other communications networks
“ISP”	image signal processor, a circuit for image processing
“indirect ToF” or “iToF”	a technique used in ToF sensors for indirectly measuring the phase shift of a modulated light signal
“LCD”	liquid-crystal display, a flat-panel display or other electronically modulated optical device that uses the light-modulating properties of liquid crystals combined with polarizers
“LiDAR”	light detection and ranging, a method for determining ranges by targeting an object or a surface with a laser and measuring the time for the reflected light to return to the receiver
“linear resonant actuator” or “LRA”	a type of vibration motor that uses a voice coil and a spring-loaded moving mass to produce haptic feedback along a single axis by vibrating at its resonant frequency
“low latency”	minimal delay or lag between an input or command and the corresponding response or action

GLOSSARY OF TECHNICAL TERMS

“machine vision sensor”	an image-capture device designed to acquire visual data from a scene and convert it into digital signals for automated inspection, measurement, or identification tasks
“microcontroller unit” or “MCU”	a type of chip that contains a general-purpose processor core, input/output interfaces and other modules for a variety of applications
“MEMS”	micro-electromechanical system, a tiny device that integrates both electronic and mechanical components on a microscopic scale
“multi-spectral”	operating in or involving several regions of the electromagnetic spectrum
“near-infrared”	a portion of the electromagnetic spectrum that is invisible to the human eye but falls between the visible red light and the mid-infrared range
“neural processing unit” or “NPU”	a class of specialized hardware accelerator or computer system designed to accelerate AI and machine learning applications, including artificial neural networks and computer vision
“OEM”	acronym for “original equipment manufacturer”, a company whose products are manufactured in accordance with a customer’s specifications for sale under the customer’s brand
“optical image stabilization” or “OIS”	a mechanical image stabilization technology powered by a special motor structure in the camera lenses
“optical sensor”	devices that detect light rays and convert them into electrical signals that can be interpreted by humans or electronic instruments
“OLED”	organic light-emitting diode, a light-emitting diode in which the emissive electroluminescent layer is a film of organic compound that emits light in response to an electric current
“OLED Lux/CCT”	the illuminance level and correlated color temperature of light emitted from OLED
“process design kit” or “PDK”	a collection of files and data provided by a foundry that allows chip designers to design and simulate ICs for a specific manufacturing process
“photodiode”	a semiconductor device that converts light into electrical current
“pixel”	the smallest addressable element in a raster image

GLOSSARY OF TECHNICAL TERMS

“power management integrated circuit” or “PMIC”	an integrated circuit for power management, often included in battery-operated devices (such as mobile phone, portable media players) and embedded devices (such as routers) to decrease the amount of space required
“PWM”	pulse-width modulation signal, a digital signal used to encode analog information by varying the width of pulses in a carrier wave
“PWM wave”	a waveform of the PWM
“R&D”	research and development
“RISC-V”	a free and open standard instruction set architecture based on reduced instruction set computer principles
“robotics”	an interdisciplinary study and practice of the design, construction, operation, and use of robots
“sensor”	a device that measures or detects physical world conditions, such as motion, heat or light, and converts the conditions into analog or digital representations
“short-wavelength infrared” or “SWIR”	the portion of infrared radiation closest to the visible red light
“signal-to-noise ratio” or “SNR”	a measure that compares the strength of a desired signal to the strength of background noise
“single-photon avalanche diode” or “SPAD”	a class of photodetectors that can detect low-intensity signals down to a single photon
“SIP” or “System in Package”	a type of technology that integrates multiple functional chips, such as processors and memory, along with various electronic components, into a single package through side-by-side or stacked packaging methods, achieving a fundamentally complete functional unit within one package
“smart audio amplifier”	an audio amplifier applied on smart devices
“system-on-chip” or “SoC”	an IC that integrates most or all components of a computer or other electronic system. These components almost always include on-chip central processing unit, memory interfaces, input or output devices, input or output interfaces, and secondary storage interfaces, often alongside other components such as radio modems and a graphics processing unit
“sq.m.”	square meter(s)

GLOSSARY OF TECHNICAL TERMS

“tape-out”	the process of converting an integrated circuit design into a chip for pilot production or manufacturing. Tape-out is a process to check whether the chip has achieved the expected functions and performance of the design
“time of flight” or “ToF”	a method for measuring the distance between a sensor and an object, based on the time or phase difference between the emission of a signal and its return to the sensor, after being reflected by an object. ToF can be further categorized as direct time-of-flight (“dToF”) and indirect time-of-flight (“iToF”)
“V”	volt, a unit for voltage
“verification”	a method to verify the correctness of a circuit and evaluate and confirm the initial design plan and to ensure the design satisfies the needs of downstream customers and conforms to the design initiatives
“virtual reality” or “VR”	a simulated experience that employs 3D near-eye displays and pose tracking to give the user an immersive feel of a virtual world
“wafer”	a thin slice of semiconductor used for the fabrication of ICs

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This document contains certain forward-looking statements and information relating to our Company that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words “aim,” “anticipate,” “believe,” “could,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “seek,” “should,” “will,” “would” and the negative of these words and other similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- general political and economic conditions, including those related to the jurisdictions where we operate;
- our operations and business prospects;
- our business and operating strategies and our ability to implement such strategies;
- our ability to develop and manage our operations and business;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- competition for, among other things, capital, technology and skilled personnel;
- our ability to control costs;
- our dividend policy;
- changes to regulatory and operating conditions in the industry or in the world and geographical markets in which we operate; and
- all other risks and uncertainties described in the section headed “Risk Factors.”

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section.

In this document, statements of or references to our intentions or those of our Directors are made as of the Latest Practicable Date. Any such information may change in light of future developments.

RISK FACTORS

An [REDACTED] in our H Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, as well as our financial statements and the related notes, and “Financial Information,” before making an [REDACTED] in our H Shares. These risks and uncertainties could materially and adversely affect our business, financial condition, results of operations or prospects. The [REDACTED] of our H Shares may decline due to any of these risks and uncertainties, and you may lose all or part of your [REDACTED]. You should pay particular attention to the fact that we are a PRC company and are governed by a legal and regulatory environment which may differ significantly from those prevailing in other jurisdictions. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements” in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

A significant proportion of our revenue was derived from certain customers during the Track Record Period. Any decrease in sales from, or loss of, one or more of our major customers would have negative impacts on our results of operations.

Our success relies on maintaining strong and stable relationships with our customers. During the Track Record Period, a significant proportion of our revenue was derived from sales to certain of our customers. Our sales to the five largest customers for each of 2023, 2024 and 2025 amounted to RMB219.1 million, RMB521.2 million and RMB703.1 million, respectively, representing 90.5%, 78.3% and 82.2%, respectively, of our total revenue for the corresponding years. Our sales to the largest customer for each of 2023, 2024 and 2025 amounted to RMB60.5 million, RMB175.7 million and RMB316.2 million, representing 25.0%, 26.4% and 37.0%, respectively, of our total revenue for the corresponding years. See “Business — Our Customers.” Given this customer concentration, our business and financial performance are highly dependent on the continued purchases by, and relationships with, these customers. Our customers may alter their purchasing volume or terminate their engagement with us due to a variety of reasons, including internal procurement adjustments, changes in downstream-customer demand, intensified competition, product performance issues, or their own operational or financial challenges. As a result, there is no assurance that any of our major customers will continue to place orders with us at the current levels or at all.

Our products are sold through both direct sales and distribution during the Track Record Period, a majority of which was generated from our distributors. Thus, our sales volume depend on the performance of our distributor customers in marketing our products. The effectiveness of our customers in selling our products may be affected by a number of factors, many of which are out of our control, including:

- our customers’ strategies in promoting our products;
- our customers’ own business and financial performance;
- our customers’ abilities to expand downstream customer base and penetrate into new markets;
- our customers’ strategies to extend geographical coverage of our products;
- our customers’ willingness to maintain relationships with us; and
- our ability to maintain and expand our sales network.

RISK FACTORS

In the event our distributor customers fail to effectively sell our products, or prioritize promotion of competing product lines over our products, it could result in a significant decrease in our sales volume, which may materially and adversely affect our business, financial condition and results of operations.

Moreover, we may not be able to enter into new or renewal agreements with our customers as we cannot guarantee that we are able to offer more favorable commercial terms as compared to our competitors, including more attractive discounts and credit periods. The loss of our customers could adversely affect our sales volume. There is no assurance that our current or future contracts with our customers can be renewed or negotiated on terms and prices equivalent to or better than current terms and prices. Any disruption in our relationships with our customers could affect our ability to maintain and grow our sales volume, which could materially and adversely affect our business, results of operations and financial position. In addition, there can be no assurance that we will be able to develop new relationships with additional customers or maintain or increase collaboration with our existing customers or that our incentives provided to our customers will be effective in generating more sales for us. We are also exposed to the risk that customers may seek to impose unfavorable terms on us in the future, such as longer credit periods. Credit arrangement with our customers adds pressure on our working capital and exposes us to the risks of default and bad debts.

Factors that adversely affect the industries and sectors in which our customers operate may adversely affect our business, financial condition and results of operations.

Our products are offered to customers across several key industries and sectors, primarily consumer electronics (particularly in the application in smartphones), and are incorporated as components in their products. Therefore, factors that adversely affect these industries and sectors or the end customer base could materially and adversely affect our business, financial condition, results of operations and prospects. These factors include, among others:

- a decline in demand for, or negative perception of, products in these industries;
- operational challenges, fluctuation of the price of raw materials and key components, decreasing growth, financial difficulties, market share loss, or reputational harm to customers that use our products;
- regulatory restrictions, trade disputes, industry-specific quotas, tariffs, non-tariff barriers and taxes that affect the value chain of such customers;
- reduction or elimination of preferential tax treatments, economic incentives or other favorable policies for these companies; and
- shifts in customer product mix that may reduce demand for products incorporating our products as components.

We partner with third-party wafer foundries and packaging and testing service providers. We are exposed to supplier concentration risk due to our reliance on such major suppliers.

Under our fabless business model, our business operations depend on the continuous service of certain suppliers, mainly including the suppliers of wafer foundries, and chip packaging and testing services. In 2023, 2024 and 2025, our purchases from our five largest suppliers in each year were RMB292.5 million, RMB639.8 million and RMB529.5 million respectively, representing 90.4%, 89.7% and 83.1%, respectively, of our total purchases for the same years. Among them, purchase from our largest supplier in each year comprising the Track Record Period was RMB136.1 million, RMB265.6 million and RMB312.5 million, respectively, accounting for 42.1%, 37.2% and 49.0%, respectively, in 2023, 2024 and 2025. See “Business — Procurement and Supply — Our Suppliers.” Additionally, we made substantial purchases from our major foundry partners, Supplier A and Supplier B, during the Track Record Period. In 2023, 2024 and 2025, our purchases from Supplier A were RMB136.1 million, RMB156.0 million and RMB34.9 million, respectively, accounting for 42.1%, 21.9% and 5.5% of our total purchases for the corresponding years. During the same years, our purchases from Supplier B were RMB66.1 million, RMB265.6 million and RMB312.5 million, respectively, accounting for 20.4%, 37.2% and 49.0% of our total purchases for the corresponding years. See “Business — Procurement and Supply — Our Suppliers — Relationship with Supplier A and Supplier B.”

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Our relationships with these major suppliers subjects us to the concentration and counterparty risk from these suppliers. We cannot assure you that we will be able to maintain our relationships with our major suppliers in the future. If the supply of wafers or chip packaging and testing services is disrupted or delayed, we may fail to find replacements with similar supply capacity on comparable commercial terms within a reasonable period of time, or at all. Furthermore, due to the material reliance we had on Supplier A and Supplier B given the substantial purchases from them during the Track Record Period, any decrease in purchases from, or loss of, any of our major foundry suppliers would have negative impacts on our results of operations. To the extent we are unable to manage these risks, our ability to timely supply competitive products will be harmed, our costs will increase, and our business, results of operations and financial condition will be adversely affected. Moreover, we cannot guarantee that our major suppliers will not have a change of business scope or business model or will continue to maintain their market position and reputation. Any material adverse change to the operation or financial condition of our major suppliers may result in material adverse impact on their business with us.

We have limited control over the quality, availability and costs of our partnered wafer foundries and packaging and testing service providers. We cannot assure you that the products manufactured by our partnered wafer foundries or services provided by our partnered packaging and testing service providers are safe and free of defects or can meet the relevant quality standards. Further, we are vulnerable to the risk that our partnered wafer foundries and packaging and testing service providers may be unable to meet the demand for our products or cease operations altogether. Any shortage in the raw materials used by our partnered wafer foundries and packaging and testing service providers may result in shortage in their supply of our products and delay in their production, packaging and testing process.

Our business growth and prospects are affected by our ability to continuously innovate and iterate our existing products and to expand our product mix and penetrate new markets.

Our future success significantly depends on our ability to continue to innovate and improve our existing products, and design and expand our product mix. Product design, development, innovation and iteration is often a complex, time-consuming and costly process involving significant investment in R&D with no assurance of return on investment. There can be no assurance that we will be able to develop and introduce new and improved products in a timely or efficient manner or that new and improved products, if developed, will achieve market acceptance. In addition, our downstream customers generally impose very high quality and reliability standards on our products, which may be difficult or costly to satisfy. Any inability to satisfy the quality and reliability standards of downstream customers or comply with industry standards and technical requirements may adversely affect demand for our products and our results of operations.

Our growth is also dependent on the ability of us and our distributors to identify and penetrate new markets where we and our distributors have limited experience yet require significant investments, resources and technological advancements to compete effectively, and there can be no assurance that we will achieve success in these markets. There can be no assurance that the markets we serve and/or target based on our business strategy will grow in the future, that our existing and new products will meet the requirements of these markets, that our products, or the end products in which our products are used, will achieve downstream customer acceptance in these markets, that competitors will not force price reductions or take market share from us, or that we can achieve or maintain adequate gross margins or profits in these markets.

Our “competitive pricing” strategy may reduce our gross profit margins and profitability

We determine the pricing of our products by evaluating a combination of internal cost structures and external market conditions. We may adopt a competitive pricing strategy when we think it is necessary and appropriate to do so, to increase our market share and expand our customer base. We selectively applied this “competitive pricing” strategy for certain products during the Track Record Period. While we believe this approach was a proactive business decision consistent with industry trends and supported by our declining unit costs, the pricing adjustments have reduced our gross margins for our optical sensing and smart audio products during the Track Record Period.

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We have implemented various cost control measures to reduce margin pressure, including optimizing our procurement strategy, improving production efficiency, enhancing automation, and strengthening supply chain management. However, there is no assurance that these measures will be sufficient to offset the impact of pricing pressure on our margins. If we are unable to achieve further cost reductions or improve operational efficiency as expected, or if pricing pressure increases beyond our expectations, our gross profit margins and profitability may be materially and adversely affected.

In addition, if our competitors adopt more aggressive pricing strategies, we may be required to reduce prices further to maintain our market share, which could reduce our margins. While our Directors believe that pricing pressure may ease as the industry matures and market concentration increases, there is no assurance that this will happen within the expected time frame. Any extended period of pricing pressure could have a material adverse effect on our business, financial condition, and results of operations.

Our inability to continuously develop our technological capabilities and improve our R&D capabilities could make our products uncompetitive and obsolete, which may impede our ability to address the requirements in technology segments that are expected to contribute to our growth.

We have invested and expect to continue to invest in the design and R&D of new and existing products and technologies to timely respond to technological developments in markets we operate in. These investments may involve significant time, risks and uncertainties, including the risk that the expenses associated with these investments may affect our margins and operating results and that such investments may not generate sufficient revenue to offset liabilities assumed and expenses associated with these new investments. We believe that we must continue to invest a significant amount of time and resources in our design and R&D efforts, including retaining sufficient and experienced R&D talents, to maintain and improve our competitive position. If we do not achieve the benefits anticipated from these investments, or if the achievement of these benefits is delayed, our revenue and operating results may be adversely affected.

In addition, if we are unable to respond quickly and successfully to technological developments, we may lose our competitive position, and our products or technologies may become obsolete and fall behind on technologies. To compete successfully, we must develop new products and improve our existing products on a schedule that keeps pace with technological developments. The market must also accept our new and improved products. We cannot guarantee that we will be successful in keeping pace with all, or any, of the above, or that our proprietary technologies will maintain the competitiveness down the road.

Rapid technological changes in the industries and markets to which our products are sold require us to constantly develop new technologies and products.

Our business strategy is to focus on the design and provision of products under intelligent sensing, machine vision and imaging technology solutions. Part of this strategy involves addressing the needs across a variety of vertical markets, including smart devices and IoT devices, such as smartphones, tablets, laptops, and smart wearables, among others. Each of these markets require technologies, expertise, and marketing and operations infrastructure that are application-specific. Our inability to develop or maintain these market specific capabilities could impede our ability to expand our business in these categories and ultimately affect our future growth. Any deterioration in, or a slowdown in the growth of, such end markets resulting in a substantial decrease in the demand for our products could adversely affect our revenue.

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The industries in which we operate are highly competitive. If we fail to compete against other market players, our business, results of operations and financial condition may be materially and adversely affected.

The intelligent sensing, machine vision and imaging technology chip industries in which we operate are highly competitive. We primarily compete with other companies that focus on developing and commercializing intelligent sensing, machine vision and imaging technology chips. If we compete with players that have a longer operating history than we do, or if we do not have or in the future gain more financial resources and sophisticated technological capabilities and broader customer base and relationships than our competitors, we may not be able to respond as quickly and effectively to new opportunities, technologies, industry standards, customer demand or regulatory requirements as our competitors.

We may also face competition from new entrants who may offer competitive products at lower prices in the future. Such new entrants may increase industry competition and adversely impact the sales, price, and profit margins of our products and our market share. Further, we may be required to make substantial additional investments in research, development, marketing and sales, recruiting and retaining talents, and acquiring technologies complementary to, or necessary for, our current and future products in order to respond to such potential competitions, and we cannot assure you that such measures will be effective.

If we are unable to compete successfully, or if competing successfully requires us to take costly actions in response to the actions of our competitors, our business, results of operations and financial condition may be materially and adversely affected.

Our business, financial condition and results of operations may be materially and adversely affected by international trade actions, laws, regulations and policies and international export controls and economic sanctions.

We operate within a global supply chain and our products were sold globally as part of various end products. As such, we face risks associated with international trade regulations and geopolitical developments.

Recent trade tensions, such as the ongoing U.S.-China trade dispute, have led to high tariffs, export controls and other restrictive measures targeting high-technology goods, semiconductors and electronics. In April 2025, the United States imposed a tariff of 145% on all Chinese goods, except for certain consumer electronics produced in China, which was lowered to 30% until August 14, 2025 based on the joint statement between China and U.S. issued on May 12, 2025. Our products could be incorporated into various types of end products and be imported into the United States, with tariff, if any, to be borne by the importing party. Companies who import the products may wish to pass on the additional tariff on us, their other suppliers or their customers. Even if the tariff is not passed on to us, the reduced competitiveness of our customers' end products could lead to reduction or cancellation of their purchase orders from us.

The Export Administration Regulation (the “**EAR**”) regulates U.S. export control, and the Bureau of Industry and Security (the “**BIS**”) of the Department of Commerce administers the EAR. The U.S. export control regime regulates the export, transfer or disclosure of U.S. products, software, and technology to non-U.S. jurisdictions and non-U.S. persons based on the nature of the product or technology, as well as the destination, transferee, or end-use of a specific export or transfer. Under the EAR, a non-U.S.-produced item is subject to the EAR if it incorporates or bundles U.S.-origin controlled items valued at a certain ratio or utilizes certain U.S.-controlled software or technologies during the production process.

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The BIS maintains lists of individuals and entities subject to enhanced export control restrictions. The Entity List is a catalogue of individuals and entities subject to specific licensing requirements for the export, re-export, or transfer of certain products and technology subject to the EAR. In recent years, the BIS has added hundreds of Chinese entities to the Entity List for a variety of reasons, including foreign policy, defense policy, and security. For example, Supplier B has been designated on the U.S. Entity List, the NS-CMIC List, and the CMC List, and a certain chip supplier has been designated on the U.S. Entity List. See “Business — Implications of International Sanctions” for details. As the BIS rules are evolving, future sanctions and export controls may significantly impact our business relationships with some of the key customers or suppliers. If we fail to promptly secure alternative customers or sources of supply on acceptable terms, our business may be materially and adversely affected. In addition, dealing with customers and suppliers on the Entity List can also make us vulnerable under the EAR and Entity List designation, considering the Chinese semiconductor industry is always an enforcement focus by the U.S. government.

As we operate with a fabless model, we use software and commodities subject to the EAR, including certain electronic design automation (“EDA”) software. As the U.S. continues to impede China’s advanced semiconductor industry, several EDA software suppliers in the U.S. stated that they received notices from BIS to cease supplying EDA software to China recently. These developments may introduce uncertainties to global supply chains, limit access to key software, and increase production and compliance costs for companies operating in affected industries. If these trade restrictions or geopolitical tensions escalate, we may face additional risks, including reduced access to key software, which could negatively impact our design capabilities. Though we have procured EDA software from U.S. suppliers which is subject to the EAR, we have not met any interruption or suspension regarding the procurement of these EDA software during the Track Record Period and up to the Latest Practicable Date.

In addition, on August 9, 2023, the Biden Administration issued the Executive Order on Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern (“**Reverse CFIUS EO**”) granting the U.S. government the authority to establish and enforce an outbound investment screening regime. On October 28, 2024, the Department of the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the “**Final Rule**”) to implement an outbound investment program that restricts investments by U.S. persons and U.S.-controlled entities imposed by Executive Order 14105, “Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern.” The Final Rule has become effective on January 2, 2025. The Final Rule targets investments by U.S. persons involving persons and entities associated with “countries of concern,” currently including Chinese Mainland, Hong Kong and the Macau Special Administrative Region, that engaged in activities in certain sectors such as semiconductors and microelectronics, quantum information technologies or artificial intelligence (which the Final Rule defines as “covered activities”). The persons and entities from countries of concern engaged in covered activities defined as “covered foreign persons.” The Final Rule imposes prohibition or notification requirements on a wide range of investments by U.S. persons subject to the Final Rule, which are defined as “covered transactions,” include acquisitions of equity interests (including purchases of shares in an initial public offering or contingent equity), certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. Having been advised by our International Sanctions Legal Advisors, our Directors are of the view that our design activities do not meet the prohibited transaction parameters; however, because design of any IC that does not meet the prohibited transaction parameters will fall within the scope of notifiable transaction in the Final Rule, and our IC design business does not fall within the scope of prohibited transaction, we would be deemed as a covered foreign person and investments by U.S. persons in us would constitute “notifiable transactions” under the Final Rule. Notably, with respect to the [REDACTED], the U.S. government has emphasized that a U.S. person’s acquisition of equity that is not yet publicly traded for purposes of facilitating an initial public offering, including as part of an underwriting arrangement, would not fall under the publicly traded securities exception under the Final Rule and could be a covered transaction. However, once shares are issued and become publicly traded, subsequent purchasers (including U.S. persons) are

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exempted under the publicly traded securities exception regardless of whether we engage in covered activities. However, the Final Rule nonetheless may increase the compliance burden of U.S. persons and may cause certain U.S. persons to adopt a more cautious approach in their investments, affecting the investor sentiment towards us, and therefore negatively impacting our ability to raise capital.

As geopolitical tensions escalate, the U.S. and China are continually adjusting their tariff measures. As of the Latest Practicable Date, the U.S. had imposed a worldwide 10% Section 122 tariff on products originating from countries including China, while China had imposed a 10% retaliatory tariff on all products originating from the U.S. Further, the tariff policies only apply to goods based on their country of origin, but not to software or technologies. During the Track Record Period and up to Latest Practicable Date, our products were primarily offered to our customers in China and Hong Kong and we did not export our products to the U.S. Besides, though we purchased U.S. software, we did not purchase U.S.-origin goods as our raw materials and tariffs will only be applicable to goods but not software. Therefore, during the Track Record Period and up to the Latest Practicable Date, as advised by our International Sanctions Legal Advisors, we believe that the U.S. and PRC tariffs do not have direct or indirect impact on our business because we did not engage in import and export activities relating to the U.S. We also strive to select alternative solutions from other countries or regions whenever possible to avoid bearing the additional costs imposed by the U.S. tariffs. However, we cannot assure you that our customers will not engage in the export of their goods incorporating our products or solutions into the U.S. or other countries and regions, and that such export will not be subject to the restrictions or tariffs introduced by the U.S. or other jurisdictions. If the export sales of the customers' end products are restricted, prohibited or made subject to any trade conditions under any international policies or international export controls or economic sanctions or tariffs imposed by any jurisdictions, the customers' demand in our products may drop significantly and, as a result, our business, financial condition and results of operations may be materially and adversely affected.

Our products may fail to meet new industry standards or requirements and the efforts to meet such industry standards or requirements could be costly.

Our products are based on industry standards that are continually evolving. Our ability to compete in the future will depend on our ability to identify and ensure compliance with these evolving industry standards. The emergence of new industry standards could render our products incompatible with products designed and developed by other intelligent sensing, machine vision and imaging technology solution providers. As a result, we could be required to invest significant time and effort and may incur significant expense to re-design our products to ensure compliance with relevant standards. If our products are not in compliance with prevailing industry standards or requirements, we could miss opportunities to achieve crucial design wins which in turn could have a material adverse effect on our business, operations and financial results.

Our business is susceptible to any policy changes affecting the semiconductor industry which may materially and adversely affect our business.

During the Track Record Period, substantially all of our business operations were based in China and vast majority of our revenue was derived from our sales in China. As such, we are dependent on policies affecting the semiconductor industry in China. In recent years, China has been promoting and reshaping its domestic semiconductor industry through policy changes, leading to its semiconductor industry growing at a fast pace over the past few years. Many semiconductor companies, including us, have leveraged on such favorable policies. As such, our future prospects, success and continuous growth depend and will continue to depend on the strong support of the PRC government to the semiconductor industry in the foreseeable years. However, we cannot assure you that the PRC government will continue to promote and implement favorable policies for the semiconductor industry, or maintain the policies currently in effect to the semiconductor industry, and in turn, favorable to us. As a result, if such policies change or discontinue in the future, our financial performance and future business growth could be materially and adversely affected.

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Our operational performance depends in part on our ability to enforce our intellectual property rights and to maintain freedom to operate in all jurisdictions where we conduct business.

We regard our patents, trademarks, copyrights, domain names, know-how, proprietary technologies and similar intellectual property as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality agreements with all of our employees, suppliers and distributors to protect our proprietary rights and to maintain freedom to operate in all jurisdictions where we conduct business. See “Business — Intellectual Property.” Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages.

It may be difficult to maintain and enforce intellectual property rights in China. Statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently. Confidentiality, invention assignment and non-compete provisions may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in all relevant jurisdictions. Preventing any unauthorized use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. We can provide no assurance that we will prevail in such litigation. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. To the extent that our employees use intellectual property owned by others in their work for us, disputes may arise as to the rights in related know-how and inventions. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to adequately protect our proprietary rights, which may impact our ability to compete effectively.

Our success depends in part on our proprietary technology. We believe that our success also depends on increasing our technological expertise, continuing our development of new products and providing comprehensive support to our downstream customers. However, we may be unable to protect our technology in all instances, or our competitors may develop similar or more competitive technology independently. We currently hold a number of patents, software copyrights and trademarks in China. We are also in the process of applying for over 150 pending patent applications in the PRC and have five pending PCT applications. However, other parties may challenge or attempt to invalidate or circumvent any proprietary rights the PRC or foreign governments issue to us or these governments may fail to issue patents or proprietary rights for pending applications. In addition, the rights granted or anticipated under any of our proprietary rights or pending patent and proprietary right applications may be narrower than we expect or provide no competitive advantages. Furthermore, effective patent, trademark, copyright and trade secret protection may be unavailable, limited or not applied for in certain foreign countries. We may incur significant legal costs to protect our intellectual property, which could also adversely impact our financial conditions. See “— Risks Relating to Our Business and Industry — We may be subject to claims by third parties for intellectual property infringement.”

We also seek to protect our proprietary technology, including technology that may not be patented or patentable, in part by confidentiality agreements and, if applicable, inventors’ rights agreements with our collaborators, advisors, employees and consultants. We cannot assure you that these agreements will always be entered into or will not be breached or that we will have adequate remedies for any breach.

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We cannot assure you that we will not receive notices of claims of infringement and misappropriation of other parties’ proprietary rights in the future. In the event of an adverse decision in a patent, trademark, copyright or trade secret action, we could be required to withdraw the product or products found to be infringing from the market or re-design products offered for sale or under development. Whether or not these infringement claims are successfully asserted, we would likely incur significant costs and diversion of our resources with respect to the defense of these claims. In the event of an adverse outcome in any litigation, we may be required to pay substantial damages, including enhanced damages for willful infringement, and incur significant attorneys’ fees, as well as indemnify downstream customers for damages they might suffer if the products they purchase from us infringe intellectual property rights of others. We could also be required to stop our manufacture, use, sale or importation of infringing products, expend significant resources to develop or acquire non-infringing technology, discontinue the use of some processes, or obtain licenses to intellectual property rights covering products and technology that we may, or have been found to, infringe or misappropriate such intellectual property rights.

Our historical growth may not be indicative of our future growth. If we are unable to manage our growth or execute our business strategies effectively, our results of operations and business prospects may be materially and adversely affected.

We experienced fast growth in our revenue during the Track Record Period. In 2023, 2024 and 2025, our revenue was RMB242.0 million, RMB666.6 million and RMB854.7 million, respectively, representing a CAGR of 87.9%. We cannot assure you that we are able to sustain our historical growth rate for various reasons, including uncertainty of our continuous offerings of quality products to attract our downstream customers, failure of our marketing strategies and intensified competition within the intelligent sensing, machine vision and imaging technology chip industries in China.

In addition, we plan to continue to invest substantial financial, management and operational resources to sustain our growth. However, we cannot assure you that we will be able to continually obtain these resources in the future. For instance, we may not be able to obtain additional internal and external capital to support our business growth on commercially acceptable terms, or to retain and attract sufficient number of competent staff to support our business development.

Our revenue, expenses and operating results may vary from period to period due to various factors beyond our control, including the economic growth, development of intelligent sensing, machine vision and imaging technology chip industries, as well as changes in laws, regulations and rules applicable to the intelligent sensing, machine vision and imaging technology chip industries in China. Any unfavorable change in the factors above may prevent us from maintaining our historical growth rate. As a result of these, and other factors, we cannot assure you that our future revenues will increase or that we will continue to be profitable. Accordingly, investors should not rely on our historical results as an indication of our future financial or operating performance.

An increase in prices of materials and other components used in our products may disrupt our supply chain, increase our production costs, delay deliveries of our products to customers and affect our market price, which would further affect our business, financial condition and results of operations.

The semiconductor industry has experienced a very large expansion of fabrication capacity and production worldwide over time. As a result of increasing demand from semiconductor and other manufacturers, availability of certain basic materials and supplies, such as silicon wafers, have from time to time, over the past several years, been in short supply and could come into short supply again if overall industry demand continues to increase in the future. In addition, from time to time natural disasters can lead to a shortage of some of the above materials due to disruption of the manufacturer’s production. Any shortage in supplies could affect the price of the above basic materials, and could reasonably affect our results of operations. Furthermore, as raw material purchase price is not only affected by the above materials and supplies, but also by the manufacture

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processes, technologies and services provided by the foundries, insufficient volume to secure priority ordering and technologies at foundries or any disruption of foundry services could occur as a result of production constraints on the foundries from which we procure manufacturing services, which could have a materially adverse effect on our business operations and our results of operations.

We depend on the continued services and performance of our Founder, Co-founders, senior management and other key employees, including core R&D personnel and skilled engineers. If we are unable to recruit, retain and motivate any of them, our business, operating results and financial condition may be adversely affected.

Our future performance depends on the continued services and contributions of our Founder, Co-founders, senior management and other key employees, to oversee and execute our business plans, identify and pursue new opportunities and innovations, perform effective product design, and R&D. We also rely on our experienced management team to ensure smooth business operations, including maintenance of distributor and supplier relationships, and management of our operations. Any loss of service of our key personnel could significantly delay or prevent us from achieving our strategic business objectives, and adversely affect our business, financial condition and operating results.

From time to time, there may be changes in our senior management team, resulting from the hiring or departure of executives, which could also disrupt our business. Hiring suitable replacements and integrating them within our business also require significant amounts of time, training and resources, and may impact our existing corporate culture. Our future success depends, to a significant extent, on our ability to attract, train and retain qualified personnel, particularly skilled engineers with expertise in intelligent sensing, machine vision and imaging technology chip design. However, we cannot assure you that we will be able to develop or retain qualified staff or other highly skilled employees that we will need in order to achieve our strategic objectives.

We have limited control over the operations of our distributors, sub-distributors and contractors. Our business may be negatively affected due to risks relating to the acts of our distributors, sub-distributors and contractors and their potential breach of agreements.

We partner with third-party distributors for marketing, branding and sales of our products. These distributors may, at their own discretion, appoint sub-distributors. See “Business — Sales and Marketing — Our Sales Channels — Distribution.” Additionally, we engage third-party customs brokers to facilitate the execution of our sales. See “Business — Procurement and Supply — Use of Customs Brokers.” There can be no assurance that we will be successful in detecting any non-compliance of our distributors, sub-distributors and contractors with the provisions of their agreements. Non-compliance by our distributors, sub-distributors and contractors could negatively affect our brand reputation and disrupt our sales.

Furthermore, we may be exposed to the risks of fraud or other misconducts committed by our distributors, sub-distributors and contractors. Fraud or other misconduct by our distributors, sub-distributors and contractors may involve engaging in unauthorized misrepresentation to our downstream customers, misappropriating third-party intellectual property and other proprietary rights and engaging in bribery or other unlawful payments. In any such event, we could, as a result, incur liability to our downstream customers for fraud or misconduct committed by such distributor or sub-distributor. Any claims could subject us to costly litigation and impose a significant strain on our financial resources and attention of management personnel regardless of whether the claims have merit, any of which could result in complaints from our downstream customers, regulatory and legal liabilities, as well as serious harm to our reputation.

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We may fail to maintain and predict inventory levels in line with demand for our products, which could cause us to face the risk of obsolescence for our inventories or lose sales.

Our inventories consist of raw materials, work in progress and finished goods. See “Business — Logistics and Inventory — Inventory Management.” As of December 31, 2023, 2024 and 2025, we had inventories of RMB113.3 million, RMB283.9 million and RMB206.3 million, respectively. We make allowance for inventories as our inventories may be obsolete and slow-moving, or the net realizable value of inventories is lower than their cost, resulting in failure to recover the cost of inventories. During the Track Record Period, we made allowance for inventories amounting to RMB18.9 million, RMB22.8 million and RMB21.7 million, respectively, primarily driven by certain items were deemed obsolete or their net realizable value fell below their carrying value, for each of the years ended December 31, 2023, 2024 and 2025. For the same years, our inventory turnover days were 140.9 days, 140.1 days and 136.4 days, respectively. As our business expands, our inventory level may increase and our inventory obsolescence risk may also increase accordingly. We cannot guarantee that we will be able to maintain proper inventory levels for our raw materials, work in progress and finished goods. We maintain our inventory levels based on our internal forecasts of customers’ demand. If our forecast demand is higher than actual demand, we may be exposed to increased inventory risks due to the accumulation of excess inventory of our raw materials, work in progress or finished goods. Excess inventory levels may increase our inventory holding costs, risk of inventory obsolescence or write-offs. Conversely, we may not be able to maintain an adequate inventory level and may lose sales and market share to our competitors. There is no assurance that information relating to the business plans or sales results of our distributors would be reported to us by our distributors timely and accurately. Therefore, our business prospects, financial condition and results of operations may be materially and adversely affected.

Our products may be subject to warranty, indemnity and/or product liability claims, which could result in significant costs and damage to our business, reputation and downstream customer relationships, market acceptance of our products, financial condition, results of operations and prospects.

Our products are highly complex and may contain defects that affect their quality or performance. Failures in our products could result in damage to our reputation for reliability and increase our legal or financial exposure to third parties. If any of our products contain defects, we may be required to incur additional development and remediation costs pursuant to warranty and indemnification provisions in our contracts and purchase orders. These problems may divert our technical and other resources from other product development efforts and could result in claims against us by our downstream customers, including liability for costs and expenses associated with product defects, including recalls, which may adversely impact our operating results. We may also be subject to third parties’ alleging damages resulting from use of our products. Those users may seek indemnification from us. In certain cases, our potential indemnification liability may be significant.

Further, we offer our products to downstream customers in industries including smart devices and IoT devices, such as smartphones, tablets, laptops, and smart wearables, among others, where failure of the systems in which our products are integrated could cause damage to property or persons. We may be subject to product liability claims if our products, or the integration of our products, cause system failures. Any product liability claim, whether or not determined in our favor, could result in significant expense, divert the efforts of our technical and management personnel, and harm our business. In addition, if any of our products contain defects, or have reliability, quality or compatibility problems not capable of being resolved, our reputation may be damaged, which could make it more difficult for us to offer our products to downstream customers and which could also adversely affect our operating results.

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We may be subject to claims by third parties for intellectual property infringement.

We depend to a large extent on our ability to effectively develop and maintain intellectual property rights relating to our business. However, we cannot assure you that our competitors and other third parties will not bring legal claims against us for infringing on their patents, copyrights, trademarks or other intellectual property rights, whether such claims are valid or otherwise. The intellectual property laws in China, which cover the validity, enforceability and scope of protection of intellectual property rights, are evolving, and litigation is becoming a more commonly pursued method for resolving commercial disputes. Given the foregoing and the increasing competition in the market, we are exposed to a higher litigation risk. Any intellectual property lawsuits against us, whether successful or not, may harm our brand and reputation. For example, as of the Latest Practicable Date, we were involved in three legal ongoing proceedings, as a defendant, concerning our three products. See “Business — Legal Proceedings and Compliance” for the background of the three streams of intellectual property disputes.

Defending against intellectual property claims is costly and can impose a significant burden on our management and resources. Further, there is no guarantee that we can obtain favorable judgment in all legal cases, in which case we may need to pay damages or be forced to cease using certain technologies or content that are critical to our products. Any resulting liabilities or expenses or any changes to our products that we have to make to limit future liabilities may have a material adverse effect on our business, results of operations and prospects.

The markets for semiconductor products are cyclical. Increased production may lead to overcapacity and lower prices, and conversely, we may not be able to satisfy unexpected demand for our products, which may affect our results of operations.

The cyclical nature of the semiconductor industry has resulted in periods when demand for our products has increased or decreased rapidly. The demand for our products is subject to the strength of major industries our downstream customers operate in, including smart devices and IoT devices, such as smartphones, tablets, laptops, and smart wearables, among others. If we expand our business operations too rapidly and that demand does not materialize at the pace at which we expect, or declines, our operating results may be adversely affected as a result of increased operating expenses, reduced margins or underutilization of capacity. Conversely, during periods of rapid increases in demand, our available capacity may not be sufficient to satisfy the demand. In addition, we may not be able to expand our workforce and operations in a sufficiently timely manner, procure adequate resources and raw materials, locate suitable third-party suppliers, or respond effectively to changes in demand for our existing products or to demand for new products requested by our downstream customers, and our current or future business could be materially and adversely affected.

If we are unable to ensure the manufacturing or delivery of high quality products on schedule and on a large scale, our business may be materially and adversely affected.

Mass production of our products is crucial to our future financial prospects. As an intelligent sensing, machine vision and imaging technology chip solution provider, we operate under the fabless model, focusing on the R&D and design of chips while outsourcing chip fabrication to trusted third-party partners. We may face difficulties meeting our delivery deadlines when there is a surge in customer demand. If any of our third-party partners’ production facilities experiences interruptions, delays or disruptions in supplying products, our ability to deliver products to customers would be impeded. Failure to fulfill customers’ requirements and quality control problems that occur in the manufacturing process could prevent us from meeting the stipulated delivery deadline. For example, a decline in yield rates would adversely affect our third-party partners’ production efficiency and product quality. We may also experience delays in shipments caused by our third-party logistic service providers. These delays or product quality issues could have an immediate and material adverse effect on our ability to fulfill orders and damage our reputation and brand, affecting our business, results of operations and financial condition.

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Further, if our third-party partners’ production facilities or suppliers experience any difficulties or shortages of raw materials, or if our suppliers are otherwise unable or unwilling to continue to supply in required volumes or at all, our supply may be disrupted, and we may be required to seek alternate sources of supply. The process would be time-consuming and could be costly and impracticable. Interruptions to supply will have an adverse effect on our ability to meet scheduled product deliveries and subsequently lead to the loss of sales.

Our results of operations are subject to seasonal fluctuations.

We have experienced, and expect to continue to experience, seasonality in our business. See “Business — Seasonality” for details. During the Track Record Period, we recorded higher revenue in the second half of a calendar year than in the first half of that year, which was mainly due to as our major customers typically launch new product models in the second half of a year, resulting in a larger purchase volume of our products during such period. The degree of seasonality could still vary from time to time due to conditions in the industry, the demand of our customers and other factors over which we have limited control. To the extent there are any significant seasonal fluctuations different from our prior experience, we must arrange for relevant supplies and manufacturing capacity in an effective manner, to ensure we can dynamically adjust our operations in accordance with the changes in market demand. As a result, our profitability, results of operation and business may be adversely affected.

We may be subject to additional contributions of social insurance and housing provident fund and late payments and fines imposed by relevant governmental authorities.

According to the Social Insurance Law of the PRC and the Administrative Regulations on the Housing Provident Fund of the PRC, we are required to make social insurance premium payments and contributions to housing provident funds for our employees. As advised by our PRC Legal Advisors, 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 by social insurance contributions collection institutions to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late payment fee of up to 0.05% per day. 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 of the amount overdue. In addition, an employer that has not made housing provident fund contributions at a rate and based on an amount prescribed by the law, or at all, may be ordered by the housing provident fund management center to rectify the non-compliance and pay the required contributions within a stipulated deadline. If the employer still fails to rectify the failure to make housing provident contributions within the stipulated deadline, it may be subject to the court’s compulsory enforcement.

During the Track Record Period and up to the Latest Practicable Date, we did not make full social insurance and housing provident fund contribution for our employees in accordance with relevant laws and regulations. See “Business — Employees — Social Insurance and Housing Provident Fund Contributions” for details. We cannot assure you that the competent government authorities will not require us to pay the outstanding amount and impose late payment fees or fines on us. If we are subject to investigations related to non-compliance with labor laws and are imposed severe penalties or incur significant legal fees in connection with labor law disputes or investigations, our business, financial condition and results of operations may be adversely affected.

We may be required to pay administrative fines for our failure to register some of our lease agreements with housing administration authorities.

Pursuant to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), both lessors and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. As of the Latest Practicable Date, we had not obtained the registration of lease agreements for all of our five leased properties in China. See “Business — Properties.” We cannot assure you that the lessors will cooperate and complete the

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registration in a timely manner. Our PRC Legal Advisors have advised us that failure to complete the registration and filing of lease agreements will not affect the validity of the lease agreements under PRC laws, but we may be subject to a maximum penalty of RMB10,000 for each non-registered lease if we fail to register such lease agreements within the time frame prescribed by the relevant PRC government authorities. As a result, any imposition of fines due to such failure may adversely affect our business operations and financial condition.

We may be exposed to credit risk arising from our trade receivables. Failure to collect our trade receivables in a timely manner or at all could have a material and adverse impact on our business, financial condition, liquidity and prospects.

During the Track Record Period, our trade receivables primarily represent receivables from customers for sales of our products and services under various business lines. As of December 31, 2023, 2024 and 2025, our trade receivables amounted to RMB47.3 million, RMB159.7 million and RMB88.7 million, respectively. The credit period granted to our customers was generally 0 to 90 days from the date of invoice. We generally recovered trade receivables within 12 months. See “Financial Information — Discussion of Selected Items From Consolidated Statements of Financial Position — Trade Receivables, Prepayment and Other Receivables” in this document.

We cannot assure you that we will be able to collect all or any of our trade receivables on time, or at all. We may not be able to receive our customers’ payment of uncollected debts in full, or at all, and may be exposed to credit risk in cases when our customers may face unexpected circumstance. The occurrence of such event would materially and adversely affect our financial condition and results of operations.

Expiration of, or changes to, certain government incentives, government grants and preferential tax treatments which we are entitled to could adversely affect our financial condition and results of operations.

During the Track Record Period, we recorded government grants of RMB14.9 million, RMB3.3 million and RMB10.0 million in 2023, 2024 and 2025, respectively, which mainly consist of incentives provided by local government authorities as a reward to our support and contribution for the development of local economies. In addition, we benefited from preferential tax treatments from the PRC government during the Track Record Period. We qualified as high-technology enterprise and were entitled to a preferential income tax rate of 15% for the Track Record Period. According to the relevant PRC tax laws and regulations, enterprises carrying out R&D activities are entitled to claim super-deduction of R&D expenses in determining its tax assessable profits for the year. For details of the tax policies on super-deduction of R&D expenses, see “Regulation Overview — XII. Laws and Regulations Relating to Taxation — (5) Tax Policies on Super-deduction of R&D Expenses.” We have claimed super-deduction of R&D expenses upon above mentioned regulations in ascertaining our tax assessable profits for the Track Record Period. We also recorded value-added tax additional deduction of RMB12.5 million in 2025. We cannot assure that we will continue to receive government grants at the same level or at all, or that we will continue to enjoy the current preferential tax treatments, in which case our business, financial condition and result of operations may be materially and adversely affected.

Grants of equity incentives to our Directors, senior management, key employees and other employees potentially have a material and adverse effect on our financial performance.

We have granted awards in our Share Incentive Platforms to attract and retain personnel for positions of substantial responsibility and to provide additional incentives to selected Directors and employees. See “History, Development and Corporate Structure — Share Incentive Platforms” for more details. For the years ended December 31, 2023, 2024 and 2025, our share-based payment expenses were RMB43.4 million, RMB20.9 million and RMB8.0 million, respectively. To further incentivize our Directors, senior management, key employees and other employees to contribute to us, we may grant additional share-based compensation in the future. Issuance of additional Shares

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with respect to such share-based payment may also dilute the shareholding percentage of our existing Shareholders. Expenses incurred with respect to such share-based payment may also increase our operating expenses and therefore have a material and adverse effect on our financial performance.

We incurred a net loss in 2023 and we cannot ensure we will always maintain profitability in the future.

We recorded a net loss of RMB110.1 million in 2023. A net loss position exposes us to liquidity risks and may materially and adversely affect our ability to raise funds or obtain bank financing. Our profitability depends on a number of factors, including, among others, the scale and cost of our R&D activities, the cost of commercializing our products, and our ability to generate revenue. It also depends on our ability to grow our customer base, expand our product and service portfolio, manage raw material costs and improve operational efficiency. Unexpected changes in customer demand, shifts in the industry landscape, intensified competition, or opportunities requiring investment, acquisitions or capital expenditure may reduce our revenue or increase our costs. If we are unable to generate sufficient revenue or manage our cost structure effectively, we may fail to achieve expected gross margins, continue to incur losses and face pressure on our liquidity position. Failure to remain profitable could reduce our value, limit our ability to raise capital, maintain R&D activities, expand our business or continue operations.

We had net current liabilities and net liabilities and recorded net operating cash outflows historically which may continue into the foreseeable future and expose us to liquidity risk.

We recorded net current liabilities and net liabilities as of December 31, 2023 and 2024. As of December 31, 2023 and 2024, our net current liabilities were RMB592.8 million and RMB621.8 million, respectively, and our net liabilities were RMB548.6 million and RMB518.6 million, respectively, primarily due to our financial liabilities at fair value through profit or loss arising from certain special rights attached to shares held by our Pre-[REDACTED] Investors, which were terminated on July 31, 2025. We also recorded net cash outflows from operating activities of RMB190.1 million and RMB184.8 million in 2023 and 2024, respectively. We cannot assure you that we will be able to continue to generate operating cash inflows in the future. If we are unable to generate sufficient operating cash flow or obtain external funding when needed, our liquidity, financial condition and business expansion may be materially and adversely affected. In addition, future business developments, market conditions, competition or other factors beyond our control may negatively affect our operating cash flow, and prolonged or recurring net operating cash outflows could result in insufficient working capital to support our operations, materially and adversely affecting our business, financial position and results of operations.

Acquisitions or investments may fail and materially and adversely affect our reputation, business and results of operations. We may not be able to effectively integrate or manage our acquired business.

We may acquire additional assets or businesses that may generate synergies when combined with our existing business. The cost of identifying and consummating acquisitions may be significant. We may also have to obtain shareholders’ approvals and approvals and licenses from the government authorities for the acquisitions and comply with applicable laws and regulations. Obtaining such approvals and licenses may delay, if not halt, our acquisition efforts.

In February 2026, we agreed to acquire a 20.07% equity interest in the Target Company from three Independent Third Parties for RMB6.0 million and may further subscribe for up to 5.48% post-dilution equity interest within six months for up to RMB30 million. See “Waivers from Strict Compliance with the Requirements under the Listing Rules – Acquisition After the Track Record Period” for details.

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As the integration of the Target Company is still at an early stage, it may require substantial time and resources, including operational and financial resources, to manage and monitor its operations and development. We cannot assure that we will successfully integrate the Target Company or any future acquisition targets, or that we will realize the anticipated benefits or synergies from such acquisitions. In addition, the actual costs of integration may exceed our expectations. If we are unable to effectively manage the risks associated with our acquisitions and the subsequent integration of new assets and businesses, our reputation, business, financial condition and results of operations may be materially and adversely affected.

We may not be able to obtain additional funding on acceptable terms or at all, which may affect our ability to expand our business or meet unforeseen contingencies.

To grow our business and remain competitive, we may require additional capital from time to time for our daily operations. Our ability to obtain additional capital is subject to a variety of uncertainties, including:

- our market position and competitiveness in the intelligent sensing, machine vision and imaging technology chip industries;
- our future profitability, overall financial condition, results of operations and cash flows;
- general market conditions for capital-raising activities by our competitors in China; and
- economic, political and other conditions in China and internationally.

We may be unable to obtain additional capital in a timely manner or on acceptable terms, or at all. In addition, our future capital or other business needs could require us to sell additional equity securities. The sale of additional equity or equity-linked securities could dilute our Shareholders' shareholding interest. In case the capital required for our expansion could not be raised through the issuance of equity or equity-linked securities, we may need to incur additional indebtedness, which will lead to increased debt service obligations and could result in operating and financing covenants that may restrict our operations or our ability to pay dividends to our Shareholders. Our profitability would also be adversely affected if the increase in interest expenses could not be passed on to our downstream customers.

Fluctuations in foreign currencies may adversely affect our business, financial condition and results of operations.

Most of our revenue and expenditures were denominated in Renminbi. We recorded net foreign exchange gains of RMB1.0 million, RMB0.6 million and RMB1.4 million in 2023, 2024 and 2025, respectively. Any significant revaluation of the Renminbi may adversely affect our financial condition and results of operations.

Additionally, fluctuations in the exchange rate may incur foreign exchange losses and affect the relative value of any dividend issued by us, thereby adversely affecting our business, financial condition and results of operations. Appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar or the U.S. dollar may affect our financial results in Hong Kong dollar or U.S. dollar terms without giving effect to any underlying change in our business, financial condition or results of operations.

Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency or security breaches.

We rely on our and third-party information technology systems to facilitate communications among our employees and with suppliers and customers. We also use the information technology systems to communicate with our logistics providers on demand forecast, order placements and manufacturing and service status and capacity. These information technology systems may be susceptible to damage, disruptions or shutdowns due to failures during maintenance, power outages,

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hardware failures, malware attacks or catastrophic events. If the information technology systems suffer damage, disruption or shutdown, we may incur substantial costs in repairing or replacing these systems. If we do not effectively resolve the issues in a timely manner, our business, financial condition and results of operations may be materially and adversely affected. In addition, if the information technology systems fail to satisfy additional requirements related to our business expansion, our future growth may be adversely affected.

Failure to detect or prevent fraudulent or illegal activities or other misconduct by our suppliers, customers or other third parties may materially and adversely affect our business.

We are exposed to fraudulent or illegal activities or other misconduct by our suppliers, customers or other third parties, that could subject us to liabilities, fines and other penalties imposed by government authorities. We cannot assure you that we will be able to prevent fraud or illegal activity by such persons or that similar incidents will not occur in the future. Any illegal, fraudulent, corrupt or collusive activity by our suppliers, customers or other third parties, including, but not limited to, those in violation of anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, could also subject us to negative publicity that could severely damage our brand and reputation and subject us to significant financial and other liabilities to third parties and fines and other penalties imposed by government authorities. Accordingly, our failure to detect and prevent fraudulent or illegal activities or other misconduct by our suppliers, customers or other third parties could materially and adversely affect our business.

The expansion into overseas markets may expose us to operational, financial and regulatory risks.

We plan to expand our overseas market. Developing international markets requires significant investment of capital and human resources, which may adversely impact our current performance. We may not be able to identify profitable international markets. Even if we identify profitable international markets, we may not be able to enter into or compete in the identified markets due to factors such as, but not limited to:

- our or our distributors’ limited business experience in the international markets;
- competition with local competitors which may have greater resources and more favorable market positions;
- different demand dynamics of our products;
- diversity of downstream customer preferences and demand, and our ability to anticipate or respond to such preferences and demand;
- compliance with applicable laws and regulations; and
- potentially adverse tax consequences.

Any of such circumstances could adversely affect our reputation, business, financial condition and results of operations.

Downturns or volatility in general economic conditions could have a material adverse effect on our business, financial condition and results of operations.

Uncertainties about global and regional macroeconomic conditions including fluctuation of interest rates, inflation level, conditions in the industries in which we operate, unemployment, labor and healthcare costs, access to credit, consumer confidence and other factors beyond our control may pose risks and materially and adversely affect the demand for our products. In addition, natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic, acts of war, terrorism or other force majeure events beyond our control may disrupt our R&D, manufacturing and commercialization activities and business operations, all of which could adversely affect our business, financial condition, results of operations and prospects.

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We may not have sufficient insurance coverage to cover our potential liability or losses.

We face various risks in connection with our business, and may lack adequate insurance coverage or have no relevant insurance coverage. As such, we cannot insure against certain risks related to our assets or business even if we desire to.

As of the Latest Practicable Date, we had not obtained any business liability or disruption insurance to cover our operations. See “Business — Insurance.” We have determined that the costs of insuring against these risks, and the difficulties associated with acquiring such insurances on commercially reasonable terms render these insurances impractical for our business. However, any uninsured occurrence of including, among others, business disruption, material litigation, natural disaster or significant damages to our uninsured devices or facilities may result in our incurring substantial costs and the diversion of resources, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our brand is integral to our success. If we fail to effectively maintain, promote and enhance our brand, our business and competitive advantage may be harmed.

We believe that maintaining, promoting and enhancing our brand is critical to maintaining and expanding our business. Maintaining and enhancing our brand depends largely on our ability to continue to provide quality products, which we cannot assure you we will do successfully. Quality issues, product performance, reliability and stability of our products as well as price may harm our reputation and brand, and we may introduce new products which might be poorly received by our downstream customers. Additionally, if downstream customers have a negative experience using our products, such an encounter may affect our brand and reputation within the industry. What’s more, we believe the importance of brand recognition will increase as competition in our market increases. In addition to our ability to provide reliable and useful products at competitive prices, the successful promotion of our brand will also depend on the effectiveness of our marketing efforts. We cannot assure you that our marketing spends will lead to increased revenue, and even if so, such increases in revenue may not be sufficient to offset expenses we incur in building and maintaining our reputation and brand name.

We are subject to risks relating to litigation and disputes, which could adversely affect our business, prospects, results of operations and financial condition.

We may be subject to disputes or claims of various types brought by our competitors, employees, suppliers, customers, business partners or governmental entities against us relating to contractual disputes, labor disputes, intellectual property infringements or disputes involving misconducts of our employees. Such claims and disputes may evolve into litigations and damage our reputation and goodwill, thereby adversely affecting our customer base. We cannot guarantee that we will not be subject to legal proceedings in the ordinary course of business. Litigation is distractive and expensive as it may cause us to incur defense costs, utilize a significant portion of our resources and divert management team’s attention from our day-to-day operations, any of which could harm our business. In addition, we may need to spend a significant amount to settle claims or pay damages if we lose a lawsuit, which could have a material and adverse effect on our business, financial condition and results of operations.

We are subject to changing laws, regulations and social trends regarding environmental, social and governance risks, increasing both our costs and the risk of non-compliance.

We are or will be subject to rules and regulations by various governing bodies, including, for example, once we have become a [REDACTED] company, the Stock Exchange and the SFC, which are charged with the protection of investors and the oversight of companies whose securities are publicly traded, as well as the various regulatory authorities in China, and to new and evolving regulatory measures under applicable laws. We may also be subject to the changing social trends on the concerns regarding environmental, social and governance risks. Our efforts to comply with new and changing laws, regulations and social trends have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

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Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalties and our business may be harmed.

We may be subject to natural disasters, health epidemic, acts of war, terrorism or other factors beyond our control.

Natural disasters, acts of war, terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Our operations may be under the threat of floods, earthquakes, sandstorms, snowstorms, fire or drought, power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or are susceptible to potential wars or terrorist attacks. Serious natural disasters may result in loss of lives, injury, destruction of assets and disruption of our business and operations. Acts of war or terrorism may also injure our employees, cause loss of lives, disrupt our business network and destroy our markets. Any of these factors and other factors beyond our control could have an adverse effect on the overall business sentiment and environment, cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial conditions and results of operations.

Our business is affected by changes in economic, political or social conditions or government policies.

Substantially all of our business, assets and operations are located in China, and therefore, our business, financial condition, results of operations and prospects are affected to a large extent by the general political, economic and social developments in China. Similar to many other countries and regions, China regulates its economy through imposing and adjusting industrial, fiscal or monetary policies from time to time. Our business has been and would continue to be affected by China's economy, which in turn is increasingly influenced by the global economy. The uncertainties in the global economy and the geopolitical or social environment in various regions around the world would continue to influence China's economic growth and may cause uncertainties in our prospects. Future changes in economic, political, social, and regulatory conditions may continue to influence our business, financial condition, results of operations and prospects.

Holders of our H Shares may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our H Shares.

As is customary with all major economies, China has tax treaties or similar arrangements with jurisdictions across the world. Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are resident enterprises outside of the PRC, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is subject to 10% (or a lower rate) PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement otherwise provides. Under the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not residents in the PRC are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to 20% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Although our business operations are in China, it is

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unclear whether dividends we pay with respect to our H Shares, or the gain realized from the transfer of our H Shares, would be treated as income derived from sources within the PRC and as a result be subject to PRC income tax. If PRC income tax is imposed on gains realized through the transfer of our H Shares or on dividends paid to our non-resident investors, the value of your investment in our Shares may be adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are a company incorporated under the PRC laws and a majority of our assets and subsidiaries are located in China. Substantially all of our management reside within China. The assets of these management is also primarily located within China. As a result, it may be complex and difficult to effect service of process upon or to enforce judgements against us and our management outside China.

We may be subject to restrictions on the remittance of Renminbi into and out of China, which may limit our ability to pay dividends and other obligations, and affect the value of your investment.

The conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. As we may convert our revenue in Renminbi into other currencies to meet our foreign currency obligations, such as payments of dividends on our Shares, there is no assurance that we will have sufficient foreign exchange to meet these requirements. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, any changes to these foreign exchange policies that prevent us from obtaining sufficient foreign currencies may affect our ability to pay dividends in foreign currencies to our Shareholders.

Shareholders may require approval from the BTI when acquiring control or significant influence over us.

Pursuant to the Dutch Investments, Mergers and Acquisitions (Security Screening) Act (*Wet veiligheidsstoets investeringen, fusies en overnames*; “**Vifo Act**”), an application must be made to the Dutch Screening Bureau (Bureau Toetsing Investeren; “**BTI**”) prior to any direct or indirect investment that results in the acquisition of control or significant influence in a company that is active in certain sensitive technologies in the Netherlands. As advised by our Dutch Legal Advisors, the business of SI Netherlands, our Dutch subsidiary, which provides analog and digital IC design service in the Netherlands for our Group, is in the field of “semiconductor technology” and falls within the scope of the Vifo Act. Therefore, an application must be made to the BTI by either the investor or SI Netherlands prior to any direct or indirect acquisition or increase of an interest in SI Netherlands that meets the aforementioned threshold of control or significant influence. The acquisition of shares may not be completed until the BTI has cleared the transaction. See “Information about this Document and the [REDACTED] — Requirements under the Dutch Investments, Mergers and Acquisitions (Security Screening) Act” for the details about the process.

In October 2025, the government of the Netherlands invoked the Goods Supply Act to implement emergency intervention and assume substantive control over a company controlled by a PRC company. It should be noted that, as advised by the International Sanctions Legal Advisors, this action does not constitute routine commercial regulation; rather, it is an extraordinary and forceful measure taken against the backdrop of intensifying global technological competition. Specifically, this action was initiated by the Dutch government on grounds of threats to national security and public interest. Furthermore, as confirmed by the Dutch Legal Advisors, there is no general rule under the Dutch laws which stems from the specific circumstances leading up to that

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particular incident. Accordingly, given that we only have limited design and R&D activities in the Netherlands which do not meet the operational scale of the aforementioned company and the specific and different governance circumstances at the other company, we believe this incident has no direct connection or impact on us and has not impacted our business operations or financial performance. However, indirect effects may still materialize. This incident is likely to heighten concerns among our European clients, suppliers, and partners regarding geopolitical risks, potentially increasing the complexity of future commercial negotiations, prolonging decision-making cycles, and exerting latent pressure on the long-term stability of the supply chain.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares and an active [REDACTED] market for our H Shares may not develop.

No public market currently exists for our H Shares. The [REDACTED] for our H Shares to the [REDACTED] will be the result of negotiations between our Company and the [REDACTED] (on behalf of the [REDACTED]), and the [REDACTED] may differ significantly from the [REDACTED] of our H Shares following the [REDACTED]. We have applied to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the H Shares. A [REDACTED] on the Stock Exchange, however, does not guarantee that an active and liquid [REDACTED] market for our H Shares will develop, or if it does develop, that it will be sustained following the [REDACTED], or that the [REDACTED] of the H Shares will rise following the [REDACTED].

The [REDACTED] and [REDACTED] of our H Shares may be volatile, which could result in substantial losses for [REDACTED] who [REDACTED] our H Shares in the [REDACTED].

The [REDACTED] and [REDACTED] of our H Shares may be highly volatile. Several factors beyond our control such as variations in our revenue, earnings and cash flow, strategic alliances, the addition or departure of key personnel, litigation, the removal of the restrictions on H share transactions or volatility in [REDACTED] and changes in demand for our products may cause significant and sudden changes to the [REDACTED] and [REDACTED] of our H Shares. Furthermore, the [REDACTED] of our H Shares could also decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. New shares or share-linked securities issued by our Company may also confer rights and privileges that take priority over those conferred by the H Shares. The Stock Exchange and other securities markets have, from time to time, experienced significant price and [REDACTED] volatility that is not related to the operating performance of any particular company. This volatility may also materially and adversely affect the [REDACTED] of our H Shares.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse impact on the prevailing [REDACTED] of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.

The [REDACTED] of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be negatively impacted as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, especially by our Directors, executive officers and Controlling Shareholders, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. Furthermore, we may issue Shares pursuant to any existing or future share option incentive schemes, which would further dilute our Shareholders' interests in our Company. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Certain amount of the Shares controlled by our Controlling Shareholders are subject to certain lock-up periods after the [REDACTED]. While we

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currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the [REDACTED] of our Shares.

In addition, while [REDACTED] subscribing shares in the [REDACTED] are not subject to any restrictions on the disposal of the H Shares they subscribed (except as disclosed in “[REDACTED]”), they may have existing arrangements or agreement to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the [REDACTED] for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the [REDACTED]. Any sale of the H Shares [REDACTED] by such [REDACTED] pursuant to such arrangement or agreement could adversely affect the [REDACTED] of our H Shares and any sizeable sale could have a material and adverse effect on the [REDACTED] of our H Shares and could cause substantial volatility in the [REDACTED] of our H Shares.

The interests of our Controlling Shareholders may not be aligned with the interests of other Shareholders.

Our Controlling Shareholders have substantial influence over our business, including matters related to our management, policies and decisions regarding acquisitions, mergers, expansion plans, consolidations and sales of all or substantially all of our assets, election of directors and other significant corporate actions. Immediately following the completion of the [REDACTED] and assuming the [REDACTED] is not exercised, our Controlling Shareholders will hold approximately [REDACTED]% of the issued share capital of our Company. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and might reduce the [REDACTED] of our H Shares. These events may occur even if they are opposed by our other Shareholders. In addition, the interests of our Controlling Shareholders may differ from the interests of our other Shareholders. It is possible that our Controlling Shareholders may exercise their substantial influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

[REDACTED] will experience immediate and substantial dilution as a result of the [REDACTED].

[REDACTED] will pay a price per H Share in the [REDACTED] that substantially exceeds the per H Share value of our tangible assets after subtracting our total liabilities as of December 31, 2025. Therefore, [REDACTED] of our H Shares in the [REDACTED] will experience a substantial immediate dilution in [REDACTED] net tangible assets, and our existing Shareholders will receive an increase in the [REDACTED] adjusted net tangible assets per Share on their Shares. As a result, if we were to distribute our net tangible assets to the Shareholders immediately following the [REDACTED], [REDACTED] would receive less than the amount they [REDACTED] for their H Shares. For more information, see “Unaudited [REDACTED] Financial Information” in Appendix II.

We cannot guarantee the accuracy of facts, forecasts and other statistics obtained from official government sources or other sources contained in this document.

Certain facts, statistics and data contained in this document relating to Chinese Mainland, Hong Kong and the industries in which we operate have been derived from various official government publications. Such information has not been prepared or independently verified by us, the [REDACTED] or any of our or their respective affiliates or advisors, and we cannot guarantee the quality or reliability of such source materials. Therefore, we make no representation as to the

RISK FACTORS

accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside of Chinese Mainland and Hong Kong. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, the statistics herein may be inaccurate or incomparable to statistics produced with respect to other economies and should not be relied upon. Furthermore, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, you should give due consideration as to how much weight or importance you should attach to or place on such facts, forecasts or statistics.

There is no assurance whether and when we will pay dividends, which is subject to restrictions under PRC law.

No dividend had been paid or declared by our Company during the Track Record Period. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations. The calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS. As a result, we may not be able to pay a dividend in a given year even if we were profitable as determined under IFRS. Our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the PRC laws and regulations and requires approval at our shareholders’ meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words “aim,” “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “going forward,” “intend,” “ought to,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “will,” “would” and similar expressions, as they relate to us or our business, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, business operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. Should one or more of these risks or uncertainties materialize, or if any of the underlying assumptions prove incorrect, actual results may diverge significantly from the forward-looking statements in this document. Whether actual results will conform to our expectations and predictions is subject to a number of risks and uncertainties, many of which are beyond our control, and reflect future business decisions that are subject to change. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations that our plans or objectives will be achieved, and investors should not place undue reliance on such forward-looking statements. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set out in this section. Subject to the ongoing disclosure obligations of the Listing Rules or other requirements of the Stock Exchange, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise.

RISK FACTORS

You should read this entire document carefully and should not consider or rely on any particular statements in published media reports without carefully considering the risks and other information contained in this document.

Prior to the publication of this document, and subsequent to the Latest Practicable Date but prior to the completion of the [REDACTED], there may have been or may be press and media coverage regarding us, our business, our industry and the [REDACTED]. Such press and media coverage may include references to information that do not appear in this document or is inaccurate. We have not authorized the publication of any such information contained in such press and media coverage. Therefore, we make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the press or media and do not accept any responsibility for the accuracy or completeness of any financial information or forward-looking statements contained therein. To the extent that any of such information is inconsistent or conflicts with the contents of this document, we expressly disclaim responsibility for them. Accordingly, prospective [REDACTED] should only rely on information included in this document and not on any of the information in press articles or other media coverage in deciding whether or not to invest in our [REDACTED]. By applying to purchase our H Shares in the [REDACTED], you will be deemed to have agreed that you have not and will not rely on any information other than that contained in this document, the [REDACTED], and any formal announcements made by us in Hong Kong in relation to our [REDACTED].

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

In preparation for the [REDACTED], our Group has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer’s executive directors must be ordinarily resident in Hong Kong.

Currently, all of our executive Directors reside in the PRC and for the foreseeable future will not be ordinarily resident in Hong Kong. Our Group’s business operations are primarily conducted in the PRC, our management headquarter, senior management and assets are primarily located in the PRC, and our management is best able to attend to its function by being based in the PRC. It would be practically difficult and commercially unnecessary for us to relocate two of our executive Directors to Hong Kong, or to appoint additional executive Directors solely for the purpose of satisfying Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from compliance with Rules 8.12 and 19A.15 of the Listing Rules subject to, among others, the following conditions:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed two authorized representatives, Mr. Zhan, our executive Director, general manager and chief operating officer, and Ms. So Lai Shan (蘇麗珊) (“**Ms. So**”), our joint company secretary and an ordinarily resident in Hong Kong, who will act as our Company’s principal channel of communication with the Stock Exchange. Although Mr. Zhan resides in the PRC, he possesses valid travel documents and is able to renew such travel documents when they expire to travel to Hong Kong. Each of our authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and/or email (where available). Each of our authorized representatives is authorized to communicate on our behalf with the Stock Exchange. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance and Ms. So has also been authorized to accept service of legal process and notices in Hong Kong on behalf of our Company;
- (b) both of our authorized representatives have means to contact all our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. Each of our Directors has provided his/her respective mobile phone numbers, office phone numbers, facsimile numbers and/or email addresses (where available) to our authorized representatives. In the event that a Director expects to travel, he/she will endeavor to provide the phone number of the place of his/her accommodation to our authorized representatives and the alternate authorized representative or maintain an open line of communication via his/her mobile phone. Each of our Directors, authorized representatives has provided his/her mobile phone numbers, office phone numbers, facsimile numbers and/or email addresses (where available) to the Stock Exchange;
- (c) pursuant to Rule 3A.19 of the Listing Rules, we have appointed Altus Capital Limited as our compliance advisor (the “**Compliance Advisor**”), which shall have access at all times to our authorized representatives, Directors, senior management and other officers of our Company, and will act as an additional channel of communication between the Stock Exchange and us; and

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- (d) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will promptly inform the Stock Exchange of any changes of our authorized representatives and/or the Compliance Advisor.

JOINT COMPANY SECRETARIES

According to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide issued by the Stock Exchange, the secretary of an issuer must be a person who has the requisite knowledge and experience to discharge the functions of the company secretary and is either (i) a member of the Hong Kong Chartered Governance Institute, a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong) or a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong); or (ii) an individual who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of a company secretary.

According to Chapter 3.10 of the Guide, the waiver under Rule 3.28 of the Listing Rules will be granted for a fixed period of time, but in any case, will not exceed three years from the [REDACTED] (the “**Waiver Period**”) and on the conditions that (i) the company secretary in question must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by our Company.

We have appointed Mr. Zhan and Ms. So as our joint company secretaries. Mr. Zhan is one of our Co-founders, having co-founded our Group in January 2016 and is currently serving as our executive Director and chief operation officer, where he is primarily responsible for the overall operational management of our Group. Our Directors are of the view that, having regard to Mr. Zhan’s thorough understanding of the overall business operations and corporate governance matters of our Group, he is considered as a suitable person to act as a company secretary of our Company. In addition, as our headquarters and principal business operations are substantially based and conducted in the PRC, our Directors believe that it is necessary to appoint Mr. Zhan as a company secretary whose presence in the headquarters of our Group enables him to attend the day-to-day corporate secretarial matters of our Group and to take the necessary actions in an effective and efficient manner.

However, given that Mr. Zhan does not possess a qualification stipulated in Rule 3.28(1) of the Listing Rules nor the “relevant experience” set out in Rule 3.28(2) of the Listing Rules, he is not able to solely fulfill the requirements as a company secretary of a [REDACTED] stipulated under Rules 3.28 and 8.17 of the Listing Rules. In order to provide support to Mr. Zhan, we have appointed Ms. So, an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who is qualified under Rule 3.28 of the Listing Rules, to act as the other joint company secretary to closely work with and provide support to Mr. Zhan during the Waiver Period so as to enable Mr. Zhan to acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to duly discharge his duties as a company secretary of a [REDACTED].

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Mr. Zhan as our joint company secretary on the condition that Mr. Zhan will be assisted by Ms. So as our joint company secretary throughout the Waiver Period. Being a manager of corporate services of Vistra Corporate Services (HK) Limited and by virtue of her experience in corporate secretarial practice, Ms. So is, in our Directors’ opinion, a qualified and suitable person to render assistance to Mr. Zhan so as to enable him to

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acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to duly discharge his duties. In addition, Mr. Zhan will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the Waiver Period. Our Company will further ensure that Mr. Zhan has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange.

Such waiver will be revoked immediately if and when Ms. So ceases to provide such assistance or our Company commits any material breaches of the Listing Rules during the Waiver Period. Before the expiry of such three-year period, we will liaise with the Stock Exchange to enable it to assess the then experience of Mr. Zhan, having had the benefit of Ms. So's assistance for three years, will have acquired the relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See “Directors and Senior Management” in this document for the biographical information of Mr. Zhan and Ms. So.

ACQUISITION AFTER THE TRACK RECORD PERIOD

Rules 4.04(2) and 4.04(4) of the Listing Rules require that the new applicant include in its accountants' report the results and balance sheet of any business or subsidiary acquired, agreed or proposed to be acquired, since the date to which its latest audited accounts have been made up, in respect of each of the three financial years immediately preceding the issue of its listing document. For the purpose of Rules 4.04(2) and 4.04(4) of the Listing Rules, “acquisition of business” includes acquisition of associates and any equity interest in another company.

Pursuant to note (4) of Rule 4.04(4) of the Listing Rules, the Stock Exchange may consider an application for a waiver of Rules 4.04(2) and 4.04(4) of the Listing Rules taking into account the following factors:

- (a) that all the percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) are less than 5% by reference to the most recent audited financial year of the new applicant's trading record period;
- (b) if the acquisition will be financed by the proceeds raised from a public offer, the new applicant has obtained a certificate of exemption from the SFC in respect of the relevant requirements under paragraphs 32 and 33 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and
- (c)
 - (i) where a new applicant's principal activities involve the acquisition of equity securities (the Stock Exchange may require further information where securities acquired are unlisted), the new applicant is not able to exercise any control, and does not have any significant influence over the underlying company or business to which Rule 4.04(2) and 4.04(4) of the Listing Rules relate, and has disclosed in its listing document the reasons for the acquisition and a confirmation that the counterparties and their respective ultimate beneficial owners are independent of the new applicant and its connected persons; or
 - (ii) with respect to an acquisition of a business (including acquisition of an associated company and any equity interest in a company other than in the circumstances covered under sub-paragraph (i) above) or a subsidiary by a new applicant, the historical financial information of such business or subsidiary is unavailable, and it would be unduly burdensome for the new applicant to obtain or prepare such financial information; and the new applicant has disclosed in its listing document

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information required for the announcement for a discloseable transaction under Rules 14.58 and 14.60 of the Listing Rules on each acquisition. In this regard, “unduly burdensome” will be assessed based on each new applicant’s specific facts and circumstances (e.g. why the financial information of the acquisition target is not available and whether the new applicant or its controlling shareholder has sufficient control or influence over the seller to gain access to the acquisition target’s books and records for the purpose of complying with the disclosure requirements under Rules 4.04(2) and 4.04(4) of the Listing Rules).

In February 2026, our Company entered into equity transfer agreements with three Independent Third Parties (the “**Vendors**”), pursuant to which (i) our Company agreed to acquire 20.07% equity interest in MST Microelectronics (Shenzhen) Co., Ltd. (麥斯塔微電子(深圳)有限公司 (the “**Target Company**”) from the Vendors at a total consideration of RMB6.0 million (the “**Equity Transfers**”), and (ii) it is further proposed that our Company will subscribe for up to 5.48% post-dilution equity interest in the Target Company at a subscription price of not more than RMB30 million within six months from the completion date of the Equity Transfers, subject to the terms of a separate agreement to be entered into (the “**Subscription**”, together with the Equity Transfers, the “**Acquisition**”). The consideration of the Acquisition was determined on an arm’s length basis taking into consideration the business position and prospects of the Target Company, and will be paid in cash with our internal resources. The Equity Transfers were completed in February 2026 and it is anticipated that the Subscription, if agreed by both parties under a separate agreement, will be completed no later than August 2026, upon which our Company will hold up to 24.45% post-dilution equity interest in the Target Company. The Target Company will be accounted for as an associate and its financial results will not be consolidated into the financial statements of our Group.

The Target Company is a one-stop MEMS clock solution provider established in the PRC in 2021 which is principally engaged in the R&D and production of micro-electromechanical system (MEMS) oscillators. The all-silicon MEMS oscillators launched by the Target Company are characterized by high precision, low power consumption and robust shock resistance, which can be used in automotive electronics, IoT and other fields. According to the unaudited management accounts of the Target Company prepared in accordance with PRC GAAP, the Target Company incurred a net loss for the year ended December 31, 2025 of RMB28.6 million and had a net asset of RMB36.4 million as of December 31, 2025. To the best of the knowledge, information and belief of our Directors, the Target Company and its ultimate beneficial owners are Independent Third Parties.

The Acquisition was made in the ordinary course of business of our Group as it is our business strategy to expand our solution portfolio and actively respond to the market opportunities driven by the diversification and intelligence of smart devices. It forms part of our effort to expand our technology portfolio and product categories by establishing our presence in field of MEMS. We envisage our potential collaboration with the Target Company, with its proprietary technology, could have a synergistic effect with our existing business and support our continuous growth. In addition, we expect to benefit from the potential growth in the valuation of our equity interest in the Target Company as a result of its R&D advancement.

We have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in relation to the preparation of financial statements in respect of the Target Company on the following grounds:

- (a) **Ordinary and usual course of business** — our Group is a provider of intelligent sensing, machine vision, and imaging technology solutions, dedicated to empowering smart devices to achieve precise sensing, imaging, and intelligent upgrades through the deep integration of high-performance mixed-signal ICs and optimization algorithms. It is our business strategy to expand our solution portfolio and actively respond to the market

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opportunities driven by the diversification and intelligence of smart devices. The Acquisition has been made in the ordinary and usual course of business of our Group as part of our effort to expand our technology portfolio and product categories by establishing our presence in the field of MEMS. See “Business — Our Strategies” for details. Our Directors believe that the Acquisition is in line with our business strategy and the terms of the Acquisition is fair and reasonable and in the interests of our Company and our Shareholders as a whole;

- (b) ***Immateriality of the Target Company*** — the scale of the business operated by the Target Company as compared to that of our Group is immaterial. Based on the unaudited management accounts of the Target Company available to us, all the applicable size test percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Acquisition referenced against the financials of our Company in the most recent financial year of the Track Record Period are less than 5%. Moreover, the Acquisition is not significant enough to require our Company to prepare [REDACTED] financial information under Rule 4.28 of the Listing Rules.

Accordingly, our Directors believe that (i) the Acquisition is immaterial when compared to the scale of our Group’s operations as a whole; (ii) the Acquisition has not resulted in any significant change to the financial position of our Group since the end of the Track Record Period; and (iii) all information that is reasonably necessary for [REDACTED] to make an informed assessment of the activities or financial position of our Group has been included in this document. As such, a waiver from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the [REDACTED];

- (c) ***Unavailability of information*** — as the Acquisition had not been completed, our Group does not have full and immediate access to the books and records of the Target Company for the purpose of complying with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules. Even with full and immediate access to the Target Company’s books and records, it will require considerable time and resources for our Company to familiarize with the management accounting policies of the Target Company and for our Company and our reporting accountants to compile the necessary financial information for disclosure in this document. As such, it would be impracticable and unduly burdensome to our Company to disclose the audited financial information of the Target Company as required under the Listing Rules; and
- (d) ***Alternative disclosure available*** — our Company has provided in this document alternative information regarding the Acquisition which is comparable to the information that is required to be included in the announcement of a discloseable transaction (as defined in the Listing Rules), including:

- (i) description of the principal business activities of the Target Company;
- (ii) the unaudited net loss for the year ended December 31, 2025 and the unaudited net asset as of December 31, 2025 of the Target Company;
- (iii) confirmation as to whether each of the counterparties is an Independent Third Party;
- (iv) the date of the Acquisition;
- (v) the consideration of the Acquisition, how the consideration would be satisfied and the basis upon which the consideration was determined;
- (vi) the reasons for the Acquisition and the benefits which are expected to accrue to our Group as a result of the Acquisition; and
- (vii) a statement that our Directors believe that the terms of the Acquisition are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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[REDACTED]

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[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality

Executive Directors

Mr. Liu Deheng (劉德珩)	Room 7, 2/F. No. 223, Wansongyuan Road Jiangnan District Wuhan, Hubei Province PRC	Chinese

Mr. Kong Fanxiao (孔繁曉)	No. 289, Meihua Road Huamu Town Pudong New Area, Shanghai PRC	Chinese

Mr. Zhan Wanxing (詹萬幸)	Room 2, 6/F., Building 44 Wansongyuan Fifth Road Jiangnan District Wuhan, Hubei Province PRC	Chinese

Ms. Yu Hong (余虹)	Room 1701, Block 1, Building 10 No. 2, Luoyu East Road Hongshan District Wuhan, Hubei Province PRC	Chinese

Non-executive Directors

Mr. Liu Kai (劉凱)	2401, Building 3 Xiangshanli Garden (Phase I) No. 8, Qiaobei 3rd Street Nanshan District Shenzhen, Guangdong Province PRC	Chinese

Mr. Wang Fuyu (王馥宇)	Room 1003, Building 2 No. 230, Liaoyuan West Road Yangpu District, Shanghai PRC	Chinese

Independent non-executive Directors

Ms. Wang Mingkun (王明坤)	Room 601, Gate 3, Building 28 Linyuanbeili Yuanxi Road Nankai District, Tianjin PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Mr. Gao Teng (高騰)	Flat R, 18th Floor Tower 2, the Avenue No. 200, Queen’s Road East Hong Kong	Belgian
Mr. Xing Xinpeng (辛新鵬)	Graduate School of Tsinghua University Shenzhen University Town Nanshan District, Shenzhen Guangdong Province PRC	Chinese

Please refer to the section headed “Directors and Senior Management” in this document for further details of our Directors.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

Haitong International Capital Limited

Suites 3001-3006 and 3015-3016
One International Finance Centre
No. 1 Harbour View Street
Central
Hong Kong

CITIC Securities (Hong Kong) Limited

18/F, One Pacific Place
88 Queensway
Hong Kong

[REDACTED]

Legal advisors to our Company

As to Hong Kong and United States laws:

Sidley Austin

Level 39, Two International Finance Centre
8 Finance Street
Central
Hong Kong

As to PRC laws:

Yingke Law Firm

19-25F
Building 2, Zhengda Center
20 Courtyard, Jinhedong Road
Chaoyang District, Beijing
PRC

As to PRC intellectual property laws:

DeHeng Law Offices (Shenzhen)

11/F & 33/F, Building B, Anlian Centre
No. 4018, Jintian Road
Futian District, Shenzhen
Guangdong Province
PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

As to Dutch laws:

Houthoff Coöperatief U.A.

Weena 355

3013 AL Rotterdam

The Netherlands

As to international sanctions laws:

King & Wood

10/F, Building B4, Xincheng Lingang Center

Lane 9, North Yunjuan Road

Shengang Street

Pudong New District, Shanghai

PRC

**Legal advisors to the Joint Sponsors
and the [REDACTED]**

As to Hong Kong and United States laws:

Norton Rose Fulbright Hong Kong

38/F Jardine House

1 Connaught Place

Central

Hong Kong

As to PRC laws:

Jia Yuan Law Offices

32nd Floor, Building S1

BFC Bund Financial Center

No. 600, Zhongshan East 2nd Road

Huangpu District, Shanghai

PRC

Reporting Accountants and Auditor

Deloitte Touche Tohmatsu

Certified Public Accountants

Registered Public Interest Entity Auditor

35/F, One Pacific Place

88 Queensway

Hong Kong

Industry Consultant

China Insights Industry Consultancy

Limited

10/F, Building B, Jing'an International Center

No. 88, Puji Road

Jing'an District

Shanghai

PRC

[REDACTED]

CORPORATE INFORMATION

Registered office in the PRC	Unit 701 – No. 27, 7/F., Building A5 North 4 Longshan Innovation Park Phase I Future Technology City No. 999, Gaoxin Avenue Donghu New Technology Development Zone Wuhan, Hubei Province PRC
Headquarters in the PRC	Building C4 Future Technology City No. 999, Gaoxin Avenue Donghu New Technology Development Zone Wuhan, Hubei Province PRC
Principal place of business in Hong Kong	Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company’s website address	<u>www.si-in.com</u> <i>(information on this website does not form part of this document)</i>
Joint Company Secretaries	Mr. Zhan Wanxing (詹萬幸) Room 2, 6/F., Building 44 Wansongyuan Fifth Road Jiangnan District Wuhan, Hubei Province PRC Ms. So Lai Shan (蘇麗珊) (ACG, HKACG) Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Mr. Zhan Wanxing (詹萬幸) Room 2, 6/F., Building 44 Wansongyuan Fifth Road Jiangnan District Wuhan, Hubei Province PRC Ms. So Lai Shan (蘇麗珊) (ACG, HKACG) Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong

CORPORATE INFORMATION

Audit Committee

Ms. Wang Mingkun (*Chairlady*)
Dr. Gao Teng
Mr. Liu Kai

Remuneration and Appraisal Committee

Dr. Xing Xinpeng (*Chairman*)
Dr. Gao Teng
Ms. Yu Hong

Nomination Committee

Mr. Liu Deheng (*Chairman*)
Dr. Xing Xinpeng
Ms. Wang Mingkun

Compliance Advisor

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

[REDACTED]

Principal bank

**China Merchants Bank Wuhan Guanggu
Sub-branch**
29/F, World City Center Office Building
No. 1 Guanggu Street
Donghu New Technology Development Zone
Wuhan
Hubei Province
PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by China Insights Consultancy Limited (“CIC”). We engaged CIC to prepare an independent industry report in connection with the [REDACTED] (the “CIC Report”). The information from official government sources has not been independently verified by us, the Joint Sponsors, [REDACTED], any of the [REDACTED], any of their respective directors, supervisors, and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

OVERVIEW OF THE GLOBAL ANALOG INTEGRATED CIRCUIT (IC) MARKET

Analog ICs are ICs that process continuous real-world signals, such as light, sound, current and temperature, and convert them into usable electrical signals for electronic systems. The analog IC market comprises a wide range of product categories with significantly different technical requirements, application scenarios and functional characteristics. Among these, intelligent sensing ICs, machine vision sensors and intelligent imaging ICs represent distinct application-driven sub-segments. According to CIC, the global analog IC market reached US\$86.5 billion in 2025, and is expected to grow to US\$111.3 billion in 2030, representing a CAGR of 6.1% from 2026 to 2030. In terms of revenue, intelligent sensing ICs, machine vision sensors and intelligent imaging ICs accounted for 13.4%, 1.9% and 0.9%, respectively, of the global analog ICs market in 2025, and are expected to reach 12.9%, 1.7% and 1.2%, respectively, by 2030. The decline in the expected share of intelligent sensing ICs and machine vision sensors is mainly attributable to the faster growth of enterprise and industrial applications within the broader analog IC market.

OVERVIEW OF THE GLOBAL INTELLIGENT SENSING IC MARKET

The core development trends of smart devices over the past decade have been diversification and intelligence. According to CIC, global smart device shipments reached 4.2 billion in 2025 and are projected to grow to 5.1 billion by 2030, representing a CAGR of 5.8% from 2026 to 2030. Sensing capabilities are critical to smart devices, which bridge the gap between digital and physical worlds. They help smart devices understand their environment, dynamically optimize and respond based on the information acquired, and enable autonomous decision-making and learning.

Intelligent sensing ICs are used in smart devices to collect and provide feedback on various types of environmental information, serving as the foundation of their sensing capabilities. With the rapid development of smart devices, intelligent sensing ICs are evolving from auxiliary components into indispensable core modules. Intelligent sensing ICs cover a broad range of sensing functions, including optical sensors, smart audio amplifier ICs, LRA driver ICs, microphone ICs, haptic sensors, biometric and health sensors, accelerometers, gyroscopes, barometers, Hall sensors, temperature and humidity sensors, among many others. These sub-segments differ significantly in their technical requirements, application scenarios and underlying technology architectures. In practical deployment, a single smart device typically integrates multiple types of intelligent sensing ICs to enable various functions, including display management, presence detection and illumination control, speaker output, tactile feedback, voice assistants and speech recognition, as well as health monitoring, navigation and environmental detection.

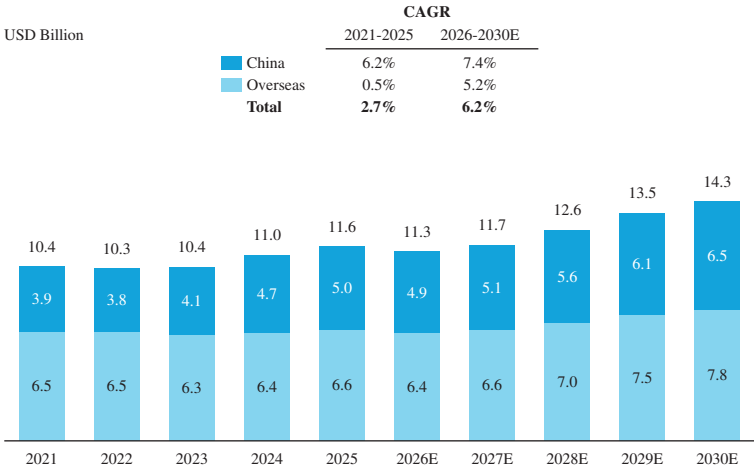
According to CIC, the market size of global intelligent sensing ICs is US\$11.6 billion in 2025, and is expected to grow to US\$14.3 billion in 2030. China as one of the largest markets in the global intelligent sensing IC market, accounting for approximately 40% of the global market in terms of revenue in 2025.

INDUSTRY OVERVIEW

Within the global intelligent sensing IC market, optical sensors, smart audio amplifier ICs, and LRA driver ICs account for approximately 9%, 8% and 2% respectively in terms of revenue in 2025.

According to CIC, a trend toward domestic substitution has emerged in China’s semiconductor industry, particularly in consumer electronics applications such as smartphones, tablets, and wearable devices. This trend is primarily attributable to several factors. First, technological maturity and performance parity have improved significantly. Domestic chip manufacturers, including the Company, have achieved technological benchmarking with international peers through continuous R&D investment and process innovation. As domestic analog chips demonstrate comparable performance and reliability to international alternatives, downstream customers have become more willing to adopt domestic solutions. Second, domestic suppliers offer superior cost-performance ratios. Through process optimization, economies of scale, and supply chain integration, domestic chip manufacturers have achieved competitive pricing while maintaining product quality. This cost advantage is particularly attractive to price-sensitive consumer electronics manufacturers in China’s highly competitive market. Third, domestic suppliers provide faster service response and greater customization capabilities. Proximity to downstream customers enables domestic chip manufacturers to respond more quickly to technical support requests, design modifications, and new product development requirements. This local service advantage is particularly valuable in the fast-moving consumer electronics sector, where time-to-market is critical. Fourth, supply chain resilience and diversification have become increasingly important considerations. Downstream customers seek to reduce concentration risk by diversifying their supplier base to include both domestic and international sources. For example, in smartphones of domestic brands, the proportion of optical sensors supplied by Chinese vendors increased from approximately 40% in 2023 to approximately 65% in 2025. Fifth, supportive government policies have encouraged adoption of domestic semiconductors. China’s national and local government initiatives to develop the domestic semiconductor industry have created a favorable environment for domestic chip manufacturers to expand market share.

Market Size of Global Intelligent Sensing ICs, in terms of Revenue, 2021-2030E



Source: Gartner, Omdia, Yole, CIC

Note: The 2026 market decline is mainly due to the expected short-term shrinkage in shipments of smart devices such as smartphones, tablets and laptops, caused by rising storage prices.

INDUSTRY OVERVIEW

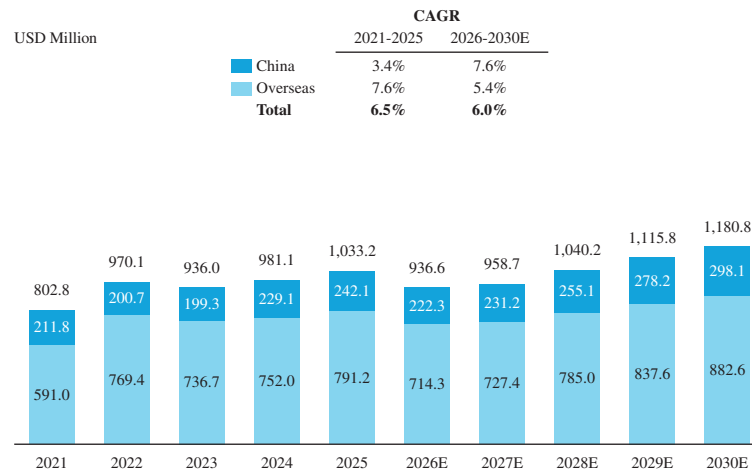
Overview of the Global Optical Sensor Market

Optical sensors are ICs that detect light. They are one of the foundational components in smart devices for functions such as display management, presence detection, and scene recognition. As interactive intelligence continues to evolve, optical sensors have become a critical sensing unit in smart devices that enhance user experience and enable device adjustments. They support a more comfortable visual experience by assisting display brightness and color tone automatic adjustment, preventing accidental touches, and thus help improving user convenience and device interaction efficiency, as well as saving energy.

Optical sensors primarily include (i) light sensors, which detect ambient light intensity to enable automatic screen brightness and color adjustment; (ii) proximity sensors, which determine the presence or distance of objects through infrared reflection or time-of-flight (ToF) technology and are commonly used for presence detection and in-ear sensing; and (iii) all-in-one optical sensors, which integrate ambient light and proximity sensing functions to support display management and proximity-based activation in smart devices.

According to CIC, the global optical sensor market size in terms of revenue is expected to grow from US\$1,033.2 million in 2025 to US \$1,180.8 million in 2030, at a CAGR of 6.0% from 2026 to 2030. Smart devices such as smartphones, TWS and tablets represent the major downstream application scenarios for optical sensors, accounting for 65%, 14%, and 8% of the global optical sensor market in 2025 respectively, and such proportions are expected to remain broadly stable as of 2030.

Market Size of Global Optical Sensor, in terms of Revenue, 2021-2030E



Source: Gartner, Omdia, Yole, CIC

Due to the high concentration of end customers for optical sensors, such as smartphone, tablet, smart watches and TWS earbuds companies, the global optical sensor market exhibits a relatively concentrated competitive landscape, with over 50 players globally. The top four players collectively held 85.0% of the global market share in terms of revenue in 2025, respectively. Among them, we were the fourth largest optical sensor company globally and the largest in China in terms of revenue, with a market share of 3.7%.

Competitive Landscape of the Global Optical Sensor Market, in terms of Revenue, 2025

Ranking	Company	Region	Revenue, USD million	Market Share, %
1	Company A	Austria	~590	57.1%
2	Company B	Switzerland	~140	13.5%
3	Company C	Taiwan	~110	10.6%
4	Our Company	China	38	3.7%

Source: Interviews with industry experts, annual reports, CIC

INDUSTRY OVERVIEW

Notes:

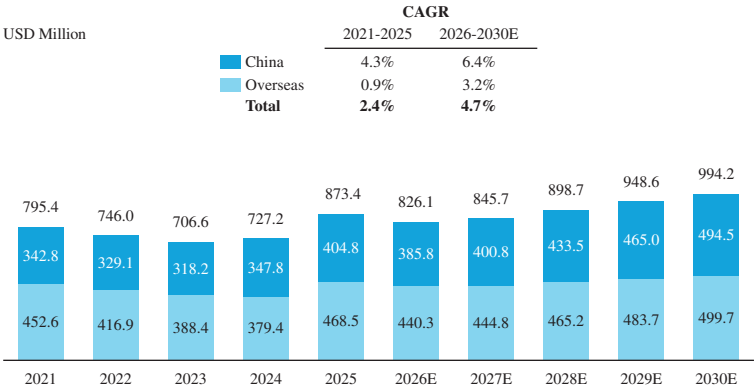
1. Company A is a sensor solutions company founded in Austria in 1981. It mainly provides optical sensors and analog IC solutions for consumer electronics, automotive, and industrial applications. It is a listed company on the SIX Swiss Exchange.
2. Company B is a multinational semiconductor company founded in Switzerland in 1987. It mainly provides microcontrollers, power devices, sensors, and analog ICs. It is a listed company on the Euronext Paris, Borsa Italiana, and New York Stock Exchange.
3. Company C is a fabless semiconductor company founded in Taiwan in 2009. It mainly provides optical sensors and MEMS sensors. It is a listed company on the Taipei Exchange.

Overview of the Global Smart Audio Amplifier IC Market

Smart audio amplifier ICs are used to drive speakers in a variety of smart devices, such as smartphones, tablets, laptops, TWS earbuds, TVs, smart speakers, among others. They amplify low-power audio signals to a level sufficient to drive a load, such as a speaker unit, enabling the acoustic unit to produce an adequate sound pressure level so that users can hear the sound clearly. As consumer demands for sound performance continue to increase, the number of smart audio amplifier ICs installed in a single device is also rising, a trend that enhances the device’s maximum volume, stereo field performance, and immersive listening experience. In the future, with the popularization of scenarios like voice interaction and smart assistants, the number of new smart devices with sound interaction capabilities will continue to grow, further driving demand for smart audio amplifier ICs.

According to CIC, the market size of global smart audio amplifier ICs in terms of revenue is expected to grow from US\$873.4 million in 2025 to US\$994.2 million in 2030, at a CAGR of 4.7% from 2026 to 2030. Smart devices such as smartphones, tablets and laptops represent the major downstream application scenarios for smart audio amplifier ICs, accounting for 55%, 14%, and 12% of the global smart audio amplifier IC market in 2025 respectively, and such proportions are expected to remain broadly stable as of 2030.

Market Size of Global Smart Audio Amplifier ICs, in terms of Revenue, 2021-2030E



Source: Gartner, Omdia, Yole, CIC

The downstream application scenarios for smart audio amplifier ICs are diversified, with over 100 players globally. The top three players collectively held 48.5% of the global smart audio amplifier IC market share in terms of revenue in 2025. Among them, we were the third largest smart audio amplifier IC company globally and the second largest in China, with a market share of 6.1% in terms of revenue.

INDUSTRY OVERVIEW

Competitive Landscape of the Global Smart Audio Amplifier IC Market, in terms of Revenue, 2025

Ranking	Company	Region	Revenue, USD million	Market Share, %
1	Company D	U.S.	~300	34.3%
2	Company E	China	~70	8.0%
3	Our Company	China	54	6.1%

Source: Interviews with industry experts, annual reports, CIC

Notes:

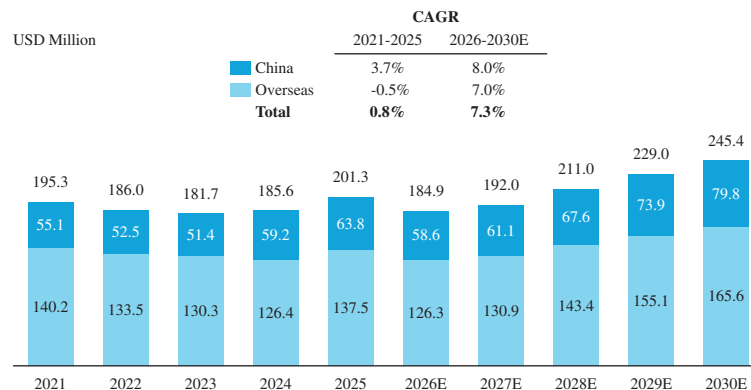
1. Company D is a fabless semiconductor company founded in the United States in 1981. It mainly provides low-power products including boosted amplifiers, haptic driver and sensing solutions, power conversion and control ICs, and fast-charging ICs. It is a listed company on NASDAQ.
2. Company E is a fabless semiconductor company founded in China in 2008. It mainly provides mixed-signal ICs, power management ICs and signal chain ICs. It is a listed company on the Shanghai Stock Exchange.

Overview of the Global LRA Driver IC Market

With the widespread application of smart devices in interactive scenarios such as gaming and virtual reality, users have higher expectations for the immersiveness of their interactive experience. LRA driver ICs, are dedicated to driving LRAs to provide subtle haptic feedback. It has become an important choice for smart device manufacturers to provide a differentiated haptic experience for consumers, and some are exploring the deployment of multiple LRA driver ICs and LRAs in different areas and layouts inside a smart device, in order to provide consumers with a much richer and more delicate haptic experience.

In the future, LRA driver ICs are expected to expand the addressable market from high-end flagship smartphones and game controllers to entry-level smartphones, TWS earbuds, smartwatches, AR/VR headsets and controllers, and even drone controllers controls. According to CIC, the market size of global LRA driver ICs in terms of revenue is expected to grow from US\$201.3 million in 2024 to US\$245.4 million in 2030, at a CAGR of 7.3% from 2026 to 2030. Smart devices such as smartphones, tablets and game consoles represent the major downstream application scenarios for LRA Driver ICs, accounting for 80%, 9%, and 5% of the global LRA Driver IC market in 2025 respectively, and are expected to represent 74%, 9%, and 8% by 2030.

Market Size of Global LRA Driver ICs, in terms of Revenue, 2021-2030E



Source: Gartner, Omdia, Yole, CIC

INDUSTRY OVERVIEW

The global LRA driver IC market is relatively concentrated, with over 50 players globally and the top three players collectively holding 93.2% of the market share in terms of revenue and in 2025, respectively. Among them, we were the third largest LRA driver IC company globally and the second largest in China, with a market share of 3.8% in terms of revenue.

Competitive Landscape of the Global LRA Driver IC Market, in terms of Revenue, 2025

Ranking	Company	Region	Revenue, USD million	Market Share, %
1	Company D	U.S.	~160	79.5%
2	Company E	China	~20	9.9%
3	Our Company	China	8	3.8%

Source: Interviews with industry experts, annual reports, CIC

Drivers of the Global Intelligent Sensing IC Market

Growing Demand for Intelligent User Interaction. Smart devices have become more deeply integrated into various application scenarios. Users’ expectations for human-machine interaction are shifting from single functions to a comprehensive experience that is natural, smooth and seamless, where smart devices would respond in real time based on environmental and user status. This has led to a continuous rise in demand for multimodal and high-quality intelligent interaction.

Growing Demand from Smartphones. The continuous evolution of smartphones, particularly with the emergence of AI-enabled devices, is expected to support long-term growth in smartphone shipments. As smartphones increasingly integrate AI functionalities such as real-time interaction, on-device processing and context-aware services, there is a growing need for more advanced sensing capabilities. This has led to higher content value of intelligent sensing ICs per device, as well as the adoption of a broader range of sensing components to support functions such as display management, environmental perception, audio interaction and haptic feedback.

Favorable policies. Favorable government policies are an important driver of the global intelligence sensing IC market, with China providing a representative example given its role as one of the world’s largest IC production and application hubs. In China, the “Action Plan for Metrology to Support the Development of New Quality Productive Forces in Industries (2025-2030)” advances core capabilities, such as wafer-level defect measurement, advanced-packaging reference materials, and atomic-scale metrology, to accelerate breakthroughs in IC process technologies. The “Notice of the State Council on Issuing the 14th Five-Year Plan for the Development of the Digital Economy” strengthens R&D in ICs, industrial software, core algorithms, and cloud-computing systems while enhancing supply-chain resilience across integrated circuit-related industries. The “Outline of the 14th Five-Year Plan for National Economic and Social Development of the People’s Republic of China and the Long-Range Objectives Through the Year 2035” promotes innovation in advanced manufacturing clusters and prioritizes R&D in ICs, AI algorithms, sensors, and next-generation computing technologies.

Expansion into New Smart Devices. The rapid rise of new smart devices, such as AR/VR devices, service robots, AI glasses, and smart vehicle cockpits, has significantly broadened the application scope of intelligent sensing ICs. These devices are highly dependent on environment sensing and real-time response capabilities, driving the continuous iteration of intelligent sensing ICs in precision, algorithms and system integration. According to CIC, the shipment volume of new smart devices grew from approximately 34 million in 2021 to 50 million in 2025, with a CAGR of 10%, and is expected to reach 120 million by 2030, with a CAGR of 18%.

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Technological Advancements. With continuous advancements in semiconductor manufacturing processes and hardware-software co-design capabilities, the performance of intelligent sensing ICs is continuously improving while production costs are gradually decreasing. The enhanced performance leads to higher driving precision and faster response speeds, while the reduction in production cost allows intelligent sensing ICs to expand from high-end products to mass-market products, further promoting their adoption in smart devices.

Entry Barriers of the Global Intelligent Sensing IC Market

R&D Capabilities. Intelligent sensing ICs have high requirements for IC design and circuit simulation capabilities. They need to rapidly innovate in emerging application scenarios while keeping up with the constant iteration of existing technologies. Leading players often have strong technology reserves, enabling them to quickly apply cutting-edge industry technologies and maintain their competitiveness.

Full-Stack Solution Capability. Intelligent sensing IC companies must possess not only the capability to design the underlying IC, but also system integration capabilities to provide an integrated solution that covers other components such as IC algorithms, driver software, and system tuning, among others.

Product Quality Control Capabilities. Intelligent sensing ICs are widely used in a variety of smart devices that are critical to daily modern life, which make the product quality and durability of paramount importance. Therefore, intelligent sensing IC companies must have a strict quality control system to ensure the stability and reliability of their ICs in various working environments, preventing quality issues from harming the customer’s interests and brand reputation.

Mature and Controllable Supply Chain. Intelligent sensing IC companies need to balance performance and cost in IC design. For mid- to high-end smart devices in particular, there are strict requirements on the size, power consumption, and bill of material (“BOM”) cost of intelligent sensing ICs, which is a test for such company’s comprehensive supply chain management capabilities. Leading intelligent sensing IC companies can effectively control costs by optimizing design, improving production efficiency and increasing product yield, thereby ensuring price competitiveness while maintaining product quality.

Stable Customer Base. Smart device manufacturers usually have strict requirements for IC stability and validation, resulting in long certification cycles and strong customer stickiness. Once qualified, leading suppliers of intelligent sensing ICs further consolidate their positions by offering fast and accurate engineering responses and technical support, thereby deeply engaging with major downstream customers and gaining industry influence. New entrants to the industry often lack access to these top customers and need to go through a long validation period, making it difficult to achieve a competitive advantage.

RELATIONSHIP BETWEEN ANALOG ICS, MACHINE VISION SENSORS AND INTELLIGENT IMAGING ICS

The global intelligent sensing IC market constitutes a specialized, high-growth sub-segment of the analog IC industry. Within the analog IC market, machine vision sensors and intelligent imaging ICs represent two distinct but related functional verticals focused on optical capabilities:

- Machine vision sensor primarily utilizes a variety of sensing technologies, including 3D ToF sensors, structured light, and stereoscopic vision, to enable devices to perceive spatial environments and support functions such as object recognition, spatial mapping, and navigation.
- Intelligent imaging IC focuses on enhancing system performance and optimizing image quality through specialized analog ICs, including OIS drivers and flicker sensors, which operate at the front end of imaging systems to improve image clarity and reliability.

INDUSTRY OVERVIEW

Therefore, both machine vision and intelligent imaging are categorized as specific, application-driven sub-segments within the global analog IC market, sharing underlying manufacturing processes and design methodologies with other analog sub-segments.

OVERVIEW OF THE GLOBAL MACHINE VISION MARKET

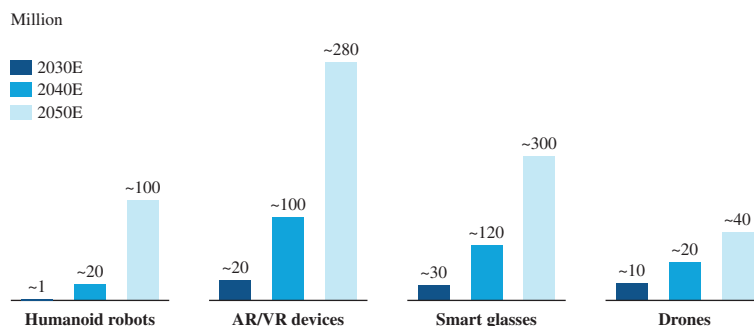
Machine vision refers to the capability of smart devices to capture, process, and interpret visual information from their environment to perform tasks such as object recognition, inspection, and navigation. Traditionally, machine vision has relied on 2D sensing technologies, which primarily capture flat image information, such as colors and contours but have inherent limitations in acquiring an object’s spatial position, depth information, and dynamic environmental modeling.

In contrast, 3D machine vision enables smart devices to achieve higher-precision gesture recognition, motion tracking, positioning, and navigation services, significantly improving operational efficiency and interactive experience in complex environments. In response to growing demands for environmental adaptability and spatial understanding, this technology has become an important enabling capability for new types of smart devices such as AR/VR devices, smart robots, service drones, and autonomous driving systems.

Currently, the main 3D machine vision technologies include 3D ToF, 3D structured light, binocular stereo vision, and laser triangulation. The market size of global machine vision increased from US\$1.4 billion in 2021 to US\$1.6 billion in 2025, and is expected to reach US\$1.9 billion in 2030, at a CAGR of 7.3% from 2026 to 2030. Meanwhile, China’s machine vision market is expected to grow from US\$219.8 million to US\$430.1, with a CAGR of 7.3% from 2026 to 2030. Among these, the 3D ToF solution stands out due to its balance of precision, complex environment adaptability, high response speed and low system cost. Based on the signal processing method, 3D ToF technology can be further divided into dToF (direct Time-of-Flight) and iToF (indirect Time-of-Flight). The 3D iToF solution, with its high near-distance precision and low latency, is mainly used in consumer electronic like smartphones and tablets for photographic assistance and facial recognition.

The penetration of 3D ToF image sensors in mainstream consumer electronics, such as smartphones, tablets, and laptops, is expected to continue rising. Moreover, with continuous technological advancements and enhanced applicability, 3D ToF technology is expected to rapidly expand into a wide range of emerging smart devices, such as humanoid robots, AR/VR devices, smart glasses, and drones. These smart devices are experiencing rapid and large-scale adoption, as illustrated in the figure below.

Global Emerging Smart Device Shipments, 2030e, 2040e, 2050e

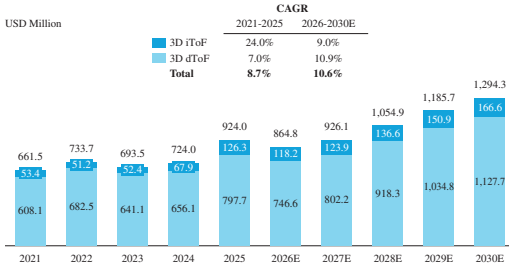


Source: IDC, Gartner, CIC

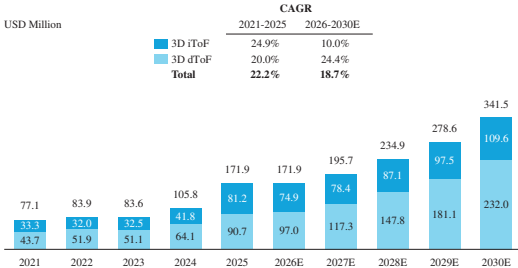
According to CIC, as 3D ToF image sensors play an increasingly important role in three-dimensional visual sensing tasks, the global 3D ToF image sensor market is expected to continue its growth. In 2025, the market size of global 3D ToF image sensors in terms of revenue is expected to grow from US\$924 million in 2025 to US\$1,294.4 million in 2030, at a CAGR of 10.6% from 2026 to 2030. Smart devices such as smartphones, smart vehicles and robot vacuums represent the major downstream application scenarios for 3D ToF image sensors, accounting for 86%, 4%, and 2% of the global 3D ToF image sensors market in 2025 respectively, and are expected to represent 74%, 7%, and 9% by 2030.

INDUSTRY OVERVIEW

Market Size of Global 3D ToF Image Sensors, in terms of Revenue, 2021-2030E



Market Size of China's 3D ToF Image Sensors, in terms of Revenue, 2021-2030E



Source: Yole, CIC

Drivers of the Global 3D ToF Image Sensor Industry

3D Sensing as a Mainstream Solution. Compared to traditional 2D sensing, 3D sensing solutions offer stronger spatial awareness and depth analysis capabilities, providing more precise environmental modeling, object detection, and position recognition. With technological advancements and the evolution of smart wearables, 2D sensing can no longer meet the environmental sensing requirements of some high-precision, high-safety, and complex scenarios. This makes 3D sensing a key technology for natural human-machine interaction and intelligent upgrades. Among these, 3D ToF has shown greater application potential and better performance due to its strong ability to acquire depth information, good real-time performance, and strong environmental adaptability. For example, the penetration rate of 3D ToF Image sensor in smartphones has increased from approximately 9% in 2021 to 17% in 2025, and is expected to further grow to 23% by 2030.

Increasing Shipments of Emerging Smart Devices like Drones and Robots. With the expansion of application scenarios such as facial recognition, gesture interaction, spatial modeling, and AR, the rapid development of emerging smart devices like drones, service robots, and AR/VR devices is underway. For example, the shipments of service robots is expected to increase from less than 1 million units in 2030 to approximately 10 million units in 2040, and further to approximately 50 million units in 2050. 3D sensing is becoming one of the core technologies for improving interactivity and environmental understanding. For example, humanoid robots and drones have a rigid need for reliable depth data for indoor navigation, obstacle avoidance, and object recognition. 3D ToF technology, with its advantages in real-time, precise, and non-contact distance measurement, has become a mainstream depth sensing solution. The rapid growth of downstream applications is accelerating the demand for 3D ToF image sensors.

Technological Advancements and Cost Reduction. 3D ToF image sensors are continuously making breakthroughs in integration, manufacturing processes, and algorithm optimization, achieving smaller sizes, lower power consumption, higher precision, and stronger anti-interference capabilities. At the same time, as production scale expands and manufacturing processes mature, IC costs are continuously decreasing.

Competitive Landscape of the Global 3D ToF Image Sensor Industry

The global 3D ToF image sensor industry is relatively concentrated, with over 50 players globally and the top three players holding 86.6% of market share in terms of revenue. Among them, we were the third largest globally and was the largest 3D ToF image sensor company in China, with a market share of 1.1% in 2025 in terms of revenue.

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Competitive Landscape of the Global 3D ToF Image Sensor Market, in terms of Revenue, 2025

Ranking	Company	Region	Revenue, USD million	Market Share, %
1	Company F	Japan	~760	82.3%
2	Company G	Germany	~30	3.2%
3	Our Company	China	10	1.1%

Source: Interviews with industry experts, annual reports, CIC

Notes:

1. Company F is a multinational conglomerate founded in Japan in 1946. It mainly provides consumer electronics, image sensors, semiconductors, entertainment products and services. It is a listed company on the Tokyo Stock Exchange and the New York Stock Exchange.
2. Company G is a semiconductor company founded in Germany in 1999. It mainly provides power semiconductors, automotive ICs, security ICs and industrial microcontrollers. It is a listed company on the Frankfurt Stock Exchange.

Meanwhile, in 2025, the company was the third largest globally and the largest in China among 3D iToF image sensor companies, holding a market share of 7.9% in terms of revenue.

Competitive Landscape of the Global 3D iToF Image Sensor Market, in terms of Revenue, 2025

Ranking	Company	Region	Revenue, USD million	Market Share, %
1	Company G	Germany	~30	~23.8%
2	Company F	Japan	~20	~15.8%
3	Our Company	China	10	7.9%

Source: Interviews with industry experts, annual reports, CIC

Entry Barriers of the Global 3D ToF Image Sensor Industry

Product Performance Optimization Capability. 3D ToF companies must possess strong technological expertise at both the device and system levels, continuously improving sensor sensitivity, reducing the power consumption, and optimizing algorithms to handle interference from multipath and strong ambient light. These efforts serve to enhance depth measurement accuracy, lighting robustness, frame rates, and reduce end-to-end latency. Leading players achieve competitive advantage and build market reputation by delivering reliable depth information in real-world scenarios through the coordinated optimization of hardware performance and algorithm capabilities.

Scenario-based Adaptability. As the adoption of 3D ToF technology in smart devices continues to accelerate, an increasing number of emerging smart devices are integrating 3D ToF image sensors. Players capable of offering differentiated product portfolios tailored to diverse smart device requirements are able to penetrate the market more quickly and secure a competitive edge. At the same time, these players can further strengthen their market position by rapidly responding to customized client needs through efficient product adaptation, on-site calibration, firmware iteration, and long-term maintenance services, thereby shortening customer integration cycles and enhancing overall satisfaction.

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Customer Development and Service Capability. Given that downstream applications and customers of 3D ToF technology typically impose stringent requirements on product performance, validation and ongoing support, the stability and continuity of customer relationships are critical to business development. To address this, 3D ToF companies must establish a well-structured sales team to deliver systematic and professional pre-sales support, while also maintaining a comprehensive after-sales service system to promptly respond to client needs and effectively resolve product-related issues. By doing so, they can strengthen customer stickiness, reduce churn risks, and foster long-term partnerships, thereby supporting sustainable business growth.

OVERVIEW OF THE GLOBAL INTELLIGENT IMAGING IC MARKET

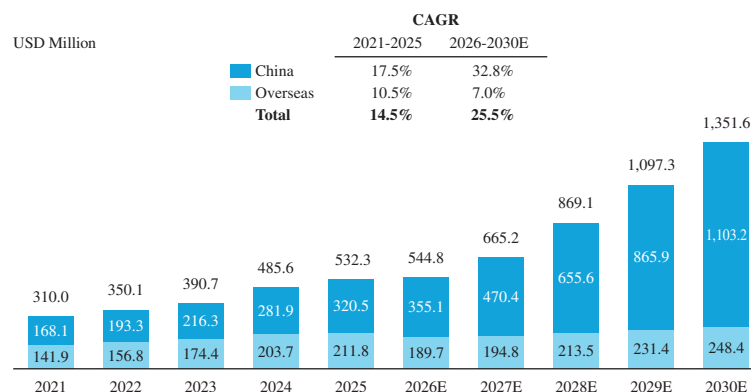
Driven by use cases such as social media sharing, short-form video creation, live streaming, remote work, and online education, expectations for image clarity, stability, and realism have steadily increased. Consequently, the capability to deliver high-quality visual content has become a key determinant of user experience and a differentiating factor in the competition among smart devices.

Within this evolution, intelligent imaging ICs, are increasingly deployed in imaging systems to support the capture, processing, or optimization of image quality. The ICs primarily include (i) OIS driver ICs, which control micro-motors to compensate for lens shake and enhance image stabilization; (ii) flicker sensors, which detect light flicker and assist exposure control to improve image stability; (iii) dToF ranging sensors, which measure subject distance to improve autofocus speed and accuracy; and (iv) multi-spectral sensors, which capture spectrum information to support white balance adjustment and color calibration.

At the same time, smart device manufacturers and their supply chain partners are accelerating the commercialization of emerging sensors such as dedicate imaging co-processor and photon counting imaging sensor, which not only broaden the avenues for smart device imaging optimization but also generate new momentum for market growth.

According to CIC, the market size of global intelligent imaging ICs in terms of revenue is expected to grow from US\$532.3 million in 2025 to US\$1,351.6 million in 2030, representing a CAGR of 25.5% from 2026 to 2030. Smartphones, drones and smart vehicles represent the major downstream application scenarios for intelligent imaging ICs, accounting for 91%, 1%, and 1% of the global intelligent imaging IC market in 2025 respectively, and are expected to represent 87%, 1%, and 3% by 2030.

Market Size of Global intelligent imaging ICs, in terms of Revenue, 2021-2030E



Source: Gartner, Omdia, CIC

INDUSTRY OVERVIEW

Drivers for the Global Intelligent Imaging IC Industry

Rising Demand for High-quality Imaging. Requirements for image clarity, stability, and realism are rising across smart devices. Users now demand not only higher resolution and brightness but also precise autofocus, natural color reproduction, and smoother motion rendering, driving the broad adoption of intelligent imaging ICs.

Diversified Smart Device Scenarios. Intelligent imaging systems are expanding rapidly beyond traditional consumer electronics into emerging application areas such as action cameras, robotics, and AR/VR. These platforms demand advanced capabilities for dynamic capture, spatial understanding, and robust multimodal image fusion in complex environments, thereby accelerating functional and scalable innovations in intelligent imaging ICs.

Technological Innovation. Continuous advancements in process nodes, multi-rail power management, and AI algorithms are driving steady performance improvements in intelligent imaging ICs, with trends toward smaller form factors, lower power consumption, and higher integration. The new generation of ICs supports multifunctional collaboration and hardware — software synergy, enabling higher frame rates, lower power consumption, and more intelligent image processing and control, thus serving as a core foundation for next-generation devices.

Competitive Landscape of the Global Intelligent Imaging IC Market

The global intelligent imaging IC industry is relatively concentrated, with over 200 players globally and the top ten players accounting for 68.8% of market share. Among them, we were the eighth largest intelligent imaging IC company globally and ranked first in China, holding a 1.9% market share in terms of revenue in 2025.

Competitive Landscape of the Global Intelligent Imaging IC Market, in terms of Revenue, 2025

Ranking	Company	Region	Revenue, USD million	Market Share, %
1	Company H	Japan	~80	15.0%
2	Company I	Korea	~75	14.1%
3	Company A	Austria	~60	11.3%
4	Company D	U.S.	~60	11.3%
5	Company B	Switzerland	~30	5.6%
6	Company E	China	~20	3.8%
7	Company C	Taiwan	~20	3.8%
8	Our company	China	10	1.9%
9	Company J	Japan	~6	1.2%
10	Company K	Japan	~5	0.9%

Source: Interviews with industry experts, annual reports, CIC

Notes:

- Company H is a sensing device company founded in 2003 in Japan. It mainly provides analog, digital and mixed-signal ICs. It is a subsidiary of a listed company on the Tokyo Stock Exchange.
- Company I is a fabless semiconductor company founded in South Korea in 2006. It mainly provides ICs for image stabilization and auto focus control in smart devices. It is a listed company on KOSDAQ.
- Company J is a semiconductor company founded in Japan in 1958. It mainly provides ICs, discrete semiconductors, and electronic components. It is a listed company on the Tokyo Stock Exchange.
- Company K is a semiconductor company founded in Japan in 2010. It mainly provides microcontrollers, system-on-chips, and analog and power devices. It is a listed company on the Tokyo Stock Exchange.

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Entry Barriers of the Global Intelligent Imaging IC Market

The intelligent imaging IC market is characterised by several key entry barriers, including (i) technological innovation and product upgrade capability, as continuous improvements in imaging quality require sustained R&D to support advanced functionalities; (ii) comprehensive product portfolio, as vendors need to offer integrated solutions across multiple imaging functions to meet system-level requirements; (iii) rapid response and customization capability, as diversified application scenarios require flexible design and tailored solutions to address specific customer needs; and (iv) ecosystem collaboration capability, as effective integration with image sensors, lenses and other components is critical to achieving optimal imaging performance.

THREATS AND CHALLENGES OF THE INTELLIGENT SENSING IC, 3D TOF IMAGE SENSOR, AND INTELLIGENT IMAGING IC MARKETS

Intensifying Technological Competition. These markets are characterized by rapid technological evolution. Continuous advances in algorithms, process technologies and system integration create constant pressure for market participants to maintain high levels of R&D investment to avoid technological obsolescence.

Supply Chain Volatility. These industries remain exposed to fluctuations in the semiconductor supply chain, including wafer capacity, packaging and testing bottlenecks, and potential price volatility. Such constraints may affect production stability and delivery schedules.

Dependence on Downstream Device Cycles. The market demand is closely linked to the shipment cycles of key smart devices. Slowdowns or structural shifts in major downstream categories (e.g., smartphones, tablets and smart wearables, among others) may directly impact market growth and product demand patterns.

Uncertain Consumer Adoption of Emerging Technologies. The penetration of 3D ToF sensors and intelligent imaging ICs in smart devices depends on end-users’ willingness to adopt new functionalities, such as advanced spatial interaction, AR-related features or advanced color calibration. As many of these use cases are still emerging and relevant supporting technologies are still maturing, consumer adoption may progress more slowly than expected given potentially dissatisfying user experience, which could in turn affect smart device manufacturers’ incentives to integrate such ICs on a large scale.

Cost Sensitivity in Consumer Electronics Applications. While 3D ToF enables advanced use cases such as biometric authentication and spatial interaction, price sensitivity in consumer electronics may limit the penetration of high-performance ToF modules unless costs continue to decline. Achieving both cost efficiency and high precision remains a key industry challenge.

COST AND PRICE TRENDS OF THE INTELLIGENT SENSING IC, 3D TOF IMAGE SENSOR, AND INTELLIGENT IMAGING IC MARKETS

The manufacturing process of intelligent sensing IC, 3D ToF image sensor and intelligent imaging IC primarily consists of (i) silicon wafer manufacturing, during which high-purity silicon is processed into wafers through crystal growing, ingot slicing, polishing and cleaning; (ii) wafer fabrication, which involves photolithography, etching, ion implantation, thin-film deposition and chemical mechanical polishing to form the circuit structures on silicon wafers; and (iii) packaging and testing, during which the fabricated wafers are diced, the dies are assembled, bonded and encapsulated, followed by wafer-level and final testing to ensure functionality, reliability and yield.

Silicon is the primary raw material used in manufacturing intelligent sensing ICs, 3D ToF image sensors and intelligent imaging ICs. According to CIC, the price of silicon experienced a price peak of over RMB50 thousand per ton in the second half of 2021 driven by tight supply and strong downstream demand, and has since trended steadily downward, reaching approximately RMB10 thousand per ton in the second half of 2025.

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From 2020 to 2025, the average selling prices of intelligent sensing ICs, 3D ToF image sensors and intelligent imaging ICs each exhibited a gradual downward trend within each product generation. Such price declines were primarily driven by technological maturation, economies of scale as products moved into mass production, and the entry of subsequent generations into the market. Over the same period, the average selling prices of intelligent sensing ICs and 3D ToF image sensors both recorded an average annual decline of approximately 5% to 10%, while that of intelligent imaging ICs did approximately 10% to 15%.

SOURCE OF THE INDUSTRY INFORMATION

CIC was commissioned to conduct research, provide an analysis of, and to produce a report on the global intelligent sensing IC market, the global machine vision market, and the global intelligent imaging IC market and other related economic data, at a fee of approximately RMB880,000. The commissioned report has been prepared by CIC independent of the influence of the Company and other interested parties.

CIC undertook both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources. The market projections in the commissioned report are based on the following key assumptions: (i) the overall global social, economic, and political environment is expected to maintain a stable trend during the forecast period; (ii) certain key industry drivers are likely to continue to drive market growth during the forecast period; and (iii) there is no extreme force majeure or unforeseen industry regulations in which the market may be affected either dramatically or fundamentally during the forecast period. Our Directors confirm that, after making reasonable enquiries, there is no material adverse change in the market information since the date of the CIC Report which may qualify, contradict or have an impact on the information in this section.

REGULATORY OVERVIEW

This section provides an overview of certain aspects of the laws, regulations and policies applicable to the Group that may materially affect the Group and its operations. The principal objective of this summary is to provide [REDACTED] with an overview of the key laws and regulations applicable to the Group.

This summary does not purport to be a comprehensive description of all the laws and regulations applicable to the business and operations of the Group and/or which may be important to [REDACTED]. [REDACTED] should note that the following summary is based on the laws, regulations and policies in force as of the date of this document, which may be subject to change.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS AND OPERATIONS IN THE PRC

Laws, Regulations and Policies Relating to the IC Industry

On 19 June 2025, the State Administration for Market Regulation and the Ministry of Industry and Information Technology issued the “Action Plan for Metrology to Support the Development of New Quality Productive Forces in Industries (2025–2030)” (《計量支撐產業新質生產力發展行動方案(2025–2030年)》) (the **Action Plan**). The Action Plan points out that, addressing the development needs of the integrated circuit industry, it focuses on core metrology technology support for integrated circuits, concentrates on overcoming technical challenges such as flat-surface measurement traceability to break through bottlenecks in wafer-level defect particle measurement and testing, chip-based parameter standardization for integrated circuits, development of reference materials for advanced packaging technologies like 3D packaging, and production of 12-inch wafer-level reference materials.

On 27 July 2020, the State Council issued the “Several Policies on Promoting the High-Quality Development of the Integrated Circuit Industry and Software Industry in the New Era” (《新時期促進集成電路產業和軟件產業高質量發展的若干政策》); to further optimize the development environment for the integrated circuit industry and software industry, deepen international industrial cooperation, and enhance industrial innovation capability and development quality, the Policy introduces a series of supportive policies covering finance and taxation, investment and financing, research and development, import and export, talents, intellectual property rights, market application and international cooperation.

Laws and Regulations Relating to Overseas Listings

On 17 February 2023, the China Securities Regulatory Commission (CSRC) promulgated the “Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises” (《境內企業境外發行證券和上市管理試行辦法》) and five related guidelines, and these regulations took effect on 31 March 2023.

Pursuant to the “Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises”, domestic enterprises in the People’s Republic of China that seek to issue and list securities in overseas markets either directly or indirectly shall file a record with the CSRC and submit relevant materials. The “Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises” stipulates that an enterprise shall not conduct overseas issuance and listing if any of the following circumstances exists: (1) where listing and financing is explicitly prohibited by laws, administrative regulations or relevant state provisions; (2) where, upon examination and determination by the relevant competent departments of the State Council in accordance with the law, overseas issuance and listing may endanger national security; (3) where the domestic enterprise, or its controlling shareholder or actual controller, has been convicted of criminal offences such as embezzlement, bribery, seizure of property, misappropriation of property or disruption of the socialist market economic order within the most recent three years; (4) where the domestic enterprise is under investigation by the relevant authorities in accordance with the law on suspicion of committing a crime or committing a major

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violation of laws or regulations, and no clear conclusion has been reached yet; or (5) where there is a major ownership dispute over the equity held by the controlling shareholder or other shareholders controlled by the controlling shareholder and/or the actual controller.

The “Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises” also stipulates that; if an issuer submits an application for an initial public offering to an overseas competent authority, it shall file a record with the CSRC within three working days after submitting such application. The “Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises” also stipulates that after an issuer completes overseas issuance and listing, if major events such as change of control, voluntary delisting or mandatory delisting occur, the issuer shall report and file a record with the CSRC.

In addition, to further strengthen the confidentiality and archives management work related to the overseas issuance and listing of domestic enterprises, clarify the information security responsibilities of listed companies, safeguard national information security, and deepen cross-border regulatory cooperation, the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection and the National Archives Administration revised the “Provisions on Strengthening the Confidentiality and Archives Management Work Related to Overseas Securities Offering and Listing (《關於加強在境外發行證券與上市相關保密和檔案管理工作的規定》) (CSRC Announcement [2009] No. 29) and promulgated the “Provisions on Strengthening the Confidentiality and Archives Management Work Related to Overseas Securities Offering and Listing by Domestic Enterprises” (CSRC Announcement [2023] No. 44) (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Confidentiality and Archives Management Provisions**”) on 24 February 2023. The Confidentiality and Archives Management Provisions are consistent with the “Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises” and define “domestic enterprises” as including domestic joint-stock limited companies that conduct direct overseas issuance and listing and domestic operating entities of entities that conduct indirect overseas issuance and listing. Meanwhile, the Confidentiality and Archives Management Provisions also add procedural requirements and clarify the confidentiality responsibilities of enterprises and the management requirements for accounting archives.

Laws and Regulations Relating to Cybersecurity and Data Protection

(1) Cybersecurity

Pursuant to the “Cybersecurity Law of the People’s Republic of China” (《中華人民共和國網絡安全法》) promulgated by the Standing Committee of the National People’s Congress (“**NPC Standing Committee**”) on 28 October 2015 and entering into force on 1 January 2016, the State promotes the development of a socialized cybersecurity service system and encourages relevant enterprises and institutions to conduct cybersecurity services such as cybersecurity certification, testing and risk assessment; where the procurement of network products and services by operators of critical information infrastructure may affect national security, such procurement shall undergo national security review organized by the national cyberspace administration department in conjunction with the relevant departments of the State Council; in addition, personal information and important data collected and generated by operators of critical information infrastructure during their operations within the territory of the People’s Republic of China shall be stored within the territory; if it is really necessary to provide such information and data to overseas parties due to business needs, a security assessment shall be conducted in accordance with the measures formulated by the national cyberspace administration department in conjunction with the relevant departments of the State Council.

The NPC Standing Committee promulgated the “Data Security Law of the People’s Republic of China” (《中華人民共和國數據安全法》) (the “**Data Security Law**”), which took effect on 1 September 2021. The Data Security Law primarily establishes specific provisions regarding fundamental data security management systems, including a data classification and grading

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management system, risk assessment mechanisms, monitoring and early-warning mechanisms, and emergency response mechanisms. Furthermore, the law clearly defines the data security protection obligations of organizations and individuals engaged in data-related activities and enforces accountability for data security protection.

On 30 July 2021, the State Council promulgated the “Regulations on the Security Protection of Critical Information Infrastructure” (《關鍵信息基礎設施安全保護條例》), which took effect on 1 September 2021. Pursuant to the “Regulations on the Security Protection of Critical Information Infrastructure”, critical information infrastructure refers to important network facilities and information systems in important industries and fields such as public communications and information services, energy, transportation, water conservancy, finance, public services, e-government, and national defense science and technology industry, as well as other important network facilities and information systems that may seriously endanger national security, national economy and people’s livelihood, and public interests once damaged, disabled or subject to data leakage; under the Regulations, the competent authorities and supervision and administration departments of important industries and fields, as the departments responsible for the security protection of critical information infrastructure, shall be responsible for organizing the identification of critical information infrastructure in their respective industries and fields, and the relevant departments shall promptly notify the operators of critical information infrastructure of the identification results and report the same to the public security department of the State Council.

On 28 December 2021, the CAC, the National Development and Reform Commission, the Ministry of Industry and Information Technology and several other Chinese government authorities jointly issued the “Measures for Cybersecurity Review” (《網絡安全審查辦法》), which took effect on 15 February 2022 and replaced the “Measures for Cybersecurity Review” promulgated on 13 April 2020. Pursuant to the “Measures for Cybersecurity Review”, operators of critical information infrastructure that purchase network products and services, and internet platform operators that conduct data processing activities, where such purchases or activities affect or may affect national security, shall conduct cybersecurity review in accordance with the Measures; in addition, internet platform operators that hold personal information of more than one million users and seek to list on overseas stock exchanges must undergo cybersecurity review; the Cybersecurity Review Office established under the CAC shall be responsible for formulating institutional norms related to cybersecurity review and organizing cybersecurity review.

(2) Security Assessment for Data Outbound Transfer

On 7 July 2022, the CAC promulgated the “Measures for Security Assessment of Data Outbound Transfer” (《數據出境安全評估辦法》), which took effect on 1 September 2022; the Measures for Security Assessment stipulate that a data processor shall declare a security assessment of data outbound transfer to the national cyberspace administration department through the provincial-level cyberspace administration department at its locality if any of the following circumstances applies: (1) the data processor provides important data to overseas parties; (2) an operator of critical information infrastructure or a data processor that processes personal information of more than one million people provides personal information to overseas parties; (3) a data processor that has cumulatively provided personal information of 100,000 people or sensitive personal information of 10,000 people to overseas parties since 1 January of the previous year provides personal information to overseas parties; and (4) other circumstances requiring the declaration of security assessment of data outbound transfer as prescribed by the CAC.

Laws and Regulations Relating to Foreign Investment

Pursuant to the “Foreign Investment Law of the People’s Republic of China” (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”) promulgated by the National People’s Congress on 15 March 2019 and taking effect on 1 January 2020, as well as the “Implementation Regulations of the Foreign Investment Law of the People’s Republic of China” (《中華人民共和國外商投資法實施條例》) (the “**Implementation Regulations of the Foreign Investment Law**”)

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promulgated by the State Council on 26 December 2019 and taking effect on 1 January 2020, foreign investment refers to investment activities conducted directly or indirectly within the territory of the People’s Republic of China by foreign natural persons, enterprises or other organizations; the State implements a management system of pre-establishment national treatment plus negative list for foreign investment; pre-establishment national treatment means that foreign investors and their investments are accorded treatment no less favorable than that accorded to domestic investors and their investments at the stage of investment access; the negative list management system means that the State prescribes special access management measures for foreign investment in specific fields; foreign investors shall not invest in any prohibited fields specified in the negative list, and may only invest in any restricted fields specified in the negative list after meeting the conditions set out therein.

Pursuant to the “Measures for Reporting Foreign Investment Information” (《外商投資信息報告辦法》) promulgated by the Ministry of Commerce and the State Administration for Market Regulation on 30 December 2019 and taking effect on 1 January 2020, where a foreign investor conducts investment activities directly or indirectly within the territory of the People’s Republic of China, the foreign investor or the foreign-invested enterprise shall submit investment information to the competent commerce department in accordance with these Measures; the foreign investor or the foreign-invested enterprise shall submit the investment information in a timely manner, adhere to the principles of authenticity, accuracy and completeness, shall not make false or misleading reports, and shall not have material omissions.

Pursuant to the “Catalog of Industries Encouraged for Foreign Investment (2025 Version)” (《鼓勵外商投資產業目錄(2025年版)》) promulgated by the National Development and Reform Commission and the Ministry of Commerce on 15 December 2025 and taking effect on 1 February 2026, as well as the “Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Version)” (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”) promulgated by the National Development and Reform Commission and the Ministry of Commerce on 6 September 2024 and taking effect on 1 November 2024, industries open to foreign investment are divided into the Catalog of Industries Encouraged for Foreign Investment and the Negative List; the Negative List is further subdivided into the “Catalog of Industries with Restricted Foreign Investment” and the “Catalog of Industries with Prohibited Foreign Investment”; industries not included in the Negative List shall be deemed as industries permitted for foreign investment; the State encourages foreign investors to invest in industries in the People’s Republic of China such as integrated circuit design, manufacturing of integrated circuit packaging and testing equipment, and manufacturing of new electronic components.

In addition, pursuant to the “Measures for Security Review of Foreign Investment” (《外商投資安全審查辦法》) promulgated by the National Development and Reform Commission and the Ministry of Commerce on 19 December 2020 and coming into force on 18 January 2021, foreign investment that affects or may affect national security shall undergo security review in accordance with the provisions of the “Measures for Security Review of Foreign Investment”. The State establishes a working mechanism for security review of foreign investment, which is responsible for organizing, coordinating and guiding the work of security review of foreign investment; for foreign investment within the following scope, foreign investors or relevant domestic parties shall voluntarily declare to the office of the working mechanism before implementing the investment: (i) investment in fields related to national defense security such as military industry and military industry supporting, as well as investment in areas around military facilities and military industry facilities; (ii) investment in important fields related to national security such as important agricultural products, important energy and resources, manufacturing of major equipment, important infrastructure, important transportation services, important cultural products and services, important information technology and internet products and services, important financial services, key technologies and other important fields, and acquisition of actual control over the invested enterprise.

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Laws and Regulations Relating to Overseas Investment

According to the “Measures for the Administration of Overseas Investment” (《境外投資管理辦法》) promulgated by the MOFCOM on 16 March 2009, last revised on 6 September 2014 and became effective on 6 October 2014, overseas investment refers to the activities of possessing non-financial enterprises or acquiring the ownership of, the control over, the operation and management right of, and other rights of and interests in, the existing non-financial enterprises overseas through establishment, mergers and acquisitions, or otherwise conducted by enterprises that are established in the PRC in accordance with the law. The MOFCOM and the competent commerce authorities of provinces, autonomous regions, municipalities, cities specifically designated in the state plan, and the Xinjiang Production and Construction Corps are responsible for the administration and supervision of overseas investments. The MOFCOM and the provincial competent commerce authorities shall conduct archive filing and verification management according to different circumstances of overseas investment of an enterprise. Where the overseas investment carried out by an enterprise involves sensitive countries and regions and sensitive industries, verification management shall be implemented. Archive filing management shall be implemented for other circumstances of overseas investment of an enterprise.

According to the “Measures for the Administration of Overseas Investment of Enterprises” (《企業境外投資管理辦法》) promulgated by the NDRC on 26 December 2017 and became effective on 1 March 2018, overseas investment refers to the investment activities conducted by enterprises in the PRC, either directly or through overseas enterprises under their control, to acquire ownership, the control, the operation and management right, and other relevant rights and interests overseas through means such as investing assets, equity, or providing financing and guarantees. Investment entities undertaking overseas investment shall fulfil the procedures for approval and filing of overseas investment projects, report relevant information and cooperate with supervision and inspection. Such investment entities undertaking overseas investment must not violate the laws and regulations of the PRC nor threaten or harm the national interests and national security of the PRC.

Laws and Regulations Relating to Intellectual Property

(1) *Trademarks*

The “Trademark Law of the People’s Republic of China” (《中華人民共和國商標法》) (the “**Trademark Law**”) promulgated by the NPC Standing Committee on 23 August 1982, last revised on 23 April 2019 and effective on 1 November 2019, and the “Regulation for the Implementation of the Trademark Law of the People’s Republic of China” (《中華人民共和國商標法實施條例》) promulgated by the State Council on 3 August 2002, last revised on 29 April 2014 and effective on 1 May 2014, have made provisions regarding the application, examination and approval, renewal, modification, assignment, use, invalidation declaration, etc. of trademark registration, and have protected the exclusive right to use a trademark enjoyed by the trademark registrant.

(2) *Patents*

According to the “Patent Law of the People’s Republic of China” (《中華人民共和國專利法》) (the “**Patent Law**”) promulgated by the NPC Standing Committee on 12 March 1984, revised on 17 October 2020, and effective as of 1 June 2021, and the “Implementing Regulations of the Patent Law of the People’s Republic of China” (《中華人民共和國專利法實施細則》) (the “**Implementing Regulations of the Patent Law**”) promulgated by the State Council on 15 June 2001, last revised on 11 December 2023, and effective on 20 January 2024, the Patent Office of the National Intellectual Property Administration is responsible for the patent work throughout the country. The departments responsible for patent work under the people’s governments of provinces, autonomous regions, and municipalities directly under the central government are responsible for the patent management work within their respective administrative regions. The Patent Law and the Implementing Regulations of the Patent Law stipulate three types of patents, including “invention

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patents”, “utility model patents”, and “design patents”. An invention refers to a new technical solution proposed for a product, a method, or an improvement thereof. A utility model refers to a new technical solution relating to the shape, structure, or a combination thereof, of a product, which is suitable for practical use. A design refers to a new design of the whole or a part of a product, the shape, pattern, or a combination thereof, as well as the combination of color with the shape and pattern, which creates an aesthetic feeling and is suitable for industrial application. The term of an invention patent is twenty years, the term of a design patent is fifteen years, and the term of a utility model patent is ten years, all calculated from the date of application. China’s patent system adopts the “first-to-file” principle, which means that if two or more applicants respectively file patent applications for the same invention, the person who first files the application will be granted the patent right. An invention or utility model for which a patent right is granted shall possess novelty, inventiveness, and practical applicability. The patent rights enjoyed by patent holders are protected by law. Others must obtain the permission or appropriate authorization of the patent holder, unless otherwise provided by law, before they can use the patent; otherwise, it will constitute an infringement of the patent right.

(3) *Copyrights*

Pursuant to the “Copyright Law of the People’s Republic of China” (《中華人民共和國著作權法》) promulgated by the NPC Standing Committee on 7 September 1990, last revised on 11 November 2020 and taking effect on 1 June 2021, as well as the “Regulations for the Implementation of the Copyright Law of the People’s Republic of China” (《中華人民共和國著作權法實施條例》) promulgated by the State Council on 2 August 2002, last revised on 30 January 2013 and taking effect on 1 March 2013, citizens, legal persons or unincorporated organizations of the People’s Republic of China shall enjoy copyright in their works regardless of whether such works have been published; a work refers to an original intellectual creation in the fields of literature, art and science that can be expressed in a certain form, including written works, oral works, photographic works, audio-visual works, computer software, etc.; copyright holders shall enjoy a variety of rights, including the right of publication, the right of authorship, the right of reproduction, etc.

Pursuant to the “Regulations on the Protection of Computer Software” (《計算機軟件保護條例》) promulgated by the State Council on 4 June 1991, last revised on 30 January 2013 and taking effect on 1 March 2013, as well as the “Measures for the Registration of Copyright in Computer Software” (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration of the People’s Republic of China (“NCAC”) on 6 April 1992, last revised on 20 February 2002 and issued on the same date, the NCAC is in charge of the administration of software copyright registration nationwide and has accredited the China Copyright Protection Center as the software registration institution; the China Copyright Protection Center shall issue registration certificates to applicants for copyright in computer software that meet the provisions of the “Regulations on the Protection of Computer Software” and the “Measures for the Registration of Copyright in Computer Software”, and make an announcement thereof.

(4) *Domain Names*

Pursuant to the “Measures for the Administration of Internet Domain Names” (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology on 24 August 2017 and taking effect on 1 November 2017, as well as the “Detailed Rules for the Implementation of National Top-Level Domain Registration” (《國家頂級域名註冊實施細則》) promulgated by the China Internet Network Information Center on 18 June 2019 and taking effect on the same date, domain name owners shall complete registration for their domain names; the Ministry of Industry and Information Technology is responsible for the supervision and administration of China’s Internet domain names, and the communications administrations of all provinces, autonomous regions and municipalities directly under the Central Government are responsible for the supervision and administration of domain name services within their respective administrative regions; domain name services shall comply with the principle of “first-come, first-served” for

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applications; applicants for domain name registration shall provide domain name registration service providers with true, accurate and complete information related to the domain name applied for, and enter into a registration agreement with such providers; after completing the registration procedures, the applicant shall become the holder of the relevant domain name.

(5) *Layout-Designs of Integrated Circuits*

In order to protect the exclusive rights of layout-designs of integrated circuits, encourage innovation in integrated circuit technology, and promote the development of science and technology, the State Council promulgated the “Regulations on the Protection of Integrated Circuit Layout Design” (《集成電路布圖設計保護條例》) (the “**Protection Regulations**”) on 2 April 2001. According to the Protection Regulations, the right holder of a layout-design shall enjoy the exclusive right to the layout-design in accordance with the provisions of the Protection Regulations. The exclusive right to a layout-design is generated upon registration by the intellectual property administrative department of the State Council. A layout-design that has not been registered is not protected by the Protection Regulations. The protection period for the exclusive right to a layout-design is 10 years, calculated from the date of filing the registration application for the layout-design or the date of its first commercial use anywhere in the world, whichever is earlier. However, regardless of whether it is registered or commercially used, a layout-design shall no longer be protected by the Protection Regulations 15 years after the completion of its creation.

Regulations Relating to Real Estate Leasing

Pursuant to the “Law of the People’s Republic of China on the Administration of Urban Real Estate” (《中華人民共和國城市房地產管理法》) promulgated by the NPC Standing Committee on 5 July 1994 and most recently amended on 26 August 2019, in respect of house leasing, the lessor and the lessee shall enter into a written lease contract, which shall stipulate terms including the lease term, lease purpose, lease price and maintenance obligations, as well as other rights and obligations of both parties, and shall register and file such contract with the housing administration department.

In addition, pursuant to the “Measures for the Administration of Commercial Housing Leasing” (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on 1 December 2010 and taking effect on 1 February 2011, parties to a house lease shall conclude a lease contract in accordance with the law, and such house lease contract shall stipulate the handling method in the event that the leased house is expropriated or demolished. Within 30 days after the conclusion of the house lease contract, the parties to the house lease shall go through the formalities for registration and filing of the house lease with the construction (real estate) administrative department of the people’s government of the municipality directly under the Central Government, city or county where the leased house is located. The parties to the house lease may also entrust others in writing to handle the registration and filing of the lease. Where the aforesaid provisions are violated, the construction (real estate) administrative department of the people’s government of the municipality directly under the Central Government, city or county shall order rectification within a specified time limit; if an individual fails to make rectification within the time limit, a fine of not more than RMB1,000 shall be imposed; if a unit fails to make rectification within the time limit, a fine of not less than RMB1,000 but not more than RMB10,000 shall be imposed.

Laws and Regulations Relating to Labor, Social Insurance and Housing Provident Fund

(1) *Labor Contracts*

Pursuant to the “Labor Law of the People’s Republic of China” (《中華人民共和國勞動法》) promulgated by the NPC Standing Committee on 05 July 1994, revised and taking effect on 29 December 2018, the “Labor Contract Law of the People’s Republic of China” (《中華人民共和國勞動合同法》) promulgated by the NPC Standing Committee on 29 June 2007, last revised on 28

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December 2012 and taking effect on 1 July 2013 and the “Regulations on the Implementation of the Labor Contract Law of the People’s Republic of China” (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on 18 September 2008 and taking effect on the same date, employing entities shall establish and improve labor rules and regulations in accordance with the law, strictly comply with national standards, provide relevant training for workers, and ensure that workers enjoy labor rights and perform labor obligations. When an employing entity establishes an employment relationship with a worker, it shall enter into a written labor contract.

(2) *Social Insurance*

Pursuant to the “Social Insurance Law of the People’s Republic of China” (《中華人民共和國社會保險法》) promulgated by the NPC Standing Committee on 28 October 2010, most recently revised and taking effect on 29 December 2018, the “Provisional Regulations on the Collection and Payment of Social Insurance Premiums” (《社會保險費徵繳暫行條例》) issued by the State Council on 22 January 1999, most recently revised and taking effect on 24 March 2019, the “Decision of the State Council on Establishing a Basic Medical Insurance System for Urban Employees” (《國務院關於建立城鎮職工基本醫療保險制度的決定》) issued by the State Council on 14 December 1998 and coming into force on the same date, the “Decision of the State Council on Establishing a Unified Basic Endowment Insurance System for Enterprise Employees” (《國務院關於建立統一的企業職工基本養老保險制度的決定》) issued by the State Council on 16 July 1997 and coming into force on the same date, the “Work-Related Injury Insurance Regulations” (《工傷保險條例》) promulgated by the State Council on 27 April 2003, revised on 20 December 2010 and taking effect on 1 January 2011, the “Unemployment Insurance Regulations” (《失業保險條例》) promulgated by the State Council on 22 January 1999 and the “Trial Measures for Maternity Insurance for Enterprise Employees” (《企業職工生育保險試行辦法》) promulgated by the Ministry of Labor and Social Security of the People’s Republic of China, which has been abolished on 14 December 1994 and coming into force on 1 January 1995, enterprises shall pay basic endowment insurance, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance for their employees in accordance with the statutory contribution base and contribution ratio. Basic endowment insurance, basic medical insurance and unemployment insurance shall be borne jointly by enterprises and employees, while maternity insurance and work-related injury insurance shall be paid by enterprises. Where an employing entity fails to pay social insurance premiums in full and on time, the social insurance premium collection authority shall order it to pay or make up the arrears within a specified time limit, and impose a late payment fine of 0.05% of the arrears amount per day from the date of arrears; if the employing entity still fails to make the payment after the time limit, the relevant administrative department shall impose a fine of not less than one time but not more than three times the amount of the arrears. According to the “Supreme People’s Court’s Interpretation (II) on Several Issues Concerning the Application of Law in 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)) promulgated by the Supreme People’s Court on 17 February 2025 and became effective on 1 September 2025, if an employer and an employee agree or the employee commits that social insurance contributions are not required to be paid, the People’s Court shall deem such agreement or commitment invalid. Where an employer fails to pay social insurance contributions as required by law, and the employee requests to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38, Paragraph 1, Item 3 of the Labor Contract Law, the People’s Court shall support such request in accordance with the law.

(3) *Housing Provident Fund*

Pursuant to the “Regulations on the Administration of Housing Provident Fund” (《住房公積金管理條例》) issued by the State Council on 3 April 1999, revised on 24 March 2019 and taking effect on the same date, an entity shall go through the formalities for housing provident fund contribution registration with the housing provident fund management center and handle the procedures for establishing housing provident fund accounts for its employees. The entity shall also make timely and full payment of housing provident fund. Where an entity fails to go through the housing provident fund contribution registration or fails to handle the procedures for establishing

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housing provident fund accounts for its employees, the housing provident fund management center shall order it to complete such formalities within a specified time limit; if the entity fails to do so within the time limit, a fine of not less than RMB10,000 but not more than RMB50,000 shall be imposed. In addition, where an entity fails to pay or underpays the housing provident fund within the time limit, the housing provident fund management center shall order it to make the payment within a specified time limit; if the entity still fails to make the payment within the time limit, the housing provident fund management center may apply to the people’s court for compulsory execution.

Laws and Regulations Relating to Product Liability

Pursuant to the “Product Quality Law of the People’s Republic of China” (《中華人民共和國產品質量法》) promulgated by the NPC Standing Committee on 22 February 1993 and most recently revised on 29 December 2018, where a sold product falls into any of the following circumstances, the seller shall be responsible for repairing, replacing or returning the product: (i) the product does not have the performance for use that it should have and such fact was not explained in advance; (ii) the product does not conform to the product standard indicated on the product itself or its package; or (iii) the product does not conform to the quality status indicated by means of product description, physical sample or other methods. If a consumer suffers losses due to the purchase of the product, the seller shall compensate for such losses.

Laws and Regulations Relating to Import and Export Trade

Pursuant to the “Foreign Trade Law of the People’s Republic of China” (《中華人民共和國對外貿易法》) (the “**Foreign Trade Law**”) promulgated by the NPC Standing Committee on 12 May 1994 and revised on 12 December 2025, except for engaging in foreign contracted projects, it is no longer required to complete the record-filing registration for foreign trade operators. The Chinese Government permits the free import and export of goods and technologies, except as otherwise provided for by laws and administrative regulations.

Pursuant to the “Customs Law of the People’s Republic of China” (《中華人民共和國海關法》) (the “**Customs Law**”) considered and adopted by the NPC Standing Committee on 22 January 1987, most recently revised on 29 April 2021 and taking effect on the same date, the Customs of the People’s Republic of China is the national authority for supervision and administration of inbound and outbound passages. The Customs shall, in accordance with the Customs Law and other relevant laws and administrative regulations, supervise and administer inbound and outbound means of transport, goods, luggage, postal items and other articles, and collect customs duties and other taxes and fees. Imported goods shall be subject to Customs supervision from the time of their entry into the territory until the completion of Customs formalities; exported goods shall be subject to Customs supervision from the time of their declaration to the Customs until their exit from the territory; and transit, transshipment and through goods shall be subject to Customs supervision from the time of their entry into the territory until their exit from the territory. Unless otherwise provided, the declaration of import and export goods and the payment of customs duties may be handled by the consignors or consignees of the import and export goods or by an entrusted customs declaration enterprise.

Laws and Regulations Relating to Foreign Exchange

Pursuant to the “Regulations on the Administration of Foreign Exchange of the People’s Republic of China” (《中華人民共和國外匯管理條例》) promulgated by the State Council on 29 January 1996, last revised on 5 August 2008 and taking effect on the same date, the circulation of foreign currencies within the territory of the People’s Republic of China is prohibited, and no pricing or settlement shall be conducted in foreign currencies. For foreign exchange expenditures under current accounts, payment shall be made with self-owned foreign exchange or by purchasing foreign exchange from financial institutions engaged in the business of foreign exchange settlement and sale on the strength of valid documents, in accordance with the administrative provisions of the

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foreign exchange administration department of the State Council on foreign exchange payment and purchase. In addition, domestic institutions and domestic individuals that conduct direct investment overseas or engage in the issuance and trading of overseas securities and derivatives shall complete registration in accordance with the provisions of the foreign exchange administration department of the State Council.

Pursuant to the “Notice of the State Administration of Foreign Exchange on Reforming the Administration Method for Foreign Exchange Capital Account Settlement of Foreign-Invested Enterprises” (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (Hui Fa [2015] No. 19) (the “**Notice No. 19**”) promulgated by the State Administration of Foreign Exchange (“SAFE”) on 30 March 2015, which took effect on 1 June 2015, and subsequently the “Notice of the State Administration of Foreign Exchange on Reforming and Regulating the Policies for the Administration of Capital Account Settlement” (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (Hui Fa [2016] No. 16) (the “**Notice No. 16**”) further promulgated by SAFE on 9 June 2016 (in respect of the administration of foreign exchange settlement), the foreign exchange income under the capital account of a domestic institution and the RMB funds derived from its settlement shall not be used, directly or indirectly, for expenditures beyond the business scope of the enterprise or expenditures prohibited by national laws and regulations, nor shall they be used for granting loans to non-affiliated enterprises (except in cases where such activity is explicitly permitted by the business scope). Violations of the Notice No. 19 or the Notice No. 16 shall be subject to administrative penalties.

Pursuant to the “Notice of the State Administration of Foreign Exchange on Further Promoting Foreign Exchange Administration Reform and Improving the Verification of Authenticity and Compliance” (Hui Fa [2017] No. 3) (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) (the “**Notice No. 3**”) promulgated by the State Administration of Foreign Exchange (“SAFE”) on 26 January 2017 and taking effect on the same date, several capital control measures are stipulated in respect of the remittance of profits by domestic institutions to overseas institutions. Specifically, when a bank handles profit remittance business for a domestic institution with an amount equivalent to more than USD50,000 (exclusive), it shall, in accordance with the principle of true transaction, verify the board of directors’ resolution on profit distribution, the original tax filing form and the audited financial statements, and affix a seal on the original tax filing form to endorse the amount and date of this remittance. A domestic institution shall first make up for the losses of previous years in accordance with the law before remitting profits overseas.

Laws and Regulations Relating to Taxation

(1) *Enterprise Income Tax*

Pursuant to the “Enterprise Income Tax Law of the People’s Republic of China” (《中華人民共和國企業所得稅法》) promulgated by the NPC Standing Committee on 16 March 2007, last revised and taking effect on 29 December 2018 and the “Regulations on the Implementation of the Enterprise Income Tax Law of the People’s Republic of China” (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on 6 December 2007, last revised on 6 December 2024 and taking effect on 20 January 2025, an enterprise that is established in accordance with the law within the territory of the People’s Republic of China, or established in accordance with the laws of a foreign country (region) but with its actual management institution located within the territory of the People’s Republic of China shall be a resident enterprise. A resident enterprise shall pay enterprise income tax at a tax rate of 25% on its income derived from sources both within and outside the territory of the People’s Republic of China. The State grants enterprise income tax preferences to industries and projects that are prioritized for support and encouraged for development. High and new technology enterprises that are prioritized for support by the State shall be subject to enterprise income tax at a reduced rate of 15%.

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(2) *Value-Added Tax*

Pursuant to the “Value-Added Tax Law of the People’s Republic of China” (《中華人民共和國增值稅法》) promulgated by the NPC Standing Committee on 25 December 2024, and taking effect on 1 January 2026 and the “Implementation Rules for the Provisional Regulations on Value-Added Tax of the People’s Republic of China” (《中華人民共和國增值稅暫行條例實施細則》) promulgated by the Ministry of Finance on 25 December 1993, last revised on 28 October 2011 and taking effect on 1 November 2011, entities and individuals engaged in the sale of goods, provision of processing, repair and replacement services, sale of services, intangible assets and real estate within the territory of the People’s Republic of China, as well as the import of goods, shall be taxpayers of value-added tax and shall pay value-added tax in accordance with the law. Pursuant to the “Notice of the Ministry of Finance and the State Taxation Administration on Adjusting the Value-Added Tax Rate” (《財政部、國家稅務總局關於調整增值稅稅率的通知》) promulgated by the Ministry of Finance and the State Taxation Administration on 4 April 2018 and taking effect on 1 May 2018, for taxpayers engaged in taxable sales activities of value-added tax or importing goods, the original applicable tax rates of 17% and 11% shall be adjusted to 16% and 10% respectively. Pursuant to the “Announcement on Policies Concerning Deepening the Reform of Value-Added Tax” promulgated by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on 20 March 2019 and taking effect on 1 April 2019, for general taxpayers of value-added tax engaged in taxable sales activities of value-added tax or importing goods, the original applicable tax rate of 16% shall be adjusted to 13%, and the original applicable tax rate of 10% shall be adjusted to 9%.

(3) *Dividend Withholding Tax*

Pursuant to the “Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income” (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) promulgated on 21 August 2006 and taking effect on 8 December 2006, the withholding tax rate applicable to dividends paid by a Chinese company to a Hong Kong resident shall not exceed 5%, provided that the recipient is a company which holds at least 25% of the capital of the Chinese company. Where the recipient is a company which holds less than 25% of the capital of the Chinese company, the withholding tax rate applicable to dividends paid by the Chinese company to the Hong Kong resident shall not exceed 10%.

In addition, pursuant to the “Circular of the State Taxation Administration on Issues Concerning the Implementation of the Dividend Clause in Tax Treaties” (Guo Shui Han [2009] No. 81) (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) promulgated and taking effect on 20 February 2009, where a Chinese resident company pays dividends to a tax resident of the other contracting party to a tax treaty, and such tax resident of the other party (or the dividend recipient) is the beneficial owner of the dividends, the tax resident of the other party may enjoy the benefits of the tax treaty in respect of the dividends so obtained, provided that the following conditions are simultaneously satisfied:

- (1) The taxpayer eligible for enjoying the benefits of the tax treaty shall be a tax resident of the other contracting party to the tax treaty;
- (2) The taxpayer eligible for enjoying the benefits of the tax treaty shall be the beneficial owner of the relevant dividends;
- (3) The dividends eligible for enjoying the benefits of the tax treaty shall be equity investment incomes such as dividends and bonuses determined in accordance with the provisions of China’s domestic tax laws; and
- (4) Other conditions as prescribed by the State Taxation Administration.

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Where a tax resident of the other contracting party to a tax treaty directly holds more than a certain percentage of the capital (generally 25% or 10%) of the Chinese resident company that pays the dividends, the dividends obtained by such tax resident of the other party may be taxed at the rate prescribed in the tax treaty. For such tax resident of the other party to enjoy the benefits of the tax treaty, the following conditions shall be satisfied simultaneously:

- (1) The tax resident of the other party that obtains the dividends shall be limited to a company in accordance with the provisions of the tax treaty;
- (2) The percentages of the total owner’s equity and voting shares of the Chinese resident company directly held by the tax resident of the other party shall both comply with the prescribed percentage; and
- (3) The percentage of the capital of the Chinese resident company directly held by the tax resident of the other party shall comply with the percentage prescribed in the tax treaty at any time within the consecutive 12 months prior to the acquisition of the dividends.

(4) Tax Preferential Policies for the Integrated Circuit Industry

As listed in the “Guidelines on Tax and Fee Preferential Policies for Software Enterprises and Integrated Circuit Enterprises (2022)” (《軟件企業和集成電路企業稅費優惠政策指引(2022)》) issued by the State Taxation Administration on 21 May 2022 and became effective on the same date, the integrated circuit industry is entitled to various tax preferences. For instance, enterprises engaged in integrated circuit design, equipment, materials, packaging and testing that are encouraged by the state are eligible for regular reduction or exemption of enterprise income tax; key integrated circuit design enterprises encouraged by the state are eligible for regular reduction or exemption of enterprise income tax; and the staff training expenses incurred by integrated circuit design enterprises may be deducted before tax based on the actual amount incurred, among others.

Pursuant to the “Notice of the State Council on Printing and Distributing Several Policies for Promoting the High-Quality Development of the Integrated Circuit Industry and Software Industry in the New Era” (Guo Fa [2020] No. 8) (《國務院關於印發新時期促進集成電路產業和軟件產業高質量發展若干政策的通知》) (the “**Notice No. 8**”) promulgated by the State Council on 27 July 2020 and became effective on the same date, for enterprises engaged in integrated circuit design, equipment, materials, packaging and testing as well as software enterprises that are encouraged by the state, enterprise income tax shall be exempted for the first to the second years starting from the profit-making year, and shall be levied at half of the statutory tax rate of 25% for the third to the fifth years. For key integrated circuit design enterprises and software enterprises that are encouraged by the state, enterprise income tax shall be exempted for the first to the fifth years starting from the profit-making year, and shall be levied at a reduced tax rate of 10% in the subsequent years. On the basis of the Notice No. 8, the “Notice of the National Development and Reform Commission and Other Departments on the Requirements Concerning the Formulation of the List of Integrated Circuit Enterprises or Projects and Software Enterprises Eligible for Tax Preferential Policies in 2023” (《國家發展改革委等部門關於做好2023年享受稅收優惠政策的集成電路企業或項目、軟件企業清單制定工作有關要求的通知》) promulgated on 17 March 2023 and became effective on the same date provides detailed specifications on the enterprise conditions and project standards for enjoying tax preferential policies.

In addition, pursuant to the “provisions of the Notice on Import Tax Policies for Supporting the Development of the Integrated Circuit Industry and Software Industry” (Cai Guan Shui [2021] No. 4) (《關於支持集成電路產業和軟件產業發展進口稅收政策的通知》) promulgated by the Ministry of Finance, the General Administration of Customs and the State Taxation Administration on 16 March 2021 and became effective on 27 July 2020, import customs duties shall be exempted for import activities that meet the circumstances listed in the said provisions, and the implementation period shall be from 27 July 2020 to 31 December 2030.

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(5) *Tax Policies on Super-deduction of R&D Expenses*

According to the Circular on Improving the Policy on Super-deduction of R&D Expenses (《關於完善研究開發費用稅前加計扣除政策的通知》) promulgated by the STA, the MOF and the MOST, effective from January 1, 2016 onwards, enterprises carrying out R&D activities are entitled to claim super-deduction of R&D expenses amounting to 50% of its research and development expenses in determining its tax assessable profits for the year. The super-deduction ratio of R&D expenses increased from 50% to 75%, effective from January 1, 2018 to December 31, 2020, according to the new tax incentives policy, the Notice of Increasing the Ratio of the Super-deduction of R&D Expenses (《關於提高研究開發費用稅前加計扣除比例的通知》) promulgated by the STA, the MOF and the MOST in September 2018. The applicable period of this policy was subsequently extended to December 31, 2023, pursuant to the Announcement of the MOF and the STA on Extending the Implementation Period of Some Preferential Tax Policies (《財政部稅務總局關於延長部分稅收優惠政策執行期限的公告》) issued on January 29, 2021. The ratio of the super-deduction of R&D expenses has been further increased to 100% for enterprises entitled to 75% super-deduction of R&D expenses during the period from October 1, 2022 to December 31, 2022, and such enterprises are allowed to deduct the full amount of equipment and appliances newly purchased during the period from October 1, 2022 to December 31, 2022 from the taxable income amount on a one-off basis in the current year, according to the Announcement on Increasing Super-deduction in Support of Scientific and Technological Innovation (《關於加大支持科技創新稅前扣除力度的公告》) promulgated by the STA, the MOF and the MOST in September 2022. According to the Announcement of the MOF and the STA on Further Improving the Pre-tax Deduction Policy for R&D Expenses (2023) (《財政部稅務總局關於進一步完善研發費用稅前加計扣除政策的公告(2023)》), where R&D expenses actually incurred by an enterprise when it conducts any R&D activity have not been included in the current profit and loss, from January 1, 2023 onwards, 100% of the amount of R&D expenses actually incurred in this year shall be deducted from the amount of taxable income in this year, and where intangible assets have been formed, 200% of the costs of the intangible assets shall be amortized before tax.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS AND OPERATIONS IN HONG KONG

This section sets out a summary of the principal laws and regulations applicable to our business operations in Hong Kong. There is no specific statutory requirement for SI Hong Kong to obtain any licence to carry out our business in Hong Kong other than the requirement to have a business registration certificate under the Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong). Our Group does not import in or into or export from Hong Kong any prohibited articles under the Import and Export Ordinance (Cap. 60).

Sale of Goods Ordinance (Chapter 26 of the Laws of Hong Kong) (the “SGO”)

The SGO governs the formation, performance and remedies of contract for the sale of goods in Hong Kong and the transfer of title of goods sold. The ordinance also sets out certain implied terms or conditions and warranties generally relating to the safety and suitability of goods supplied under a contract of sale for goods in Hong Kong, including:

- (i) where there is a contract for the sale of goods by description, the goods shall correspond with the description;
- (ii) where the seller sells goods in the course of a business, the goods shall be of a merchantable quality, i.e. (a) as fit for the purpose or purposes for which the goods of that kind are commonly bought; (b) of such standard of appearance and finish; (c) as free from defects (including minor defects); (d) as safe; and (e) as durable, as it is reasonable to expect having regard to any description applied to them, the price (if relevant) and all the other relevant circumstances;

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- (iii) where the seller sells goods in the course of a business and the buyer makes known to the seller (whether expressly or by implication) any particular purpose for which the goods are being bought, the goods supplied under the contract shall be reasonably fit for that purpose; and
- (iv) where there is a contract for sale by sample, (i) the bulk shall correspond with the sample in quality, (ii) the buyer shall have a reasonable opportunity of comparing the bulk with the sample, and (iii) the goods shall be free from any defect, rendering them unmerchantable, which would not be apparent on reasonable examination of the sample.

Under section 55 of the SGO, where there is a breach of warranty by the seller, the buyer is not, by reason only of such breach of warranty, entitled to reject the goods, but he may set up against the seller the breach of warranty in diminution or extinction of the price, or maintain an action against the seller for damages for the breach of warranty.

Transfer Pricing

As our Hong Kong subsidiary has conducted transactions with group companies located in different jurisdictions, we are subject to the laws and regulations on transfer pricing in Hong Kong. Section 20A of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the “**IRO**”) gives the Inland Revenue Department of Hong Kong (the “**IRD**”) wide powers to collect tax due from non-residents. The IRD may also make transfer pricing adjustments by disallowing expenses incurred by Hong Kong residents under sections 16(1), 17(1)(b) and 17(1)(c) of the IRO and make additional assessments under section 60 of the IRO. The IRD may also challenge the entire arrangement under general anti-avoidance provisions according to sections 61 and 61A of the IRO. The Inland Revenue (Amendment) (No. 6) Ordinance 2018 (the “**Amendment Ordinance**”) codifies the transfer pricing principles in relation to how the pricing for the supply of goods and services between associated parties should be determined and implemented. Departmental Interpretation and Practice Notes Nos. 45, 46, 48, 58, 59 and 60 issued by the IRD set out its interpretations and practices in relation to transfer pricing and related issues. Pursuant to the Amendment Ordinance, a person who has a Hong Kong tax advantage if taxed on the basis of a non-arm’s length provision (the “**Advantaged Person**”) will have income adjusted upwards or loss adjusted downwards. Section 50AAF of the IRO stipulates that the Advantaged Person’s income or loss is to be computed as if arm’s length provision had been made or imposed instead of the actual provision. If the Advantaged Person fails to prove to the satisfaction of the assessor of the IRD that the person’s income or loss as stated in the person’s tax return is the arm’s length amount, the assessor of the IRD must estimate an amount as the arm’s length amount and, taking into account the estimated amount (a) make an assessment or additional assessment on the person; or (b) issue a computation of loss, or revise a computation of loss resulting in a smaller amount of computed loss, in respect of that person. The Amendment Ordinance introduces a mandatory “three-tiered” transfer pricing documentation requirement in Hong Kong consisting of (a) Master File; (b) Local File; and (c) Country-by-country Report. The Amendment Ordinance provides two types of exemptions to entities that engage in transactions with associated enterprises from preparing Master File and Local File. In terms of size-based business exemption thresholds, a Hong Kong taxpayer meeting any two of the following three size-based business exemption thresholds for an accounting period is exempted from preparing the Master File and Local File for that accounting period: (a) Total annual revenue not exceeding HK\$400 million; (b) Total value of assets not exceeding HK\$300 million; or (c) Average number of employees not exceeding 100. In terms of volume-based related party transactions exemption thresholds, the threshold per accounting period for transfer of property (whether movable or immovable but excluding financial assets and intangible assets) is HK\$220 million.

LAWS AND REGULATIONS IN RELATION TO OUR BUSINESS AND OPERATIONS IN THE NETHERLANDS

The following is a high-level summary of the key laws and regulations in the Netherlands applicable to SI Netherlands as a Dutch private limited liability company. Our management has indicated that no sector-specific laws or regulations apply to (the scope of) the business and operations of SI Netherlands.

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Corporate

The primary legislation governing the formation and operation of companies in the Netherlands is the Dutch Civil Code (*Burgerlijk Wetboek*, “**DCC**”). A Dutch private limited liability company (*besloten vennootschap*, “**B.V.**”) is a common corporate form used by foreign-invested enterprises. A B.V. must be incorporated by notarial deed and registered with the Dutch Trade Register (*Handelsregister*) maintained by the Dutch Chamber of Commerce (*Kamer van Koophandel*). The management board (*bestuur*) is responsible for the day-to-day management of the company. A B.V. may also have a supervisory board (*raad van commissarissen*), supervising the management board, which is mandatory for companies meeting certain size thresholds under the Dutch large companies regime (*structuurregeling*). Directors and officers owe fiduciary duties to the company and may be held personally liable in cases of mismanagement (*onbehoorlijk bestuur*). Annual accounts must be prepared and filed with the Trade Register in accordance with Book 2, Title 9 of the DCC, with audit requirements depending on the size of the company.

Employment and Social Security

Employment relationships in the Netherlands are governed by Book 7, Title 10 of the DCC and supplemented by various specific laws, including the Work and Security Act (*Wet werk en zekerheid*) and the Balanced Labour Market Act (*Wet arbeidsmarkt in balans*). Employment contracts may be for a definite or indefinite term. Dutch law imposes detailed requirements regarding, among others, minimum wage, working hours, holiday entitlements, equal treatment of employees and dismissal protection. Dismissal of employees generally requires prior approval of the Employee Insurance Agency (*UWV*) or dissolution by the district court. Employers are required to contribute to social security schemes, including employee insurance contributions for unemployment, disability and sickness benefits, as well as to national insurance contributions. The Works Councils Act (*Wet op de ondernemingsraden*) requires undertakings with fifty or more employees in the Netherlands to establish a works council (*ondernemingsraad*), which has advisory and consent rights with respect to certain business and employment-related decisions.

Tax

The Dutch tax regime applicable to companies is principally governed by the Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969*), the Dividend Withholding Tax Act (*Wet op de dividendbelasting 1965*), and the Value Added Tax Act (*Wet op de omzetbelasting 1968*). The standard corporate income tax rate is 25.8% on taxable profits exceeding EUR 200,000 (with a reduced rate of 19% on the first EUR 200,000). The Netherlands levies dividend withholding tax at a rate of 15% on distributions to shareholders, subject to applicable treaty reductions and domestic exemptions. The standard value added tax rate is 21%, with a reduced rate of 9% applicable to certain goods and services. Companies are required to register with the Dutch Tax Authority (*Belastingdienst*) and to file periodic tax returns. Transactions between affiliated enterprises are subject to transfer pricing rules which generally follow the OECD Transfer Pricing Guidelines. Companies must maintain appropriate transfer pricing documentation. In addition, the Netherlands offers a tax incentive for research and development activities under the Research and Development (Promotion) Act (*Wet Bevordering Speur- en Ontwikkelingswerk*), which allows qualifying companies to reduce their wage tax and social security contributions for employees engaged in qualifying R&D activities.

Data Protection

Companies operating in the Netherlands are subject to the General Data Protection Regulation (EU) 2016/679 (“**GDPR**”), which is directly applicable in all EU Member States, as supplemented by the Dutch GDPR Implementation Act (*Uitvoeringswet AVG*). The GDPR prescribes a comprehensive framework for the processing of personal data, including requirements regarding lawfulness of processing, transparency, data minimisation, data subject rights, data breach notification obligations and restrictions on the transfer of personal data to countries outside the

REGULATORY OVERVIEW

European Economic Area. The Dutch Data Protection Authority (*Autoriteit Persoonsgegevens*) is the supervisory authority responsible for monitoring and enforcing compliance with the GDPR in the Netherlands. Non-compliance with the GDPR can result in administrative fines of up to EUR 20 million or 4% of the total worldwide annual turnover of the undertaking, whichever is higher.

Trade Secrets

The protection of trade secrets in the Netherlands is governed by the Dutch Trade Secrets Protection Act (*Wet bescherming bedrijfsgeheimen*, “**Wbb**”), which implements Directive (EU) 2016/943 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure. Under the Wbb, a trade secret is defined as information that: (i) is secret in the sense that it is not generally known or readily accessible, (ii) has commercial value because it is secret, and (iii) has been subject to reasonable measures to keep it secret. Holders of trade secrets may seek civil remedies against parties who unlawfully acquire, use or disclose such information, including injunctions, damages, seizure and destruction of infringing goods. Companies are advised to implement appropriate confidentiality measures, including contractual protections such as non-disclosure agreements, to establish and maintain the protected status of their trade secrets.

Product Liability

Under Dutch product liability law, the producer of defective goods may be liable for damages under the product liability regime in the DCC (article 6:185 of the DCC and following) as well as under general tort law (article 6:162 of the DCC). The product liability regime in the DCC implements the EU Product Liability Directive (Directive 85/374/EEC) and provides for strict liability since it does not require the producer to be at fault. A product is considered defective when it does not provide the safety which a person is entitled to expect, taking all circumstances into account.

Environmental Law

Companies doing business in the Netherlands are subject to the Dutch Environmental Management Act (*Wet milieubeheer*) and the Environment and Planning Act (*Omgevingswet*), as well as EU environmental legislation. These laws impose obligations relating to, among others, environmental permits, emissions reporting, waste management and the storage and handling of hazardous substances. The Dutch environmental authorities may impose administrative penalties and enforcement measures for non-compliance.

Lease of Commercial Property

The lease of commercial property (office and retail space) in the Netherlands is governed by Book 7, Title 4 of the DCC, which distinguishes between retail space (*winkelruimte*, article 7:290 of the DCC) and other commercial space such as offices (*overige bedrijfsruimte*, article 7:230a of the DCC). Lessees of retail space enjoy significant statutory protection, including mandatory minimum lease terms and restrictions on rent adjustments. Lessees of office space benefit from more limited protection, principally a right to request eviction protection (*ontruimingsbescherming*) for a maximum of three (3) years. Lease agreements for commercial property in the Netherlands are typically entered into on the basis of standardized general terms and conditions published by the Real Estate Council (*Raad voor Onroerende Zaken*), which are commonly used in practice and contain detailed provisions on maintenance obligations, permitted use, subletting and liability.

Anti-Money Laundering

The Netherlands has implemented the EU Anti-Money Laundering Directives through the Anti-Money Laundering and Counter-Terrorist Financing Act (*Wet ter voorkoming van witwassen en financieren van terrorisme*, “**Wwft**”). The Wwft imposes obligations on designated entities (including financial institutions and certain professional service providers) to conduct customer due diligence, monitor transactions and report unusual transactions to the Financial Intelligence Unit Netherlands (*FIU-Nederland*).

REGULATORY OVERVIEW

Sanctions

As a Member State of the European Union, the Netherlands implements all EU sanctions regulations, which are directly applicable. In addition, the Sanctions Act 1977 (*Sanctiewet 1977*) provides the legal framework for the implementation of sanctions imposed by the United Nations Security Council and by the EU. Dutch companies must ensure compliance with applicable sanctions regimes, including restrictions on transactions involving designated persons, entities and jurisdictions.

INTERNATIONAL SANCTIONS AND EXPORT CONTROL LAWS

U.S. Sanctions Laws

U.S. sanctions apply to all U.S. persons, including all U.S. citizens and permanent residents regardless of where they are located, all individuals and entities within the United States, and all U.S. incorporated entities and their foreign branches. The Office of Foreign Assets Control (“**OFAC**”) administers and enforces economic sanctions programs primarily against countries and groups of individuals.

Depending on whether a U.S. nexus exists in the prohibited transaction, the U.S. sanction regimes impose restrictions on Primary Sanctioned Activity and Secondary Sanctioned Activity. Primary sanctions prohibit U.S. persons or non-U.S. persons with a U.S. nexus from engaging in transactions with countries, entities, or individuals subject to primary sanctions. Secondary sanctions target non-U.S. persons conducting transactions with sanctioned parties outside U.S. jurisdiction, even if no U.S. nexus exists.

U.S. Export Control Laws

The Bureau of Industry and Security of the U.S. Department of Commerce regulates exports of commercial and dual-use products, and software and technology. These controls are authorized by the Export Administration Act of 1979, as amended and extended, and implemented by the Export Administration Regulations (“**EAR**,” 15 C.F.R. Parts 730-774).

The EAR applies to exports of commodities, software and technical data from the U.S. to foreign countries, re-exports from one foreign country to another, and in-country transfers within a foreign country. In addition, the EAR applies to shipments from one foreign country to another of foreign-made products that incorporate more than a *de minimis* amount of U.S.-controlled parts, components, or materials (the “**De Minimis Rules**”), as well as foreign-made products that are direct products of certain controlled U.S. software or technology (the “**Foreign Direct Product Rules**”). Unlike U.S. export controls, EU export controls typically do not apply to re-exports or transfers outside of the EU.

E.U. Sanctions Laws

The EU implements all sanctions adopted by the United Nations Security Council to maintain or restore international peace and security. UN sanctions are automatically transposed into EU law. Occasionally, the EU applies additional measures to complement and reinforce United Nations sanctions. The EU also adopts autonomous sanctions to fight against terrorism financing, defend human rights and democratic institutions, or prevent the proliferation of chemical weapons or weapons of mass destruction. Most sanctions adopted by the EU are targeted at individuals and entities consisting of asset freezes, travel bans, and the prohibition of making funds and economic resources available to listed entities or individuals. The freezing of funds and economic resources includes assets owned or controlled by targeted individuals or organizations (such as cash, bank deposits, stocks, shares, etc.) that may not be accessed, moved, or sold, and real estate that may not be sold or rented. Visa or travel bans prevent individuals from entering the territory of the EU.

The EU also adopts targeted sectoral sanctions, such as economic and financial measures (e.g. import and export restrictions of goods and technologies, restrictions on banking services) or arms embargoes to prohibit exporting weapons and other goods that could be used in conflicts or for internal repression.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to January 2016, when our Company was established in the PRC by our Founder, Mr. Liu, and our Co-founders, Mr. Kong and Mr. Zhan, all of whom have extensive experience in the intelligent sensing industry. For further details of Mr. Liu, Mr. Kong and Mr. Zhan, see “Directors and Senior Management.”

During our early stages, we focused on the development of pressure sensors and iToF sensor chips. Led by Mr. Liu, who possesses over 15 years of experience in the semiconductor industry with a particular focus on R&D of intelligent sensing solutions, and leveraging profound insights into industry trends and forward-looking predictions, we have built differentiated technological barriers through continuous R&D, and have successfully expanded from sensing technology to a comprehensive platform integrating intelligent sensing, machine vision, and imaging technology. We are now a provider of intelligent sensing, machine vision, and imaging technology solutions, dedicated to empowering smart devices to achieve precise sensing, imaging, and intelligent upgrades through the deep integration of high-performance mixed-signal ICs and optimization algorithms. We have established a product matrix comprising sensing and actuator IC products, which are widely applied in the consumer electronics sector, including mobile smart devices and IoT.

Since our establishment, we have received substantial investments and support from our Pre-[REDACTED] Investors which are renowned private equity and strategic investors, and have raised funds of over RMB1,100 million as of the Latest Practicable Date. See “—Pre-[REDACTED] Investments” for details of our Pre-[REDACTED] Investors.

OUR MILESTONES

The following table sets forth our key development milestones:

Year	Milestone
2016 . . .	Our Company was established in the PRC as a limited liability company. We commenced the development of pressure sensors.
2017 . . .	We commenced the development of iToF sensor chips. We commenced the research and development of intelligent products. We completed the research and development and commenced mass production of our pressure sensors. We completed the Angel Financing and the Series Pre-A Financing.
2018 . . .	We completed the tape-out of our smart audio products. We were recognized as National High-tech Enterprise (國家高新技術企業). We completed the Series A Financing.
2019 . . .	We completed the tape-out of our 3D ToF sensor products. We completed the Series A+ Financing.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
2020 . . .	We commenced delivery of our smart audio products, which were applied in mobile phones. We announced the successful development of our back-side illumination HVGA ToF sensor chips. We commenced the research and development of our optical sensor. We completed the Series B Financing and the Series B+ Financing.
2021 . . .	We completed the tape-out of our SIP optical sensor chips. We completed the Series C Financing.
2022 . . .	We completed the tape-out of our SIH haptic chips. We commenced delivery of our SIP optical sensor chips. We were recognized as a National Key Specialized “New Small Giant” Enterprise (國家級專精特新“小巨人”企業). We completed the Series D Financing.
2023 . . .	We successfully embedded our Haptics Core algorithm software into our linear motor driver.
2024 . . .	Our revenue has grown rapidly, exceeding RMB650 million, representing a CAGR of 128.7% from 2022 to 2024.
2025 . . .	We completed the Series D+ Financing.

MAJOR CORPORATE DEVELOPMENTS OF OUR GROUP

Our Company

Establishment of our Company

Our Company was established in the PRC as a limited liability company on January 27, 2016 with an initial registered capital of RMB3,000,000. Upon establishment, our Company was owned as to 64.19% by Mr. Liu, 32.81% by Mr. Huang Lin (黃林), 1% by Mr. Zhan, 1% by Mr. Kong and 1% by Mr. Dai Xiaowu (代小伍).

Mr. Huang Lin is an Independent Third Party who held the equity interest in our Company on behalf of Mr. Ge Guang (葛光), one of our founding shareholders, for administrative convenience at the time of our establishment. According to Article 24 of Provisions of the Supreme People’s Court on Several Issues Relating to Application of Company Law of the People’s Republic of China (III) (2014 Revision) (《最高人 民法院關於適用〈中華人民共和國公司法〉若干問題的規定(三) (2014修訂)》), where an actual capital contributory of a limited liability company enters into a contract with a nominal capital contributory to agree that the actual capital contributory shall make capital contribution and enjoy investment rights and interests and the nominal shareholder shall be the nominal capital contributory, if there is a dispute between the actual capital contributory and the nominal shareholder over the validity of the contract, in the absence of the circumstances stipulated in Article 52 of Contract Law, the People’s Court shall rule that the contract is valid. Our PRC Legal Advisors are of the view that the aforementioned action constitutes a genuine expression of intent

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

of both Mr. Huang Lin and Mr. Ge Guang, is devoid of any equity dispute and does not fall within any of the invalidity circumstances under Article 52 of the Contract Law which is lawful and valid under the applicable laws and regulations of the PRC in force at that time. Mr. Dai Xiaowu is a former employee of our Company and an Independent Third Party.

Seed Financing

In August 2016, we completed the Seed Financing and raised a total investment of RMB7,000,000. Upon completion of the Seed Financing, our registered capital was increased from RMB3,000,000 to RMB3,600,000, which was subscribed as to 11.81% by Guangdong Yueke Chuangsai Seed No. 1 Venture Capital Co., Ltd. (廣東粵科創賽種子一號創業投資有限公司) (“**Yueke No. 1**”), 4.76% by Xiamen Jixing Angel Equity Investment Partnership (Limited Partnership) (廈門極星天使股權投資合夥企業(有限合夥)) (“**Xiamen Jixing**”) and 0.10% by Guangzhou Renbenyue Investment Partnership (Limited Partnership) (廣州市仁澤粵投資合夥企業(有限合夥)) (“**Renbenyue Investment**”).

Equity transfers and capital increase in July 2017

In July 2017, in order for Mr. Ge Guang to hold his interest in our Company under his own name, and for setting up our initial Share Incentive Platform and awarding our key early contributors, Mr. Huang Lin transferred (i) 22.63% equity interest to Mr. Ge Guang at nil consideration; (ii) 2.00% equity interest to Mr. Zhan at a consideration of RMB72,000; (iii) 0.83% equity interest to Mr. Kong at a consideration of RMB30,000; and (iv) 1.88% equity interest to Juxinwei Enterprise at nil consideration, and Mr. Liu transferred 9.22% equity interest to Juxinwei Enterprise at nil consideration.

Subsequently, Juxinwei Enterprise made a capital contribution of RMB400,000 to the registered capital of our Company, representing 10.00% post-dilution equity interest in our Company. As a result, our registered capital was increased from RMB3,600,000 to RMB4,000,000.

Juxinwei Enterprise is our Share Incentive Platform. See “— Share Incentive Platforms” for details.

Angel Financing

In August 2017, we completed the Angel Financing and raised a total investment of RMB8,400,000. Upon completion of the Angel Financing, our registered capital was increased from RMB4,000,000 to RMB4,363,634.80, which was subscribed as to 8.33% by Chongqing Qihou Xihai Equity Investment Management Co., Ltd. (重慶麒厚西海股權投資管理有限公司) (“**Qihou Xihai**”).

Series Pre-A Financing

In October 2017, we completed the Series Pre-A Financing and raised a total investment of RMB6,000,000. Upon completion of the Series Pre-A Financing, our registered capital was increased from RMB4,363,634.80 to RMB4,545,453.00, which was subscribed as to 2.00% by Wuhan Optics Valley Talent Venture Capital Partnership (Limited Partnership) (武漢光谷人才創業投資合夥企業(有限合夥)) (“**Optics Valley Venture**”) and 2.00% by Wuhan Optics Valley Talent Innovation Investment Partnership (Limited Partnership) (武漢光谷人才創新投資合夥企業(有限合夥))¹ (“**Optics Valley Innovation**”).

Note:

1. The investment amount of RMB3,000,000 had not been settled by Optics Valley Innovation. In April 2018, Optics Valley Innovation transferred its right to capital contribution in our Company to Chunxiao Dongke (Wuhan) Venture Capital Partnership (Limited Partnership) (春曉東科(武漢)創業投資合夥企業(有限合夥)) (“**Chunxiao Dongke**”) at nil consideration. Chunxiao Dongke subsequently paid an investment amount of RMB3,840,000 to our Company on April 25, 2018, for subscription of registered capital of RMB90,909.10, which was determined based on the valuation under the Series A Financing.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Series A Financing

In February 2018, we completed the Series A Financing and raised a total investment of RMB8,000,000. Upon completion of the Series A Financing, the registered capital of our Company was increased from RMB4,545,453.00 to RMB4,734,846.90, which was subscribed as to 4.00% by Shenzhen Wuyue Huanuo Angel Investment Partnership (Limited Partnership) (深圳五嶽華諾天使投資合夥企業(有限合夥)) (“**Wuyue Huanuo**”).

In March 2018, Mr. Zhan and Mr. Ge Guang also transferred 1.20% and 0.80% equity interest to Wuyue Huanuo at a consideration of RMB2,400,000 and RMB1,600,000, respectively.

The considerations were determined after arm’s length negotiations based on the valuation of our Company under the Series A Financing and were settled on February 7, 2018.

Equity transfers in December 2018

In December 2018, due to Mr. Ge Guang’s personal decision to pursue his own business opportunities, Mr. Ge Guang transferred (i) 7.46% equity interest to Mr. Liu at a consideration of RMB1,347,000; (ii) 2.60% equity interest to Mr. Zhan at a consideration of RMB470,000; (iii) 1.84% equity interest to Mr. Kong at a consideration of RMB333,000; (iv) 0.38% equity interest to Mr. Liu Xuefeng (劉雪峰)² at a consideration of RMB69,000; and (v) 4.11% equity interest to Juxinwei Enterprise at a consideration of RMB742,000, upon which Mr. Ge Guang ceased to be a Shareholder. The considerations were determined after arm’s length negotiations among the initial shareholders, taken into account the contributions made by our Founder, Co-founders and employees as key contributors to our early foundation.

Note:

2. Mr. Liu Xuefeng is the general manager of SI Shenzhen.

In the same month, Optics Valley Venture transferred 1.92% equity interest to Wuhan Zhitong Juxin Enterprise Management Consultancy Partnership (Limited Partnership) (武漢智通聚芯企業管理諮詢合夥企業(有限合夥))³ (“**Zhitong Juxin**”) at a consideration of RMB4,500,000. The consideration was determined after arm’s length negotiations based on an agreed premium on the valuation of our Company under the Series A Financing and was settled on December 25, 2018.

Note:

3. Zhitong Juxin is a limited partnership established in the PRC, the general partner of which is Mr. Liu.

Series A+ Financing

In April 2019, we completed the Series A+ Financing and raised a total investment of RMB45,000,000. Upon completion of the Series A Financing, the registered capital of our Company was increased from RMB4,734,846.90 to RMB5,361,517.80, which was subscribed as to 6.96% by Hushan Xinju (Chengdu) Venture Capital Center (Limited Partnership) (湖杉芯聚(成都)創業投資中心(有限合夥)) (“**Hushan Xinju**”) and 4.73% by Shengming Enterprise Management Consultancy Co., Ltd. (盛銘企業管理諮詢有限公司) (“**Shengming Enterprise**”).

In May and August 2019, Yueke No. 1 transferred 1.77% equity interest to Shengming Enterprise at a consideration of RMB6,800,000, and Xiamen Jixing transferred 2.00% equity interest to Ningbo Meishan Bonded Port Area Jiangmen Venture Capital Center (Limited Partnership) (寧波梅山保稅港區將門創業投資中心(有限合夥)) (“**Jiangmen VC**”) at a consideration of RMB7,700,000. The considerations were determined after arm’s length negotiations based on the valuation of our Company under the Series A+ Financing and were settled on August 2, 2019.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Equity transfers and capital increase in October 2019 and April 2020

In October 2019 and April 2020, Chunxiao Dongke and Xiamen Jixing transferred 0.50% and 1.20% equity interest to Zhitong Juxin at a consideration of RMB2,000,000 and RMB7,184,381, respectively. The considerations were determined after arm’s length negotiations based on an agreed premium over the valuation of our Company under the Series A+ Financing.

Subsequently, Zhihui Juxin made a capital contribution of RMB342,224.50, representing 6.00% post-dilution equity interest in our Company. As a result, our registered capital was increased from RMB5,361,517.80 to RMB5,703,742.30.

Zhihui Juxin is our Share Incentive Platform. See “— Share Incentive Platforms” for details.

Series B Financing

In May 2020, we completed the Series B Financing and raised a total investment of RMB100,000,000. Upon completion of the Series B Financing, the registered capital of our Company was increased from RMB5,703,742.30 to RMB6,337,491.40, which was subscribed as to 10.00% by Nanjing Heli Guoxin Zhixin Equity Investment Partnership (Limited Partnership) (南京和利國信智芯股權投資合夥企業(有限合夥)) (“**Heli Guoxin**”).

Series B+ Financing

In July 2020, we completed the Series B+ Financing and raised a total investment of RMB11,000,000. Upon completion of the Series B+ Financing, the registered capital of our Company was increased from RMB6,337,491.40 to RMB6,401,506.50, which was subscribed as to 1.00% by Suzhou Yuanming Venture Capital Center (Limited Partnership) (蘇州源明創業投資中心(有限合夥)) (“**Suzhou Yuanming**”).

Concurrently, each of Mr. Liu, Mr. Zhan and Mr. Kong transferred 0.33% equity interest to Suzhou Yuanming at a consideration of RMB3,666,666.70, and Zhitong Juxin transferred 0.27% equity interest to Suzhou Yuanming at a consideration of RMB3,000,000.00. The considerations were determined after arm’s length negotiations based on the valuation of our Company under the Series B+ Financing and were settled on May 29, 2020.

Equity transfers in April 2021

In April 2021, Yueke No. 1 transferred in aggregate 5.16% equity interest to Shenzhen Huaye Xiwang Investment Partnership (Limited Partnership) (深圳華業希望投資合夥企業(有限合夥)) (“**Huaye Xiwang**”), Pingtan Hengrui No. 3 Equity Investment Partnership (Limited Partnership) (平潭恒睿三號股權投資合夥企業(有限合夥)) (“**Hengrui No. 3**”), Xiamen Huaye Qirong Venture Capital Partnership (Limited Partnership) (廈門華業啟融創業投資合夥企業(有限合夥)) (“**Huaye Qirong**”) and Zhitong Juxin at a total consideration of RMB45,425,600. The considerations were determined after arm’s length negotiations based on an agreed discount on the valuation of our Company under the Series B+ Financing and were settled on April 12, 2021.

Series C Financing

In August 2021, we completed the Series C Financing and raised a total investment of RMB123,913,043.60. Upon completion of the Series C Financing, the registered capital of our Company was increased from RMB6,401,506.50 to RMB6,958,159.20, which was subscribed as to 2.50% by Shenzhen Habo Technology Investment Partnership (Limited Partnership) (深圳哈勃科技投資合夥企業(有限合夥)) (“**Habo Technology**”), 2.90% by Huaye Qirong, 2.00% by Hubei Xiaomi Changjiang Industrial Fund Partnership (Limited Partnership) (湖北小米長江產業基金合夥企業(有限合夥)) (“**Xiaomi Changjiang**”) and 0.60% by Hengrui No. 3.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Concurrently, (i) Habo Technology acquired in aggregate 2.30% equity interest from Huaye Xiwang, Hengrui No. 3, Qihou Xihai, Jiangmen VC, Chunxiao Dongke at a total consideration of RMB22,243,245.07; and (ii) Xiaomi Changjiang acquired in aggregate 1.66% equity interest from Huaye Xiwang, Hengrui No. 3, Qihou Xihai, Jiangmen VC, Chunxiao Dongke at a total consideration of RMB16,015,127.26. The considerations were determined after arm’s length negotiations based on an agreed discount on the valuation of our Company under the Series C Financing and were settled on June 30, 2021.

Capital increase and equity transfers in December 2021

In December 2021, Zhike Juxin made a capital contribution of RMB773,128.80 to the registered capital of our Company, representing 10.00% post-dilution equity interest in our Company. As a result, our registered capital was increased from RMB6,958,159.20 to RMB7,731,288.00.

Zhike Juxin is our Share Incentive Platform. See “— Share Incentive Platforms” for details.

Concurrently, Nanjing Wuyuan Qixing Venture Capital Center (Limited Partnership) (南京五源啟興創業投資中心(有限合夥)) (“**5Y Qixing**”) acquired in aggregate 1.00% equity interest from Hushan Xinju and Jiangmen VC at a total consideration of RMB30,000,000. The considerations were determined after arm’s length negotiations based on an agreed discount on the proposed valuation of our Company under the upcoming Series D Financing and were settled on December 27, 2021.

Series D Financing

In January 2022, we completed the Series D Financing and raised a total investment of RMB300,000,000. Upon completion of the Series D Financing, the registered capital of our Company was increased from RMB7,731,288.00 to RMB8,246,707.20, which was subscribed as to 3.54% by 5Y Qixing, 1.25% by Beijing Quantum Jump Technology Co., Ltd. (北京量子躍動科技有限公司) (“**Quantum Jump**”), 0.64% by Zhuhai Hengqin Huaye Tiancheng Venture Capital Partnership (Limited Partnership) (珠海橫琴華業天成創業投資合夥企業(有限合夥)) (“**Hengqin Huaye**”), 0.50% by Suzhou Yuanming and 0.31% by Wuhan Chuanxin Future Equity Investment Fund Partnership (Limited Partnership) (武漢傳新未來股權投資基金合夥企業(有限合夥)) (“**Chuanxin Future**”).

In January and March 2022, (i) Zhitong Juxin transferred 0.73% equity interest to Shenzhen Gongchuang Future Investment Partnership (Limited Partnership) (深圳共創未來投資合夥企業(有限合夥)) (“**Gongchuang Future**”) at a consideration of RMB35,000,000; (ii) Dai Xiaowu transferred 0.36% equity interest to Hengqin Huaye at a consideration of RMB17,461,514.82; and (iii) Hushan Xinju transferred 0.50% equity interest to Suzhou Yuanming at a consideration of RMB24,000,000.00. The consideration was determined after arm’s length negotiations based on the valuation of our Company under the Series D Financing and were settled on March 7, 2022.

Equity transfers in June 2022

In June 2022, to facilitate further grants of interests in our Share Incentive Platforms to our employees, Zhike Juxin transferred 4.22% equity interest to Zhituo Juxin and 0.71% equity interest to Zhixin Enterprise at nil consideration.

Zhituo Juxin and Zhixin Enterprise are our Share Incentive Platforms. See “— Share Incentive Platforms” for details.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Equity transfer in April 2024

In April 2024, Wuyue Huanuo transferred 0.42% equity interest to Shenzhen Jiacheng Zhihe Venture Capital Partnership (Limited Partnership) (深圳市佳承智和創業投資合夥企業(有限合夥)) (“**Jiacheng Zhihe**”) at a consideration of RMB20,000,000. The consideration was determined after arm’s length negotiations based on the valuation of our Company under the Series D Financing and was settled on 7 May 2024.

Series D+ Financing

In July 2025, we completed the Series D+ Financing and raised a total investment of RMB509,600,000. Upon completion of the Series D+ Financing, the registered capital of our Company was increased from RMB8,246,707.20 to RMB9,122,233.40, which was subscribed as to 2.82% by China Internet Investment Fund (Limited Partnership) (中國互聯網投資基金(有限合夥)) (“**China Internet Investment Fund**”), 0.94% by Junrong Development Venture Capital Fund (Hubei) Partnership (Limited Partnership) (軍融發展創業投資基金(湖北)合夥企業(有限合夥)) (“**Junrong Development**”), 0.93% by Changjiang Securities Innovation Investment (Hubei) Co., Ltd. (長江證券創新投資(湖北)有限公司) (“**Changjiang Innovation Investment**”), 0.85% by Taiping Sci-tech Innovation (Shanghai) Private Equity Investment Fund Partnership (Limited Partnership) (太平科創(上海)私募投資基金合夥企業(有限合夥)) (“**Taiping Tech-Inno**”), 0.79% by Shenzhen Dachen Chuangcheng Private Equity Investment Fund Enterprise (Limited Partnership) (深圳市達晨創程私募股權投資基金企業(有限合夥)) (“**Shenzhen Dachen Chuangcheng**”), 0.75% by Wuhan Optics Valley Sci-tech Innovation Industry Investment Fund Partnership (Limited Partnership) (武漢光谷科創產業投資基金合夥企業(有限合夥)) (“**Optics Valley Sci-tech Innovation**”), 0.57% by Anhui Huaye Qicheng Equity Investment Partnership (Limited Partnership) (安徽華業啟成股權投資合夥企業(有限合夥)) (“**Huaye Qicheng**”), 0.48% by Hangzhou Dachen Chuangcheng Equity Investment Fund Partnership (Limited Partnership) (杭州達晨創程股權投資基金合夥企業(有限合夥)) (“**Hangzhou Dachen Chuangcheng**”), 0.38% by Xiangyang Innovation Investment Co., Ltd. (襄陽市創新投資有限公司) (“**Xiangyang Innovation Investment**”), 0.38% by Shenzhen Huaye Lanxin Venture Capital Partnership (Limited Partnership) (深圳華業瀾芯創業投資合夥企業(有限合夥)) (“**Huaye Lanxin**”), 0.38% by Ningbo Yongyuan Hongkun Venture Capital Partnership (Limited Partnership) (寧波甬元弘坤創業投資合夥企業(有限合夥)) (“**Yongyuan Hongkun**”), 0.18% by Shenzhen Huaye Xinlian Venture Capital Partnership (Limited Partnership) (深圳華業芯聯創業投資合夥企業(有限合夥)) (“**Huaye Xinlian**”), 0.14% by Hunan Fortune Caixin Phase I Venture Capital Fund Partnership (Limited Partnership) (湖南達晨財鑫壹期創業投資基金合夥企業(有限合夥)) (“**Fortune Caixin Phase I**”), 0.01% by Wuhan Shanjiang Juyuan Enterprise Management Center (Limited Partnership) (武漢杉江聚源企業管理中心(有限合夥)) (“**Shanjiang Juyuan**”) and 0.005% by Wuhan Changniu Enterprise Management Partnership (Limited Partnership) (武漢長牛企業管理合夥企業(有限合夥)) (“**Wuhan Changniu**”).

Concurrently, OPPO Guangdong Mobile Communications Co., Ltd. (OPPO廣東移動通信有限公司) (“**OPPO Guangdong Mobile**”), Hainan Qixing Equity Investment Fund Partnership (Limited Partnership) (海南起行股權投資基金合夥企業(有限合夥)) (“**Hainan Qixing**”), Taiping Tech-Inno, Shenzhen Dachen Chuangcheng, Huaye Qicheng, Hubei Science and Technology Innovation Corridor Venture Capital Partnership (Limited Partnership) (湖北科創大走廊創業投資合夥企業(有限合夥)) (“**Sci-tech Corridor VC**”), Hangzhou Dacheng Chuangcheng, Hushan Mingxin Mingxin (Chengdu) Venture Capital Center (Limited Partnership) (湖杉明芯(成都)創業投資中心(有限合夥)) (“**Hushan Mingxin**”), Mingzhe Yunzhan No. 5 (Zibo) Equity Investment Partnership (Limited Partnership) (銘哲雲展五號(淄博)股權投資合夥企業(有限合夥)) (“**Mingzhe Yunzhan No. 5**”), Suzhou Huaye Xuchuang Investment Partnership (Limited Partnership) (蘇州華業續創投資合夥企業(有限合夥)) (“**Huaye Xuchuang**”), Wuxi Hushan Xingxin Venture Capital Partnership (Limited Partnership) (無錫湖杉星芯創業投資合夥企業(有限合夥)) (“**Hushan Xingxin**”), Huaye Xinlian, Fortune Caixin Phase I and Yichang Dianjun Yiming Industrial Investment Fund Partnership (Limited Partnership) (宜昌點軍翼鳴產業投資基金合夥企業(有限合夥)) (“**Dianjun Yiming**”) acquired in aggregate 14.52% equity interest from Mr. Liu, Mr. Kong, Mr. Zhan, Liu Xuefeng, Juxinwei Enterprise, Zhihui Juxin, Zhike Juxin, Zhitong Juxin, Zhituo Juxin, Zhixin Enterprise,

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Chunxiao Dongke, Heli Guoxin, Hengrui No. 3, Huaye Qirong, Jiangmen VC, Qihou Xihai, Renbenyue Investment, Shengming Enterprise, Wuyue Huanuo and Xiaomi Changjiang at a total consideration of RMB616,672,848.05. The considerations were determined after arm’s length negotiations based on an agreed discount on the valuation of our Company under the Series D+ Financing and were settled on August 8, 2025.

Conversion into a joint stock company

Our Company was converted from a limited liability company into a joint stock company with limited liability on September 18, 2025. The conversion was made with reference to our Company’s audited net asset value as of July 31, 2025 of RMB1,090.1 million, out of which RMB30,000,000 was converted into 30,000,000 Shares with a par value of RMB1.00 each, and the remaining amount was classified as capital reserve. Immediately after the conversion into a joint stock company with limited liability, the registered share capital of our Company became 30,000,000 Shares with a par value of RMB1.00 each.

Equity transfer in September 2025

In September 2025, (i) Qihou Xihai transferred in aggregate 1.77% equity interest to Suzhou Qihou Jiexu Emerging Industry Venture Capital Fund Partnership (Limited Partnership) (蘇州麒厚接續新興產業創業投資基金合夥(有限合夥)) (“**Qihou Jiexu**”)⁴, Gongqingcheng Zhongsong Juli Venture Capital Partnership (Limited Partnership) (共青城眾松聚力創業投資合夥企業(有限合夥)) (“**Zhongsong Juli**”) and Shenzhen Juyuan Xinchuang Private Equity Investment Fund Partnership (Limited Partnership) (深圳聚源芯創私募股權投資基金合夥企業(有限合夥)) (“**Juyuan Xinchuang**”) at a total consideration of RMB68,547,800; (ii) Zhitong Juxin transferred 0.61% equity interest to Juyuan Xinchuang at a consideration of RMB32,155,291.57; and (iii) Heli Guoxin transferred 0.94% equity interest to Nanjing Zhixinju Venture Capital Partnership (Limited Partnership) (南京智芯聚創業投資合夥企業(有限合夥)) (“**Nanjing Zhixinju**”) at a consideration of RMB40,000,000. The considerations were determined after arm’s length negotiations based on an agreed discount on the valuation of our Company under the Series D+ Financing and were settled on September 22, 2025.

Note:

4. Qihou Jiexu is an affiliate of Qihou Xihai.

Shareholding structure of our Company as of the Latest Practicable Date

See “— Capitalization of our Company” for a summary of the shareholding our Company as of the Latest Practicable Date.

Our Subsidiaries

The following sets forth information of our subsidiaries:

Name	Date of establishment	Place of establishment	Direct or indirect shareholding attributable to our Company as of the Latest Practicable Date	Principal activities/ functions
SI Shenzhen . . .	November 30, 2017	PRC	100%	Regional Sales
SI Shanghai . . .	December 4, 2019	PRC	100%	R&D, regional sales
SI Beijing	August 20, 2020	PRC	100%	Regional Sales
SI Suzhou	May 31, 2021	PRC	100%	R&D

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Name	Date of establishment	Place of establishment	Direct or indirect shareholding attributable to our Company as of the Latest Practicable Date	Principal activities/ functions
SI Netherlands .	May 13, 2019	Netherlands	100%	R&D
SI Hong Kong .	August 27, 2020	Hong Kong	100%	R&D, sales
SI Singapore . .	March 17, 2025	Singapore	100%	Future overseas operations

MAJOR ACQUISITIONS AND DISPOSALS

Save as disclosed in “Waivers from Strict Compliance with the Requirements under the Listing Rules — Acquisition After the Track Record Period,” we had not conducted any major acquisitions or disposals during the Track Record Period and up to the Latest Practicable Date.

SHARE INCENTIVE PLATFORMS

In recognition of the contributions of our employees and to incentivize them to further promote our development, Juxinwei Enterprise, Zhike Juxin, Zhituo Juxin, Zhihui Juxin and Zhixin Enterprise were established as our Share Incentive Platforms. The general partner of each of the Share Incentive Platforms is Mr. Liu. All management powers of the Share Incentive Platforms are exercised by Mr. Liu as general partner according to the respective partnership agreements, whereas the relevant employees as the limited partners of such Share Incentive Platforms are entitled to the economic interest. The following sets forth information of the Share Incentive Platforms.

Juxinwei Enterprise

Juxinwei Enterprise is a limited partnership established in the PRC on May 17, 2017. As of the Latest Practicable Date, Juxinwei Enterprise holds 10.08% of the total number of issued Shares. Its general partner is Mr. Liu, holding 6.11% interest. It has 25 limited partners, being existing and former employees of our Group, none of whom holds 30% or more interest therein, with all of them being Independent Third Parties except (i) Mr. Ke Yi (柯毅) (our former Director) who holds 12.07% interest; (ii) Mr. Liu Xuefeng (劉雪峰) (the general manager of SI Shenzhen) who holds 7.83% interest; (iii) Mr. Jin Yongjie (金勇杰) (a director of SI Netherlands) who holds 6.03% interest; (iv) Mr. Shang Qingrui (商慶瑞) (the supervisor of SI Beijing) who holds 3.50% interest; (v) Mr. Yan Wei (嚴威) (the supervisor of SI Shanghai) who holds 2.78% interest therein; and (vi) Ms. Yu Hong (余虹) (our executive Director and chief financial officer) who holds 1.44% interest.

Zhike Juxin

Zhike Juxin is a limited partnership established in the PRC on November 24, 2021. As of the Latest Practicable Date, Zhike Juxin holds 3.72% of the total number of issued Shares. Its general partner is Mr. Liu, holding 2.17% interest. It has 48 limited partners, being existing and former employees of our Group, none of whom holds 30% or more interest therein, with all of them being Independent Third Parties except (i) Mr. Shi Yipeng (施怡鵬) (the director of SI Suzhou) who holds 10.36% interest; (ii) Mr. Yan Wei who holds 9.44% interest; (iii) Mr. Ke Yi who holds 7.91% interest; (iv) Mr. Kong (our executive Director, deputy general manager and chief marketing officer) who holds 7.64% interest; (v) Mr. Liu Xuefeng who holds 4.13% interest; (vi) Mr. Jin Yongjie who holds 2.45% interest; (vii) Mr. Shang Qingrui who holds 2.03% interest; (viii) Ms. Yu Hong who holds 1.14% interest; and (ix) Mr. Zhan (our executive Director, general manager and chief operating officer) who holds 0.44% interest.

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Zhituo Juxin

Zhituo Juxin is a limited partnership established in the PRC on May 24, 2022. As of the Latest Practicable Date, Zhituo Juxin holds 3.53% of the total number of issued Shares. Its general partner is Mr. Liu, holding 32.84% interest. It has 49 limited partners, being existing and former employees of our Group, none of whom holds 30% or more interest therein, with all of them being Independent Third Parties except (i) Mr. Zhan who holds 15.32% interest; (ii) Mr. Jin Yongjie who holds 8.62% interest; and (iii) Mr. Yan Wei who holds 5.75% interest.

Zhihui Juxin

Zhihui Juxin is a limited partnership established in the PRC on November 22, 2019. As of the Latest Practicable Date, Zhihui Juxin holds 3.47% of the total number of issued Shares. Its general partner is Mr. Liu, holding 29.50% interest. It has 49 limited partners, being existing and former employees of our Group, none of whom holds 30% or more interest therein, with all of them being Independent Third Parties except (i) Mr. Zhan who holds 19.05% interest; (ii) Mr. Shi Yipeng who holds 5.84% interest; (iii) Mr. Yan Wei who holds 4.38% interest; and (iv) Ms. Yu Hong who holds 4.38% interest.

Zhixin Enterprise

Zhixin Enterprise is a limited partnership established in the PRC on December 28, 2021. As of the Latest Practicable Date, Zhixin Enterprise holds 0.59% of the total number of issued Shares. Its general partner is Mr. Liu, holding 0.33% interest. It has 39 limited partners, being existing and former employees of our Group, none of whom holds 30% or more interest, with all of them being Independent Third Parties.

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PRE-[REDACTED] INVESTMENTS

We completed several rounds of Pre-[REDACTED] Investments, namely the Seed Financing, the Angel Financing, the Series Pre-A Financing, the Series A Financing, the Series A+ Financing, the Series B Financing, the Series B+ Financing, the Series C Financing, the Series D Financing and the Series D+ Financing.

Date of agreement(s)	Seed Financing	Angel Financing	Series Pre-A Financing	Series A Financing	Series A+ Financing	Series B Financing	Series B+ Financing	Series C Financing	Series D Financing	Series D+ Financing
	July 2016	August 2017	October 2017	February 2018	March 2019	April 2020	May 2020	June 2021	December 2021	June 2025
Number of Shares issued ⁽¹⁾	1,973,201 Shares	1,195,874 Shares	597,940 Shares	622,854 Shares	2,060,913 Shares	2,084,191 Shares	210,524 Shares	1,830,646 Shares	1,695,043 Shares	2,879,315 Shares
Amount of consideration ⁽²⁾	RMB7.0 million	RMB8.4 million	RMB6.0 million	RMB8.0 million	RMB45.0 million	RMB100.0 million	RMB11.0 million	RMB123.9 million	RMB300.0 million	RMB509.6 million
Last date of settlement of consideration	August 23, 2016	August 7, 2017	April 25, 2018	February 7, 2018	April 12, 2019	May 7, 2020	May 29, 2020	July 15, 2021	January 26, 2022	June 30, 2025
Cost per Share ⁽³⁾	RMB3.55	RMB7.02	RMB10.03	RMB12.84	RMB21.83	RMB47.98	RMB52.25	RMB67.69	RMB176.99	RMB176.99
Post-money valuation of our Company ⁽⁴⁾	RMB42.0 million ⁽⁵⁾	RMB100.8 million ⁽⁶⁾	RMB150.0 million ⁽⁷⁾	RMB200.0 million ⁽⁷⁾	RMB385.0 million ⁽⁸⁾	RMB1,000.0 million ⁽⁹⁾	RMB1,100.0 million ⁽⁹⁾	RMB1,549.9 million ⁽¹⁰⁾	RMB4,800.0 million ⁽¹¹⁾	RMB5,309.8 million ⁽¹²⁾
Discount to the [REDACTED] ⁽¹³⁾	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%
Use of [REDACTED] received by our Company from the Pre-[REDACTED] Investments	For the purpose of development of our Group's principal business. As of December 31, 2025, save for the net [REDACTED] received by our Company from the Series D+ Financing (out of which 16.7% of the net proceeds had been utilized), the net [REDACTED] received by our Company from the Pre-[REDACTED] investments had been fully utilized. We intend to utilize the remaining net [REDACTED] received by our Company from the Series D+ Financing for the purpose of our R&D and production activities and as our working capital.									
Strategic benefits of the Pre-[REDACTED]	At the time of the Pre-[REDACTED] Investments, our Directors were of the view that our Company could benefit from the additional capital that would be provided by the Pre-[REDACTED] Investors' investments in our Company.									
Investors brought to our Company										
Lock-up	Pursuant to applicable PRC law, all existing Shareholders (including the Pre-[REDACTED] Investors) are subject to a PRC statutory transfer restriction for a period of one year from the [REDACTED]									

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Notes:

- (1) Representing the number of Shares issued to the respective Pre-[REDACTED] Investors after completion of our conversion into a joint stock company.
- (2) Representing the total amount of consideration in the respective round of the Pre-[REDACTED] Investment, without taking into account the considerations paid in respect of the transfers of equity interests between Shareholders.
- (3) Calculated based on the amount of investment in the respective round of the Pre-[REDACTED] Investment divided by the number of Shares issued to the respective Pre-[REDACTED] Investors after completion of our conversion into a joint stock company.
- (4) Representing the cost per Share under the respective round of the Pre-[REDACTED] Investments multiplied by the capitalization of our Company (on a fully diluted basis) immediately after the closing of the corresponding round of the Pre-[REDACTED] Investments.
- (5) The valuation of each round of the Pre-[REDACTED] Investments was determined after arm’s length negotiations with reference to our funding needs, financial results, R&D and product pipelines, and the prospects and development potential of our Group.
- (6) The increase in valuation from the Seed Financing to the Angel Financing was mainly due to the forming of our founding team with extensive technical background and expertise which led to the commencement of development of our iToF sensor chips and the R&D of our intelligent products during the early stage of our development.
- (7) The increase in valuation from the Angel Financing to the Series Pre-A Financing and from the Series Pre-A Financing to the Series A Financing was mainly due to the significant progress of our pressure sensor including the completion of R&D and the commencement of mass production.
- (8) The increase in valuation from the Series A Financing to the Series A+ Financing was mainly due to the completion of the tape-out of our smart audio products.
- (9) The increase in valuation from the Series A+ Financing to the Series B Financing and from the Series B Financing to the Series B+ Financing was mainly due to (i) the completion of the tape-out of our 3D ToF sensor products; (ii) the commencement of delivery of our smart audio products; and (iii) the successful development of our back-side illumination HVGA ToF sensor chips.
- (10) The increase in valuation from the Series B+ Financing to the Series C Financing was mainly due to the commencement of the R&D of our optical sensor.
- (11) The increase in valuation from the Series C Financing to the Series D Financing was mainly due to the completion of the tape-out of our SIP optical sensor chips.
- (12) The increase in valuation from the Series D Financing to the Series D+ Financing was mainly due to (i) the completion of the tape-out of our SIH haptic chips; (ii) the commencement of delivery of our SIP optical sensor chips; and (iii) we successfully embedded our Haptics Core algorithm software into our linear motor driver.
- The increase in valuation from the Series D+ Financing to the [REDACTED] was mainly due to (i) the premium factored into the valuation of the [REDACTED] resulting from the increased liquidity in the Shares which will be traded on the Stock Exchange upon the [REDACTED]; (ii) the significant growth of the financial performance of our Group for the year ended December 31, 2025 as compared to that of the year ended December 31, 2024; and (iii) the status of commercialization of our products.
- (13) The discount to the [REDACTED] is calculated based on the [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED].

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Rights of the Pre-[REDACTED] Investors

The special rights granted to the Pre-[REDACTED] Investors included, among others, information rights, redemption rights, pre-emptive rights, director nomination rights, rights to be consented prior to certain corporate actions and anti-dilution rights.

The redemption right against our Company was terminated on July 31, 2025. The Shares held by the Pre-[REDACTED] Investors (except for the Shares held by the Pre-[REDACTED] Investors under the Seed Financing, the Angel Financing, the Series Pre-A Financing and the Series A Financing which were not granted any redemption right by our Company) were recorded as financial liabilities at FVTPL during the Track Record Period. As the redemption right against our Company was terminated on July 31, 2025, our Group’s financial liabilities at FVTPL amounted to RMB1,556,152,000 was derecognized and credited to other reserve on July 31, 2025, and no redemption liability was recorded since August 1, 2025. For further information regarding the financial liabilities at FVTPL including the redemption features, see Note 23 to the Accountants’ Report in Appendix I to this document for details.

The redemption right against our Founder and Co-founders was terminated on the date before the first submission of the [REDACTED] application to the Stock Exchange and shall be restored upon the occurrence of any of the following events: (i) the Stock Exchange not accepting, rejecting, returning or terminating the vetting of the [REDACTED] application; (ii) the [REDACTED] application not being renewed within six months after its lapse; (iii) the withdrawal of the [REDACTED] application to the Stock Exchange by our Company; (iv) the CSRC not accepting the filing of the [REDACTED] application; and (v) our Company failing to complete the [REDACTED] within 18 months after the first submission of the [REDACTED] application to the Stock Exchange. There was no guarantee provided by our Company in respect of the redemption right previously granted by our Founder and Co-founders, and our Company was not a party to any side agreements regarding such redemption right. As our Company has no obligation to repurchase the Shares held by the Pre-[REDACTED] Investors under the redemption rights against our Founder and Co-founders, no redemption liability was recorded during the Track Record Period in this regard. For details, see Note 23 to the Accountants’ Report set out in Appendix I.

Other special rights which are required to be terminated pursuant to Chapter 4.2 of the Listing Guide will be terminated upon the [REDACTED].

Information about the Pre-[REDACTED] Investors

Information of our Pre-[REDACTED] Investors is set out below:

Heli Guoxin and Nanjing Zhixinju

Heli Guoxin is a limited partnership established in the PRC and a private equity fund with a fund size of RMB3.355 billion which focuses on investments in the integrated circuit industry, managed by CTC Capital. Its general partner is Ningbo Meishan Bonded Port Area Hexin Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區禾芯投資管理合夥企業(有限合夥)) (“**Hexin Investment**”), which holds 1.15% interest therein, jointly controlled by its general partner, CTC Capital Management Co., Ltd. (和利創業投資管理(蘇州)有限公司) (“**CTC Capital**”), and 76.5% by Ningbo Meishan Bonded Port Area Ningxin Venture Capital Management Partnership (Limited Partnership) (寧波梅山保稅港區寧芯創業投資管理合夥企業(有限合夥)) (“**Ningxin VC**”). Ningxin VC is owned as to 50% by CTC Capital as its general partner and 35% by Ms. Wang Yuqing (王雨晴), an Independent Third Party, who also holds 95% interest in CTC Capital. Heli Guoxin has 14 limited partners, none of which holds more than 30% or more interest therein.

Nanjing Zhixinju is a limited partnership established in the PRC and is principally engaged in private equity investments. The general partner of Nanjing Zhixinju is CTC Capital. Save for Yangzhou Heli Zhixi Equity Investment Partnership (Limited Partnership) (揚州和利智矽股權投資合夥企業(有限合夥)), which is ultimately controlled by Ms. Wang Yuqing, holding 99.50% partnership interest in Nanjing Zhixinju, none of the other limited partner hold more than 30% interest in Nanjing Zhixinju.

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CTC Capital focuses on mid-to-early-stage investments in cutting-edge semiconductor technologies and high-end import substitution. Representative portfolio companies include Cambricon and MetaX Integrated Circuits. With over 20 years of industrial expertise and extensive resources from partners in Taiwan and overseas, the firm provides critical support for domestic semiconductor ventures from inception to fruition.

5Y Qixing

5Y Qixing is a limited partnership established in the PRC, whose general partner is Nanjing Wuyuan Chuxing Equity Investment Center (Limited Partnership) (南京五源初興股權投資中心(有限合夥)) (“**5Y Chuxing**”), which is controlled by its general partner, Shanghai Xingshang Enterprise Management Consulting Co., Ltd. (上海興尚企業管理諮詢有限公司), which is in turn held as to 50% by each of Mr. Liu Qin (劉芹), our former Director, and Mr. Wang Zhenting (王振庭). 5Y Qixing is managed by Shanghai Xingpan Private Equity Fund Management Co., Ltd. (上海興畔私募基金管理有限公司) (“**Shanghai Xingpan**”), a related party of 5Y Chuxing, which is ultimately controlled by Mr. Liu Qin. Pursuant to the limited partnership agreement of 5Y Qixing, all partners of 5Y Qixing unanimously agreed and authorized 5Y Chuxing, the general partner of 5Y Qixing, to appoint Shanghai Xingpan as the manager of 5Y Qixing. 5Y Qixing is an investment entity of 5Y. 5Y is a venture capital firm which specializes in fostering the growth of outstanding companies in the information technology, life sciences, and consumer innovation sectors. 5Y has invested in other technology companies such as Xiaomi Corporation (stock code: 1810), Kuaishou Technology (stock code: 1024), XPeng Inc. (stock code: 9868) and Horizon Robotics (stock code: 9660), etc. 5Y Qixing has 48 limited partners, none of which holds more than 30% or more interest therein.

OPPO Guangdong Mobile

OPPO Guangdong Mobile is a limited liability company established in the PRC and is a global leading smart device manufacturer headquartered in Guangdong, China, which delivers products including smartphones, Internet of Things (IoT) products, accessories, audio products, wearables and tablets. It is wholly owned by Guangdong OPlus Holdings Co., Ltd. (廣東歐加控股有限公司), which is in turn owned as to 65.85% by the Labor Union Committee of Guangdong OPlus Holdings Co., Ltd. (廣東歐加控股有限公司工會委員會), 33.65% by Glory Hill Holdings Limited (高耀集團有限公司) and 0.5% owned by Mr. Jin Leqin (金樂親). The ultimate beneficial owner of OPPO Guangdong Mobile is Mr. Chen Mingyong (陳明永). OPPO Guangdong Mobile is one of the five largest customers of our Group for each of the years/period during the Track Record Period.

Habo Technology

Habo Technology is a limited partnership established in the PRC and is principally engaged in venture capital investment. Habo Technology is managed by its general partner, Habo Technology Venture Capital Co., Ltd. (哈勃科技創業投資有限公司), which is wholly owned by Huawei Investment & Holding Co., Ltd (華為投資控股有限公司) (“**Huawei Investment**”). Huawei Investment is owned as to 99.42% by Huawei Investment & Holding Co., Ltd. Trade Union Committee (華為投資控股有限公司工會委員會), a labor union which is owned by the employees collectively, and 0.58% by Mr. Ren Zhengfei (任正非). Habo Technology has two limited partners, and is owned as to 69% and 30% by Huawei Technologies Co., Ltd (華為技術有限公司) and Huawei Device Co., Ltd (華為終端有限公司), respectively, both of which are ultimately controlled by Huawei Investment.

Hushan Xinju, Hushan Mingxin and Hushan Xingxin

Hushan Xinju, Hushan Mingxin and Hushan Xingxin are private equity funds managed by Hushan Capital.

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Hushan Xinju is a limited partnership established in the PRC. Its general partner is Wuxi Hushan Investment Center (Limited Partnership) (無錫湖杉投資中心(有限合夥)) (“**Wuxi Hushan**”), which holds 1% interest in Hushan Xinju. Wuxi Hushan is in turn controlled by its largest shareholder, Shanghai Hushan Investment Management Co., Ltd. (上海湖杉投資管理有限公司) (“**Shanghai Hushan**”). Hushan Xinju has 13 limited partners, none of which holds more than 30% or more interest therein.

Hushan Mingxin is a limited partnership established in the PRC. Its general partner is Wuxi Hushan, which holds 2.22% interest therein. Hushan Mingxin has 14 limited partners, none of which holds more than 30% or more interest therein.

Hushan Xingxin is a limited partnership established in the PRC. Its general partner is Wuxi Hushan, which holds 2.17% interest therein. The sole limited partner of Hushan Xingxin is Suzhou NRL Novel Strategic Venture Capital Partnership (Limited Partnership) (蘇州紐爾利新策創業投資合夥企業(有限合夥)), holding 97.83% interest therein, which is a private equity fund managed by NRL Capital. NRL Capital is a global investment and fund management platform which covers primary, secondary and direct investment opportunities in both RMB and USD currencies. Its ultimate beneficial owner is Mr. Lin Xianghong (林向紅).

Hushan Capital is a venture capital firm which focuses on investments in the companies in semiconductor industry chain in the PRC, including Shanghai Bright Power Semiconductor Co., Ltd. (上海晶豐明源半導體股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688368), Memsensing Microsystems (Suzhou, China) Co., Ltd. (蘇州敏芯微電子技術股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688286), and Telink Semiconductor (Shanghai) Co., Ltd. (泰凌微電子(上海)股份有限公司) (stock code: 688591). Shanghai Hushan is its investment management platform and is owned as to 70% by Mr. Su Renhong (蘇仁宏) and 30% by Ms. Chen Chunlan (陳春蘭).

China Internet Investment Fund

China Internet Investment Fund is a limited partnership established in the PRC with its principal business operations in non-securities investments, investment management, and advisory services, focusing on the foundational and critical Internet technologies and infrastructure, cybersecurity, network information services, cloud computing, big data, artificial intelligence and industrial digitalization industry, screening cyberspace enterprises that conform to the national strategy and exhibit robust growth prospects, thereby accelerating the development of digital economy. Its general and executive partner is China Internet Investment Fund Management Co., Ltd. (中國互聯網投資基金管理有限公司), which holds 1.41% interest and is ultimately controlled by the National Computer Network Information Security Management Center (國家計算機網絡與信息安全中心). China Internet Investment Fund has nine limited partners. Except for ICBC Credit Suisse Asset Management Co., Ltd. (工銀瑞信投資管理有限公司) as the limited partner holding 33.22% interest therein, none of the other limited partners holds 30% or more interest therein.

Suzhou Yuanming

Suzhou Yuanming is a limited partnership established in the PRC which principally engages in venture capital investment, focusing on the investment of artificial intelligence and robotics, intelligent manufacturing, digital consumer platforms and life science industry. Its general and executive managing partner is Nanjing Yuanxin Management Consultancy Co., Ltd. (南京源芯管理諮詢有限公司) (“**Nanjing Yuanxin**”), holding 0.0086% interest therein. Nanjing Yuanxin is a limited liability company established in the PRC which is ultimately controlled by Mr. Cao Yi (曹毅), the founder of Source Code Capital (源碼資本). Suzhou Yuanming has three limited partners, with Nanjing Yuanling Equity Investment Partnership (Limited Partnership) (南京源嶺股權投資合夥企業(有限合夥)) (“**Nanjing Yuanling**”) holding 44.93% interest therein and Beijing Yuanwei Equity Investment Partnership (Limited Partnership) (北京源為股權投資合夥企業(有限合夥))

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(“**Beijing Yuanwei**”) holding 38.42% interest therein. The general and executive managing partner of Nanjing Yuanling is Nanjing Yuanxin, which is ultimately controlled by Mr. Cao. The general and executive managing partner of Beijing Yuanwei is Beijing Yuanxin Investment Management Co., Ltd. (北京源芯投資管理有限公司), which is also ultimately controlled by Mr. Cao.

Hainan Qixing

Hainan Qixing is a limited partnership established in the PRC and has been registered as a venture capital fund. Its general partner is Xianxiang Private Equity Management (Hainan) Co., Ltd. (現象私募基金管理(海南)有限公司) (“**Xianxiang Capital**”), holding 0.95% interest therein. Xianxiang Capital is a private equity fund manager focusing on S-strategies and hard-tech investment and is wholly owned by Xianxiang Management Consultancy (Hainan) Co., Ltd. (現象管理諮詢(海南)有限公司), which has five shareholders, the largest of whom is Mr. Rao Zhi (饒智), holds 69.57% interest therein, and none of the remaining shareholders holding 30% or more interest therein. None of the limited partners of Hainan Qixing holds 30% or more interest therein.

Huaye Qirong, Wuyue Huanuo, Huaye Qicheng, Hengqin Huaye, Huaye Xuchuang, Gongchuang Future, Huaye Xinlian and Huaye Lanxin

Huaye Qirong, Wuyue Huanuo, Huaye Qicheng, Hengqin Huaye, Huaye Xuchuang, Gongchuang Future, Huaye Xinlian and Huaye Lanxin (the “**Hua Capital Funds**”) are private equity funds under Hua Capital.

Huaye Qirong is a limited partnership established in the PRC and is principally engaged in private equity investment. Its general partner is Zhuhai Hengqin Huaye Tiancheng Investment Partnership Enterprise (Limited Partnership) (珠海橫琴華業天成投資合夥企業(有限合夥)) (“**Hengqin Huaye Tiancheng**”) (which is owned as to 1% by Shenzhen Huaye Tiancheng Investment Co., Ltd. (深圳華業天成投資有限公司) (“**Shenzhen Huaye Tiancheng**”) as general partner, 59% by Mr. Sun Yelin (孫業林) as limited partner and 40% by Mr. Yang Huajun (楊華君), our former Director, holding 1% interest therein. It has two limited partners, including CICC Qirong (Xiamen) Equity Investment Fund Partnership Enterprise (Limited Partnership) (中金啟融(廈門)股權投資基金合夥企業(有限合夥)) (“**CICC Qirong**”) which holds 85.97% interest therein, and the other limited partner which holds less than 30% interest therein. CICC Qirong is a limited partnership established in the PRC and is held by CICC Capital Operation Co., Ltd. (中金資本運營有限公司) as its general partner, which holds 0.04% interest therein and is ultimately controlled by China International Capital Corporation Limited (中國國際金融股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 3908) and Shanghai Stock Exchange (stock code: 601318).

Wuyue Huanuo is a limited partnership established in the PRC and is principally engaged in private equity investment. Its general partner is Zhuhai Hengqin Nuohua Investment Partnership (Limited Partnership) (珠海橫琴諾華投資合夥企業(有限合夥)) (“**Hengqin Nuohua**”), holding 0.10% interest therein. Wuyue Huanuo has 16 limited partners, none of which holds 30% or more interest therein, including Mr. Liu Zhixiong (劉志雄), Mr. Yang Huajun and Mr. Sun Yelin (孫業林) who respectively holds 17.95%, 2.69% and 2.09% interest therein. Hengqin Nuohua is a limited partnership established in the PRC and is held by Shenzhen Wuyue Huanuo Angel Investment Co., Ltd. (深圳五岳華諾天使投資有限公司) as its general partner, a company established in the PRC which is owned as to 70% by Shenzhen Huaye Tiancheng and 30% by Mr. Liu Zhixiong. Hengqin Nuohua has five limited partners, none of which holds 30% or more interest therein, including Mr. Liu Zhixiong, Mr. Yang Huajun and Mr. Sun Yelin who respectively holds 19.85%, 14.83% and 14.83% interest therein.

Huaye Qicheng is a limited partnership established in the PRC and is principally engaged in private equity investment. Its general partner is Hengqin Huaye Tiancheng, holding 0.10% interest therein. It has 40 limited partners, none of which holds 30% or more interest therein.

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Hengqin Huaye is a limited partnership established in the PRC and is principally engaged in private equity investment. Its general partner is Hengqin Huaye Tiancheng, holding 0.05% interest therein. It has 14 limited partners, none of which holds 30% or more interest therein, including Mr. Sun Yelin who holds 2.95% interest therein.

Huaye Xuchuang is a limited partnership established in the PRC and is principally engaged in private equity investment. Its general partner is Shenzhen Gongchuang Huaye Investment Partnership (Limited Partnership) (深圳共創華業投資合夥企業(有限合夥)) (“**Gongchuang Huaye**”), holding 4.93% interest therein. Gongchuang Huaye is a limited partnership which is owned as to 0.10% by its general partner, Shenzhen Huaye Tiancheng, 0.10% by its limited partner, Mr. Sun Yelin and 99.80% by another limited partner, Hainan Gongchuang Huaye Consultancy Service Partnership (Limited Partnership) (海南省共創華業諮詢服務合夥企業(有限合夥)) (which is owned as to 99.90% by Shenzhen Huaye Tiancheng as general partner and 0.10% by Mr. Sun Yelin as limited partner). Huaye Xuchuang has two limited partners, including Suzhou Shangshi Shengshi Yuanfeng Equity Investment Partnership (Limited Partnership) (蘇州上實盛世園豐股權投資合夥企業(有限合夥)) (“**Shangshi Shengshi Yuanfeng**”) which holds 65.52% interest therein and the other limited partner which holds less than 30% interest therein. Shangshi Shengshi Yuanfeng is a limited partnership established in the PRC, the general partner of which is Suzhou Industrial Park Shengfeng Management Consultancy Partnership (Limited Partnership) (蘇州工業園區盛豐管理諮詢合夥企業(有限合夥)), which in turn is owned as to 85% by its general partner, Shanghai Shangshi Shengshi Gongjin Asset Management Co., Ltd. (上海上實盛世共錦資產管理有限公司) (“**Shangshi Shengshi Gongjin**”). Shangshi Shengshi Gongjin is a company established in the PRC and is owned as to 40% by SIIC Asset & Operation Co., Ltd. (上海上投資產經營有限公司) (a company controlled by SIIC Shanghai (Group) Co., Ltd. (上海上實(集團)有限公司), which in turn is wholly owned by the Shanghai City State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會)), 40% by Beijing Shengshi Hongming Investment Fund Management Co., Ltd. (北京盛世宏明投資基金管理有限公司) (a company owned as to 74.7% by Shanghai Shengshi Hongming Investment Group Co., Ltd. (上海盛世鴻明投資集團有限公司), which in turn is owned as to 57.44% by Jiang Mingming (姜明明) and 42.56% by three other shareholders, none of which holds 30% or more interest therein) and 20% by an Independent Third Party.

Gongchuang Future is a limited partnership established in the PRC and is principally engaged in private equity investment. Its general partner is Hengqin Huaye Tiancheng, holding 0.16% interest therein. Its two limited partners are Ningbo Meishan Bonded Port Tengyun Yuansheng Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區騰雲源晟股權投資合夥企業(有限合夥)) (“**Ningbo Tengyun Yuansheng**”), holding 68.67% interest therein, and Tibet Tengyun Investment Management Co., Ltd. (西藏騰雲投資管理有限公司) (“**Tibet Tengyun**”), holding 31.17% interests therein. Ningbo Tengyun Yuansheng is a limited partnership established in the PRC, the general partner of which is Century Tengyun Investment Management Co., Ltd. (世紀騰雲投資管理有限公司), which holds 1% interest therein and is wholly owned by Tibet Tengyun (a company ultimately controlled by Mr. Huang Tao (黃濤)). The limited partner of Ningbo Tengyun Yuansheng is Tibet Tengyun, holding 99% of the interests therein.

Huaye Xinlian is a limited partnership established in the PRC and is principally engaged in private equity investment. Its general partner is Shenzhen Gongchuang Huaye, holding 8.61% interest therein. It has three limited partners, including Mr. Ouyang Le (歐陽樂) who holds 48.84% interest therein, and Minmetals International Trust Co., Ltd. (五礦國際信託有限公司) who holds 46.51% therein and Gongchuang Huaye which holds 4.65% interest therein.

Huaye Lanxin is a limited partnership established in the PRC and is principally engaged in private equity investment. Its general partner is Shenzhen Huaye Tiancheng, holding 0.09% interest therein. Its limited partners include Ms. Zhang Qin (張欽) who holds 59.72% interest therein and three other limited partners, none of whom holds 30% or more interest therein.

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Shenzhen Huaye Tiancheng, which ultimately manages each of the Hua Capital Funds, is a limited partnership established in the PRC. It is owned as 65% by Mr. Sun Yelin and 35% by Mr. Yang Huajun. Mr. Sun Yelin and Mr. Yang Huajun are partners of Hua Capital, a private equity firm which focuses on investments in intelligent technology and manage over 8 billion RMB in assets under management across its RMB and USD funds.

Taiping Tech-Inno

Taiping Tech-Inno is a limited partnership established in the PRC focusing on investment in companies of artificial intelligence, aerospace, semiconductor and integrated circuits, new-energy vehicles, advanced materials, robotics and low-altitude economy industry, such as Shanghai Enflame Technology Co., Ltd. (上海燧原科技有限公司), Suzhou Botree Cycling Sci & Tech Co., Ltd. (蘇州博萃循環科技有限公司) and DataCanvas Limited (北京九章雲極科技有限公司). Its general partner is Taiping Innovation Capital Co., Ltd. (太平創新投資管理有限公司) (the sole shareholder of which is Taiping Asset Management Co., Ltd. (太平資產管理有限公司) (“**Taiping AM**”)), holding 0.05% interest therein. Its sole limited partner is Taiping Life Insurance Company Limited (太平人壽保險有限公司) (“**Taiping Life Insurance**”). Both Taiping AM and Taiping Life Insurance are subsidiaries of China Taiping Insurance Holdings Company Limited, a company listed on the Hong Kong Stock Exchange (stock code: 966).

Shenzhen Dachen Chuangcheng, Hangzhou Dachen Chuangcheng and Fortune Caixin Phase I

Shenzhen Dachen Chuangcheng and Hangzhou Dachen Chuangcheng are private equity funds under Shenzhen Fortune Venture Capital Management Co., Ltd. (深圳市達晨財智創業投資管理有限公司) (“**Fortune VC**”). Fortune VC is a venture capital firm established in the PRC and has assets under management of approximately RMB60 billion, focusing on investment in companies across information technology, intelligent manufacturing, healthcare, cultural and media, and defense sectors, including EVE Energy Co., Ltd. (惠州億緯鋰能股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300014), Biwin Storage Technology Co., Ltd. (深圳百維存儲科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688525), and Rockchip Electronics, Co., Ltd. (瑞芯微電子股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603893). Fortune VC is owned as to 55% by Hunan TV and Broadcast Intermediary Co., Ltd. (湖南電廣傳媒股份有限公司) (“**Hunan TV**”), a company which is listed on the Shenzhen Stock Exchange (stock code: 000917.SZ).

Shenzhen Dachen Chuangcheng is a limited partnership established in the PRC and is principally engaged in private equity investments. Its general partner is Fortune VC, holding 1.19% interest therein. Shenzhen Dachen Chuangcheng has 32 limited partners, none of which holds 30% or more interest therein.

Hangzhou Dachen Chuangcheng is a limited partnership established in the PRC and is principally engaged in private equity investments. Its general partner is Fortune VC, holding 1.63% interest therein. Hangzhou Dachen Chuangcheng has 29 limited partners, none of which holds 30% or more interest therein.

Fortune Caixin Phase I is a limited partnership established in the PRC and is principally engaged in private equity investments. Its general manager is Shenzhen Fortune Venture Capital Co., Ltd. (深圳市達晨創業投資有限公司) (a company wholly owned by Hunan TV), holding 2% interest therein. Fortune Caixin Phase I has three limited partners, including Hunan TV holding 49% interest therein, Hainan Sanya Fortune Investment Co., Ltd. (海南三亞達晨投資有限公司) (a company wholly owned by Shenzhen Fortune Venture Capital Co., Ltd.) holding 48% interest therein and Hunan Broadcasting Network Holding Group Co., Ltd. (湖南廣電網絡控股集團有限公司) holding 1% interest therein.

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Qihou Jiexu and Qihou Xihai

Qihou Jiexu is a limited partnership established in the PRC and is principally engaged in private equity investments. The general partner of Qihou Jiexu is Qihou Xihai, holding 8% interest therein. Save for Zhongjin Jiexu Yuanheng (Zhengzhou) Equity Investment Partnership Enterprise (Limited Partnership) (中金接續元亨(鄭州)股權投資合夥企業(有限合夥)), which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), holding 76.62% interest of Qihou Jiexu, none of the other limited partners of Qihou Jiexu holds more than 30% interest therein.

Qihou Xihai is a limited liability company established in the PRC and is a registered private equity fund manager which mainly manages funds focusing on venture capital investments and private equity investments. It is owned as to 60% by Xi'an Prutention Investment Development Co., Ltd. (西安保德信投資發展有限責任公司) (a company which is owned as to 99.9% by Mr. Qu Xiangjun (屈向軍)) and 40% by Beijing Lijingu Investment Management Co., Ltd. (北京犁金谷投資管理有限責任公司) (a company which is owned as to 80% by Ms. Xie Li (謝犁)).

Qihou Jiexu and Xihai mainly focus on investment in high-quality growth-stage companies in semiconductor and intelligent manufacturing sectors, such as Wuhan Huaray Ultrafast Fiber Laser Technology Co., Ltd. (武漢華日精密激光股份有限公司), a company whose shares are traded on the NEEQ (stock code: 874868.NQ).

Xiaomi Changjiang

Xiaomi Changjiang is a limited partnership established in the PRC and is principally engaged in equity investment. It is owned as to 99.92% by its 15 limited partners and 0.08% by its general partner Hubei Xiaomi Changjiang Industry Investment Fund Management Company Limited (湖北小米長江產業投資基金管理有限公司), which is indirectly held as to 80% by Xiaomi Corporation and is one of the investment managers of Xiaomi Corporation responsible for managing Xiaomi Corporation's industrial investment portfolio.

Xiaomi Corporation (stock code: 01810.HK), a company listed on the Hong Kong Stock Exchange, also has proprietary interests of 19.6% in Xiaomi Changjiang indirectly.

Sci-tech Corridor VC and Dianjun Yiming

Sci-tech Corridor VC is a limited partnership established in the PRC and is mainly engaged in private equity investments focusing on investment in hard-tech and strategic emerging industry, and has assets under management of approximately RMB255.1 million. Its general partner is Hubei Wings Investment Management Co., Ltd. (湖北國翼投資管理有限公司) (“**Hubei Wings**”), holding 1.06% interest therein. Hubei Wings is a company established in the PRC and is 60% owned by Wuhan Biyi Investment Management Partnership (Limited Partnership) (武漢比翼投資管理合夥企業(有限合夥)) (the general partner of which is Mr. Xiao Jie (肖捷) holding 17.24% interest, meanwhile, none of the remaining six limited partners holding 30% or more interest) and the remaining 40% of interest is owned by two other shareholders. Sci-tech Corridor VC has seven limited partners, with Xiangyang Innovation Investment as a limited partner holding 19.60% interest, and none of the limited partners holding 30% or more interest.

Dianjun Yiming is a limited partnership established in the PRC and is mainly engaged in private equity investments focusing on investment in next-generation information technology, energy conservation and environmental protection and new materials industry, and has assets under management of approximately RMB110 million. Its general partner is Hubei Wings, holding 1.82% interest. Dianjun Yiming has two limited partners, including Yichang Jinhui Investment Group Co., Ltd. (宜昌金輝投資集團有限責任公司) (a wholly-owned subsidiary of Yichang Qichen Investment Development Co., Ltd. (宜昌啟宸投資發展有限公司), which is wholly owned by the State-owned Assets Supervision and Administration Bureau of the People's Government of Dianjun District, Yichang City (宜昌市點軍區人民政府國有資產監督管理局)) holding 80% interest.

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Quantum Jump

Quantum Jump is a limited liability company incorporated in the PRC and is an investment holding company. It is a wholly-owned subsidiary of Douyin Co., Ltd. (抖音有限公司).

Junrong Development and Changjiang Innovation Investment

Junrong Development is a limited partnership established in the PRC and is principally engaged in private equity investments. Its general partner is Changjiang Growth Capital Investment Co., Ltd. (長江成長資本投資有限公司) (“**Changjiang Capital**”), holding 1% interest therein. Changjiang Capital is a wholly-owned subsidiary of Changjiang Securities Co., Ltd. (長江證券股份有限公司) (“**Changjiang Securities**”), a company listed on the Shenzhen Stock Exchange (stock code: 0783). It has 11 limited partners, none of which holds 30% or more interest therein, including Changjiang Innovation Investment which holds 21% interest therein.

Changjiang Innovation Investment is a company established in the PRC and is principally engaged in private equity investments. It is a direct wholly-owned subsidiary of Changjiang Securities.

Optics Valley Sci-tech Innovation

Optics Valley Sci-tech Innovation is a limited partnership established in the PRC and is principally engaged in private equity investments focusing on optoelectronics and life science and health industry, and has assets under management of approximately RMB1 billion. Its general partner is Wuhan Hi-tech Industrial Investment Private Fund Management Co., Ltd. (武漢高科產業投資私募基金管理有限公司), which is wholly owned by Wuhan Optics Valley New Technology Industry Investment Co., Ltd. (武漢光谷新技術產業投資有限公司) (“**Optics Valley New Technology**”). Optics Valley New Technology, which is also the sole limited partner of Optics Valley Sci-tech Innovation, is a wholly-owned subsidiary of Wuhan Hi-Tech Holding Group Co., LTD. (武漢高科國有控股集團有限公司), a PRC state-owned enterprise which is wholly owned by Administrative Committee of Wuhan East Lake High-tech Development Zone (武漢東湖新技術開發區管理委員會).

Juyuan Xinchuang

Juyuan Xinchuang is a limited partnership established in the PRC and is principally engaged in private equity investments focusing on integrated-circuit related sectors, with representative portfolio companies including LAPLACE Renewable Energy Technology Co., Ltd. (拉普拉斯新能源科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688726), Jiangsu Luwen Instruments Co., Ltd. (江蘇魯汶儀器股份有限公司) and Beijing Semicore Zkx Electronics Equipment Co., Ltd. (北京爍科中科信電子裝備有限公司). The general partner of Juyuan Xinchuang is Shenzhen Ruixin Investment Partnership (深圳瑞芯投資合夥企業(有限合夥)) (“**Shenzhen Ruixin**”), holding 1% interest therein, the general partner of which is China Fortune-Tech Capital Co., Ltd. (中芯聚源私募基金管理(上海)有限公司) (“**China Fortune-Tech**”), holding 70% interest therein. China Fortune-Tech is owned as to 35% by Shanghai Xinqi Investment Center (Limited Partnership) (上海芯齊投資中心(有限合夥)) (“**Shanghai Xinqi**”) as its single largest shareholder. The general partner of Shanghai Xinqi is Gongqingcheng Juchuang Investment Partnership Enterprise (Limited Partnership) (共青城聚創投資合夥企業(有限合夥)) (“**Gongqingcheng Juchuang**”). The general partner of Gongqingcheng Juchuang is Mr. Gao Yonggang (高永崗) and none of the other 4 individual limited partners of Gongqingcheng Juchuang hold more than 30% interest therein. Juyuan Xinchuang has 13 limited partners and none of which hold more than 30% interest in Juyuan Xinchuang.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Mingzhe Yunzhan No. 5

Mingzhe Yunzhan No. 5 is a limited partnership established in the PRC and is principally engaged in private equity investments focusing on China’s hard-tech, semiconductor and robotics sectors, with representative portfolio companies including Jiangsu Luwen Instruments Co., Ltd. (江蘇魯汶儀器股份有限公司), Beijing Opputoko Microelectronics Technology Co., Ltd. (北京奧普托科微電子技術有限公司) and Wuhan Xinchuangyuan Semiconductor Co., Ltd. (武漢新創元半導體有限公司). Its general partner is Shenzhen Mingzhe Asset Management Co., Ltd. (深圳銘哲資產管理有限公司) (“**Mingzhe Asset Management**”), a limited liability company established in the PRC which is wholly owned by Wang Xiaolun (王曉倫), holding 0.003% interest therein. The four limited partners of Mingzhe Yunzhan No. 5 are private equity funds managed by Mingzhe Asset Management, the limited partners of which do not hold 30% or more interest in the respective funds.

Hengrui No. 3

Hengrui No. 3 is a limited partnership established in the PRC and is principally engaged in private equity investments focusing on the ICT sector with a strategic emphasis on companies of information and communication technology, semiconductor, new materials and new energy sector, such as 3PEAKIC Microelectronics Co., Ltd. (思瑞浦微電子科技(蘇州)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688536), Suzhou Novosense Microelectronics Co., Ltd. (蘇州納芯微電子股份有限公司), a company listed on the Stock Exchange (stock code: 2676) and the Shanghai Stock Exchange (stock code: 688052). Its general partner is Shenzhen Hengxin Huaye Equity Investment Fund Management Co., Ltd. (深圳市恒信華業股權投資基金管理有限公司) (“**Hengxin Huaye**”), holding 1.00% interest therein. Hengxin Huaye is a company established in the PRC with limited liability and is ultimately controlled by Mr. Wu Hao (吳昊), both directly and indirectly through Shenzhen Huaye Jujiao Investment Partnership (Limited Partnership) (深圳市華業聚焦投資合夥企業(有限合夥)). Hengrui No. 3 has two limited partners, Changsha Huaye Gaochuang Private Equity Fund Partnership (Limited Partnership) (長沙華業高創私募股權基金合夥企業(有限合夥)) and Suzhou Shenxin Huayuan Venture Capital Partnership (Limited Partnership) (蘇州深信華遠創業投資合夥企業(有限合夥)), each holding 49.5% interest therein and both of which are private equity funds managed by Hengxin Huaye.

Jiacheng Zhihe

Jiacheng Zhihe is a limited partnership established in the PRC and is principally engaged in private equity investments focusing on semiconductor and advanced manufacturing industry, and has assets under management of approximately RMB150.1 million. Its general partner is Shenzhen Shengyu Jiacheng Private Equity Fund Management Co., Ltd. (深圳市盛裕佳承私募股權基金管理有限公司) (“**Shengyu Jiacheng**”), holding 0.07% interest therein. Shengyu Jiacheng is a company established in the PRC with limited liability which is owned as to 80% by Hainan Special Economic Zone Jiacheng Changhe Enterprise Management Consulting Partnership (Limited Partnership) (海南經濟特區佳承昌和企業管理諮詢合夥企業(有限合夥)) and is ultimately controlled by Mr. Wang Jun (王軍). The two limited partners of Jiacheng Zhihe are Suzhou Jiacheng Yuanhe Emerging Industry Venture Capital Fund Partnership (Limited Partnership) (蘇州佳承元和新興產業創業投資基金合夥企業(有限合夥)) (“**Jiacheng Yuanhe**”), which holds 66.62% interest therein, and Suzhou Jiacheng Yiyao Emerging Industry Venture Capital Fund Partnership (Limited Partnership) (蘇州佳承精選一號新興產業創業投資基金合夥企業(有限合夥)) (“**Jiacheng Yiyao**”), which holds 33.31% interest therein. Jiacheng Yuanhe is a limited partnership, the general partner of which is Shengyu Jiacheng holding 0.93% interest therein, and has 24 limited partners, none of which hold 30% or more interest therein. Jiacheng Yiyao is a limited partnership, the general partner of which is Shengyu Jiacheng holding 0.10% interest therein, and has two limited partners, the largest of which is Cui Yongfei (崔庸非) holding 98.43% interest therein.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Xiangyang Innovation Investment

Xiangyang Innovation Investment is a limited liability company established in the PRC and is principally engaged in innovation investments focusing on high-tech sectors such as advanced manufacturing, new energy, new materials, semiconductors and biomedicine with representative portfolio companies including Deep Blue Exploration Power Technology (Wuxi) Co., Ltd. (深藍探索動力科技無錫有限公司) and Hubei Lingsheng Pharmaceuticals Co., Ltd. (湖北凌晟藥業股份有限公司). It is owned as to 60.57% by Hubei Hanjiang Finance Services Center Co., Ltd. (湖北漢江金融服務中心有限公司) and 39.43% by Hanjiang Holdings Development Group Co., Ltd. (漢江控股發展集團有限公司), both being wholly owned by the State-owned Assets Supervision and Administration Commission of Xiangyang Municipal People’s Government (襄陽市人民政府國有資產監督管理委員會).

Yongyuan Hongkun

Yongyuan Hongkun is a limited partnership established in the PRC and is principally engaged in private equity investments focusing on next-generation information technology and its vertical applications, and has assets under management of approximately RMB400 million. Its general partner is Zhejiang Huakong Zijing Venture Capital Co., Ltd. (浙江華控紫荊創業投資有限公司) (“**Huakong Zijing**”), holding 1.25% interest therein. Yongyuan Hongkun has four limited partners, none of which holds 30% or more interest therein. Huakong Zijing is a limited liability company established in the PRC and is controlled by Beijing Huakong Zijing Investment Management Center (Limited Partnership) (北京華控紫荊投資管理中心(有限合夥)), which in turn is controlled by Yiwu Jiayong Enterprise Management Co., Ltd. (義烏嘉永企業管理有限公司) (a limited liability company owned as to 70% by Zhang Xin (張鑫) and 30% by Ren Wenze (任文澤)).

Zhongsong Juli

Zhongsong Juli is a limited partnership established in the PRC and is principally engaged in private equity investments. The general partner of Zhongsong Juli is Dazhong Juding (Shanghai) Private Equity Fund Management Co., Ltd. (大眾聚鼎(上海)私募基金管理有限公司) (“**Dazhong Juding**”), holding 1.2% interest therein. Dazhong Juding focus on investment of semiconductor, intelligence manufacturing and automotive-electronics sectors, and has assets under management of RMB1 billion. Dazhong Juding is owned as to 40% by Dazhong Transportation (Group) Co., Ltd. (大眾交通(集團)股份有限公司) (“**Dazhong Transportation**”), a company listed on the Shanghai Stock Exchange (stock code: 600611), as its single largest shareholder. Save for Dazhong Transportation holding 50% interest of Zhongsong Juli, none of the other limited partners hold more than 30% interest in Zhongsong Juli.

Chuanxin Future

Chuanxin Future is a limited partnership established in the PRC and is principally engaged in private equity investments focusing on strategic emerging industries such as semiconductor, new energy and intelligent manufacturing, and has assets under management of approximately RMB90 million, among its portfolio, Guangdong Hongjing Optoelectronics Technology Co., Ltd. (廣東弘景光電科技股份有限公司) is a company listed on the Shenzhen Stock Exchange (stock code: 301479). Its general partner is Wuhan Juhua Chuanxin Private Equity Fund Management Co., Ltd. (武漢聚華傳新私募基金管理有限公司) (a company which has five shareholders, of which Juhua Chuanxin (Beijing) Technology Co., Ltd. (聚華傳新(北京)科技有限公司) (“**Chuanxin Beijing**”) holds 64% of the shares, and the other shareholders do not hold more than 30% of the shares), holding 2% interest therein. Chuanxin Beijing is a company established in the PRC with limited liability. It is owned as to 66% by CHUAN XINNOVATION HOLDINGS PTE. LTD and 34% by Wuhan Chuanxin Yuandian Enterprise Management Consulting Partnership (Limited Partnership) (武漢傳新原點企業管理諮詢合夥企業(有限合夥)), and is ultimately controlled by Mr. Zhang Jie (張杰). Chuanxin Future has eight limited partners, including Wuhan Chuanxin Qihang Enterprise Management Consulting Partnership (Limited Partnership) (武漢傳新啟航企業管理諮詢合夥企業(有限合夥)) (a

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

limited partnership the general partner of which is Yang Jian (楊建) holding 4.35% interest therein and the 11 limited partners of which holding no more than 30% interest therein) holding 36.8% interest therein and the other limited partners holding no more than 30% interest therein.

Shanjiang Juyuan

Shanjiang Juyuan is a limited partnership established in the PRC and is principally engaged in enterprise management and investments focusing on integrated circuits, advanced manufacturing, new materials and other technology sectors. Its general partner is Peng Bo (彭勃) who holds 22.22% interest therein. Shanjiang Juyuan has seven limited partners, none of whom holds 30% or more partnership interest therein.

Wuhan Changniu

Wuhan Changniu is a limited partnership established in the PRC and is principally engaged in enterprise management and consultancy. Its general partner is Cao Hongfeng (曹宏鋒) who holds 14.29% interest therein. Wuhan Changniu has six limited partners, none of whom holds 30% or more partnership interest therein.

To the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, save as disclosed above, each of the Pre-[REDACTED] Investors and their limited partners, general partners and ultimate beneficial owners is an Independent Third Party.

Compliance with Chapter 4.2 of the Listing Guide

On the basis that (i) the considerations for the Pre-[REDACTED] Investments have been settled 120 clear days before the [REDACTED]; and (ii) all the special rights granted to the Pre-[REDACTED] Investors as set out in “— Rights of the Pre-[REDACTED] Investors” have been terminated or will terminate upon the [REDACTED], the Joint Sponsors confirm that the Pre-[REDACTED] Investments are in compliance with Chapter 4.2 of the Listing Guide.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALIZATION OF OUR COMPANY

The following table sets forth our shareholding structure as of the Latest Practicable Date and immediately upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):

Shareholder	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED]					
	Number of Shares	Shareholding % ¹	Number of Unlisted Shares	% of total number of Shares	Number of H Shares	% of total number of Shares	Total number of Shares	Shareholding % ¹
<i>Controlling Shareholders²</i>								
Mr. Liu	6,166,512	20.56%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Juxinwei Enterprise ³	3,022,787	10.08%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Zhike Juxin ³	1,114,784	3.72%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Zhituo Juxin ³	1,058,311	3.53%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Zhihui Juxin ³	1,040,384	3.47%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Zhixin Enterprise ³	177,264	0.59%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
<i>Directors and employees of our Company²</i>								
Mr. Zhan	434,228	1.45%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Mr. Kong	366,379	1.22%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Mr. Liu Xuefeng	23,881	0.08%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
<i>Sub-total²</i>	13,404,530	44.68%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
<i>Pre-[REDACTED] Investors⁴</i>								
Heli Guoxin ⁵	1,230,506	4.10%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Nanjing Zhixinju ⁵	282,507	0.94%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
5Y Qixing	1,214,780	4.05%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
OPPO Guangdong Mobile	1,144,952	3.82%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Habo Technology	1,098,388	3.66%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hushan Xinju ⁶	964,657	3.22%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hushan Mingxin ⁶	317,821	1.06%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hushan Xingxin ⁶	211,880	0.71%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
China Internet Investment Fund	847,522	2.83%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholder	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED]					
	Number of Shares	Shareholding % ¹	Number of Unlisted Shares	% of total number of Shares	Number of H Shares	% of total number of Shares	Total number of Shares	Shareholding % ¹
Suzhou Yuanming	750,976	2.50%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hainan Qixing	706,268	2.35%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Huaye Qirong ⁷	620,150	2.07%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Wuyue Huanuo ⁷	609,397	2.03%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Huaye Qicheng ⁷	381,385	1.27%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hengqin Huaye ⁷	272,511	0.91%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Huaye Xuchuang ⁷	211,880	0.71%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Gongchuang Future ⁷	197,756	0.66%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Huaye Xinlian ⁷	122,043	0.41%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Huaye Lanxin ⁷	113,003	0.38%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Taiping Tech-Inno	572,077	1.91%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Shenzhen Dachen Chuangcheng ⁹	536,323	1.79%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hangzhou Dachen Chuangcheng ⁹	321,793	1.07%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Fortune Caixin Phase I ⁹	95,346	0.32%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Qihou Jiexu ⁹	379,690	1.27%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Qihou Xihai ⁹	361,673	1.21%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Xiaomi Changjiang	377,531	1.26%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Sci-tech Corridor VC ¹⁰	352,853	1.18%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Dianjun Yiming ¹⁰	70,627	0.24%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Quantum Jump	339,008	1.13%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Junrong Development ¹¹	281,095	0.94%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Changjiang Innovation Investment ¹¹	279,682	0.93%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Optics Valley Sci-tech Innovation	226,006	0.75%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Juyuan Xinchuang	218,682	0.73%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Mingzhe Yunzhan No. 5	211,881	0.71%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Hengrui No. 3	131,823	0.44%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Jiacheng Zhihe	113,003	0.38%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Xiangyang Innovation Investment	113,003	0.38%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Yongyuan Hongkun	113,003	0.38%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Zhongsong Juli	113,000	0.38%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Chuanxin Future	84,752	0.28%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholder	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED]					
	Number of Shares	Shareholding % ¹	Number of Unlisted Shares	% of total number of Shares	Number of H Shares	% of total number of Shares	Total number of Shares	Shareholding % ¹
Shanjiang Juyuan	2,825	0.01%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Wuhan Changniu	1,412	0.005%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Sub-total ⁴	16,595,470	55.32%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Investors under the [REDACTED]	–	–	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
Total	30,000,000	100%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%

Notes:

1. The percentage figures included in the table have been subject to rounding adjustments. Accordingly, figures shown as totals in the table may not be an arithmetic aggregation of the figures preceding them.
2. The H Shares held by (i) Mr. Liu, Mr. Zhan and Mr. Kong, our executive Directors; (ii) Juxinwei Enterprise, Zhike Juxin, Zhituo Juxin, Zhihui Juxin and Zhixin Enterprise, the general partner of which is Mr. Liu; (iii) Liu Xuefeng, the general manager of SI Shenzhen, will not be considered as part of the public float of our Company. See “— [REDACTED]” for details.
3. Juxinwei Enterprise, Zhike Juxin, Zhituo Juxin, Zhihui Juxin and Zhixin Enterprise are our Share Incentive Platforms, the general partner of which is Mr. Liu.
4. The H Shares held by all of the Pre-[REDACTED] Investors, all being Independent Third Parties, will be counted towards the public float of our Company. See “— [REDACTED]” for details.
5. Heli Guoxin and Nanjing Zhixinju are ultimately controlled by CTC Capital.
6. Hushan Xinju, Hushan Mingxin and Hushan Xingxin are controlled by Wuxi Hushan.
7. Huaye Qirong, Wuyue Huanuo, Huaye Qicheng, Hengqin Huaye, Huaye Xichuang, Gongchuang Future, Huaye Xinlian and Huaye Lanxin are ultimately controlled by Shenzhen Huaye Tiancheng.
8. Shenzhen Dachen Chuangcheng, Hangzhou Dachen Chuangcheng and Fortune Caixin Phase I are controlled by Fortune VC Management.
9. The general partner of Qihou Jiexu is Qihou Xihai.
10. Sci-tech Corridor VC and Dianjun Yiming are controlled by Hubei Wings.
11. Junrong Development and Changjiang Innovation Investment are controlled by Changjiang Securities.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED]

PRC LEGAL COMPLIANCE

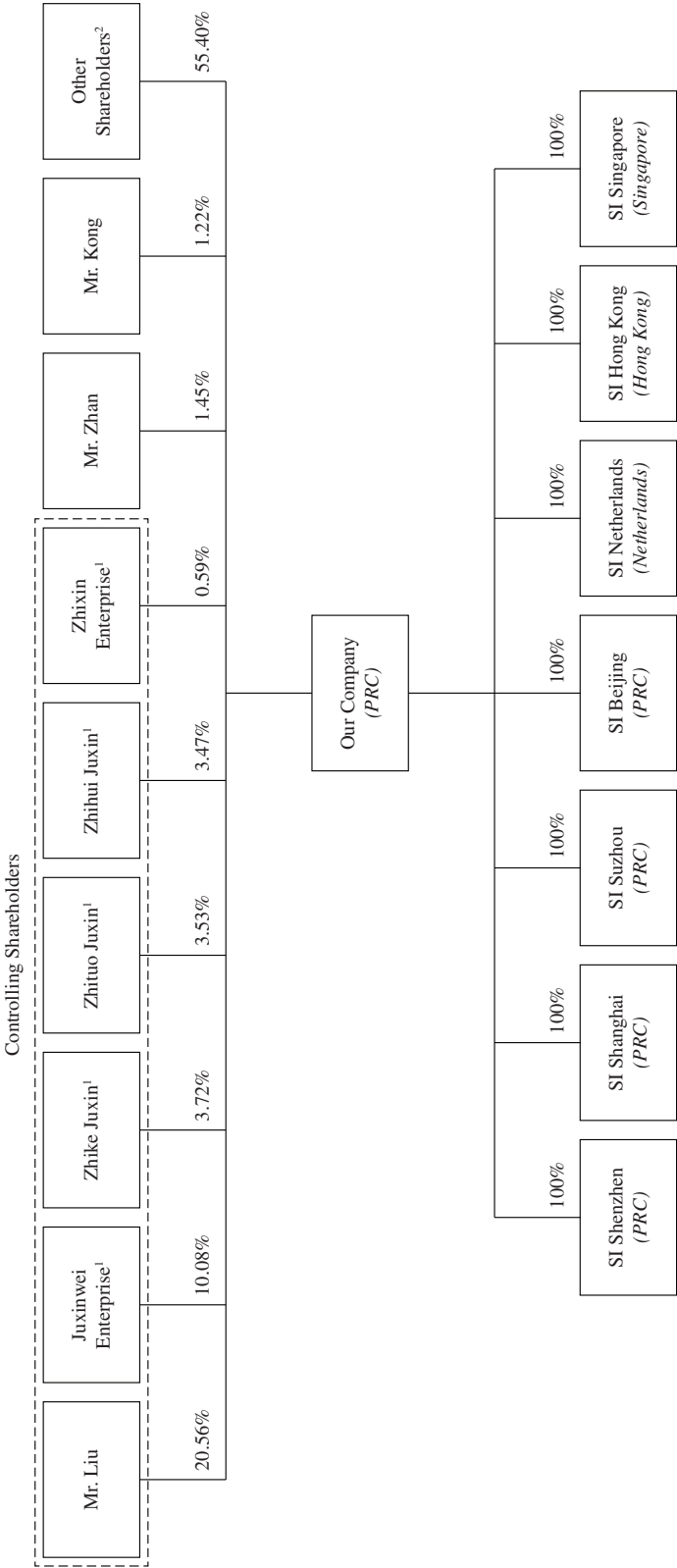
Our PRC Legal Advisors have confirmed that, according to applicable PRC laws and regulations, the equity transfers and changes in the registered capital of our Group set out in this section have been properly and legally completed and our Group has obtained all necessary approvals and made all necessary filings, and has complied with applicable PRC laws and regulations in relation to the changes of shareholdings as set out in this section.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate Structure Immediately Before the [REDACTED]

The following chart sets forth our corporate and shareholding structure immediately before the [REDACTED]:



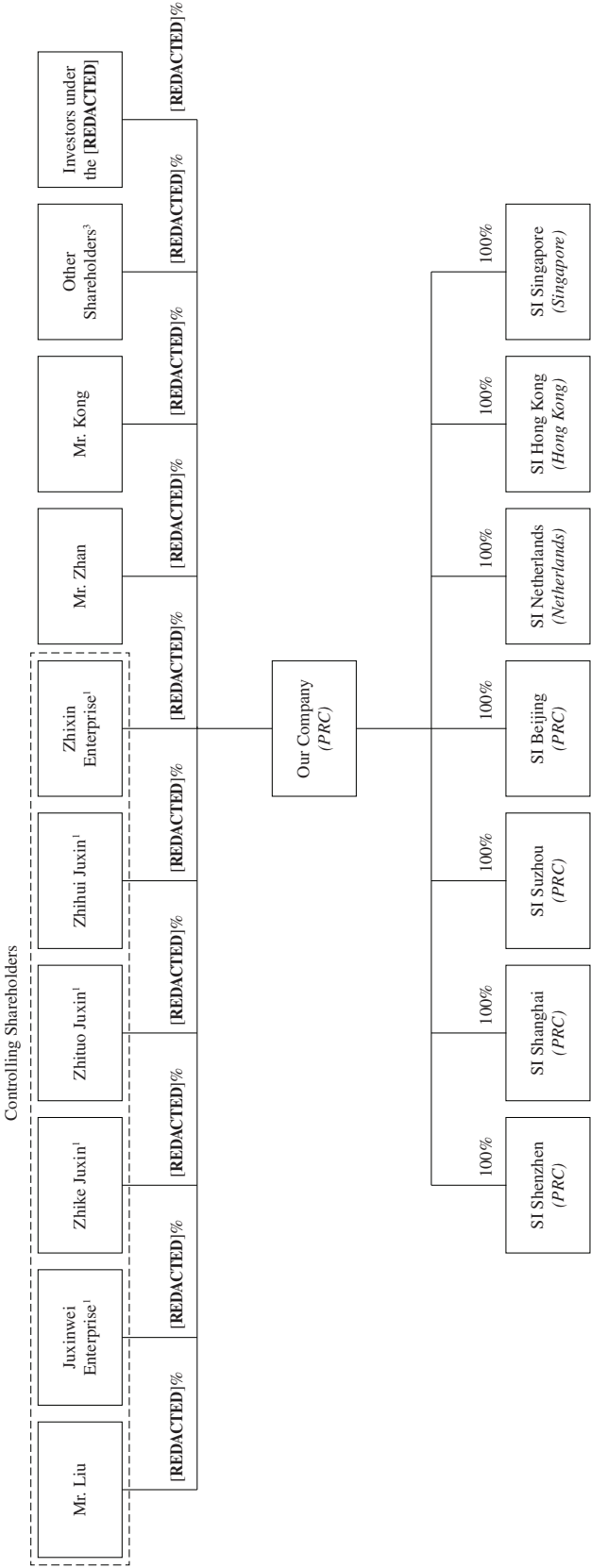
Notes:

- 1. Juxinwei Enterprise, Zhike Juxin, Zhituo Juxin, Zhihui Juxin and Zhixin Enterprise are our Share Incentive Platforms, the general partner of which is Mr. Liu.
- 2. Other Shareholders include Mr. Liu Xuefeng, the general manager of SI Shenzhen, who held 0.08% of the total number of issued Shares as of the Latest Practicable Date.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Corporate Structure Immediately After the Completion of the [REDACTED]

The following chart sets forth our corporate structure immediately after the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Please refer to the notes in “— Shareholding and Corporate Structure Immediately Before the [REDACTED]” above.

BUSINESS

OVERVIEW

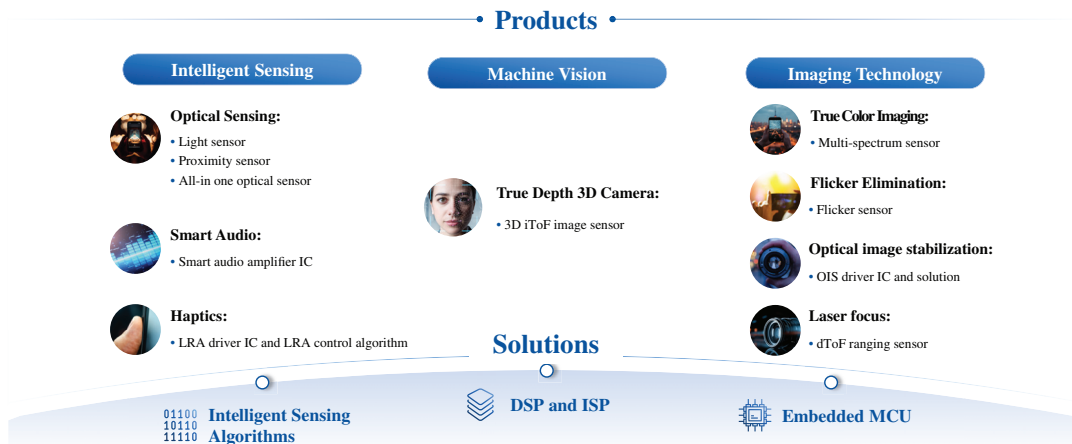
We are a provider of intelligent sensing, machine vision, and imaging technology solutions integrating high-performance mixed-signal integrated circuit (ICs) and optimization algorithms, supporting smart devices to achieve precise sensing, imaging, and intelligent upgrades. Our solutions provide critical driving forces for high-growth scenarios in consumer electronics including smartphones, smart wearables, and tablets, contributing to improvements in interaction efficiency and imaging experiences. In addition, we are actively expanding our footprint to other emerging growth areas, including robotics, digital twins and automotive electronics. Leveraging a top intelligent sensing technology platform combined with advanced precision actuation technologies, our solutions have formed synergies between sensing, decision, and actuation. By combining multi-modal sensing with precise actuation, we enable smart devices to overcome sensing limitation in complex environments, facilitating smart device upgrades and the commercialization of sensing and imaging technologies.

Our Product Matrix

Relying on continuous technological advancement and development, we have successfully expanded our sensing technology to a technology platform integrating intelligent sensing, machine vision, and imaging technologies. Our presence in these three core areas helped us establish a product matrix comprising sensing and actuator IC products. Coupled with intelligent algorithms, our products enjoy optimized performance, and are widely applied in consumer electronics including smartphones, smart wearables, and tablets. Additionally, we are actively expanding into emerging growth areas including robotics, digital twins and automotive electronics to bring intelligent sensing functions to a wider range of scenarios.

Our commercialized product lines include light sensors, proximity sensors, all-in-one optical sensors, smart audio amplifier ICs and LRA driver ICs and LRA control algorithm under intelligent sensing category, 3D iToF image sensors under machine vision category, and multi-spectral sensors, flicker sensors, OIS driver ICs and dToF ranging sensors under imaging technology category.

The following diagram demonstrates our product matrix comprising our commercialized solutions as of the Latest Practicable Date:



BUSINESS

Intelligent Sensing: Connecting the Physical and Digital Worlds

Intelligent sensing captures environmental signals — light, sound, temperature, vital signs, and motion — to enable interactive responses. By integrating neural processing unit (NPU), microcontroller unit (MCU), and digital signal processor (DSP) units into sensors and actuators, these components gain real-time edge processing functions. This reduces the burden on the main processor and cloud reliance, enabling low-power, low-latency, and privacy-preserving interactions. Driving devices from “sensing” to “understanding,” the approach effectively enhances the accuracy, immediacy, and immersion of human-machine interaction. Intelligent sensing serves as a fundamental element that supports the development of “active sensing” and edge intelligence.

In the field of intelligent sensing, we offer a comprehensive product portfolio:

- Creating intelligent sensing solutions that integrate miniaturization, low power consumption, and instant response:
 - Optical sensing solutions, which integrate small-size, low-power consumption, and accurate detection, covering a range of requirements from entry-level to advanced stage; and
 - All-in-one optical sensors, supporting penetration of CoE OLED screens with a minimum transmittance of 0.5% and capable of capturing black frames during PWM wave of screen light, and supporting OLED Lux/CCT algorithm by frame refresh synchronization mode, providing a natural and comfortable visual experience under different lighting conditions.
- Providing interactive response with strong performance and intelligentization, offering precise control and immersive experience:
 - Smart audio amplifier ICs, integrating accurate sensor protection and self-developed audio algorithms to deliver clear, delicate, and naturally immersive auditory experiences to users while achieving low power consumption, low noise and high efficiency; and
 - LRA driver ICs, with fast response, accurate F0 detection and advanced control algorithms, delivering millisecond-level precision haptic feedback and enhancing the realism of interaction.

Our intelligent sensing technology has entered the core supply chains of major smart device and IoT device manufacturers. We are a global supplier of intelligent sensing solutions with cumulative shipment volume of approximately 664.6 million units of optical sensing ICs, 872.3 million units of smart audio amplifier ICs, and 63.9 million units of LRA driver ICs during the Track Record Period.

Machine Vision: Building Multi-dimensional Spatial Computing and Object Recognition

Machine vision, through active optical detection and multi-spectral sensing technologies, endows smart devices with accurate 3D modeling, material composition analysis, and dynamic environment understanding functions, overcoming the limitations of traditional 2D imaging. Its core functions enable devices to “understand the real world” through cognitive intelligence by integrating 3D sensing, spectral analysis, and intelligent algorithms. This allows for spatial quantification, material recognition, and scene semantic analysis, thereby achieving enhanced environmental sensing, decision-making, and intelligent interaction. Machine vision promotes the deep integration of virtual and reality, providing technological support for the next generation of intelligent interactive forms and expanding the boundaries of spatial intelligence.

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We have built solutions covering short- to long-range sensing and visible to infrared spectra, integrating intelligent processing kernels. For example, our 3D iToF image sensor, focuses on accurate short-range sensing to achieve industry leadership in quantum efficiency, low power consumption, and high sensitivity, providing accurate measurement for facial recognition, 3D modeling, AR/VR interaction, and machine vision while ensuring long battery life.

According to CIC, we are a leading provider in China with a complete portfolio of ToF sensors, recognized by leading customers in multiple application areas. In terms of mobile smart devices, we are a leading domestic supplier of 3D iToF image sensors, successfully entering the core supply chains of leading smart device manufacturers with cumulative shipment volume of 6.0 million units during the Track Record Period. As machine vision accelerates its penetration into the robotics, digital twins, and automotive electronics markets, we will adopt our technologies to various scenarios support multi-type sensing combinations, continuously expanding the global influence of the machine vision ecosystem.

Imaging Technology: Creating Authentic and Immersive Imaging Experience

Imaging technology is improving the entire imaging chain — spanning from photon capture to image output — through chip-level improvements and system-level integration. Our solutions deliver professional-grade imaging for smartphones, action cameras, and beyond, systematically addressing challenges such as color distortion, motion blur, telephoto shake, low-light focusing, and noise in complex environments. By embedding intelligent processing units directly into SoCs, we enable devices to sense and understand their environment with greater precision, empowering a more realistic, immersive, and intelligent digital-image world.

Based on a comprehensive deconstruction of the imaging chain, we have developed all-scenario solutions covering both foundational correction and advanced imaging:

- Multi-spectral sensors with multi-channel spectral detection and proprietary algorithms for accurate spectral analysis and restoration, enabling cameras to show lifelike color reproduction in complex conditions;
- Flicker sensors that detect high-frequency signals to eliminate flicker stripes, ensuring image clarity;
- OIS driver ICs, with integrated DSP and MCU, delivering quick response, maintaining stabilization and low static power consumption for stable, blur-free images; and
- dToF ranging sensor, our early-stage commercialized products at the design-in phase, featuring on-chip low-power MCU and proprietary algorithms for fast, accurate focusing and depth detection which has received initial small-scale orders from customers for design-in validation purposes.

Our technologies are already recognized by top-tier customers:

- Multi-spectral and flicker sensors are embedded in flagship mainstream smart mobile devices, with cumulative shipments of approximately 81.3 million of units during the Track Record Period;
- OIS driver ICs have been adopted by leading smart device manufacturers, have commenced mass production by the end of 2025; and
- dToF ranging sensors at the early commercialization stage, with initial small-scale customer orders received for design-in validation purposes.

Relying on a mature supply chain system and cross-platform algorithm architecture, we have achieved rapid scenario implementation through core technology reuse, continuously expanding the global commercial ecosystem, and building an intelligent sensing foundation that connects the physical and digital worlds.

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Our Foundational Technologies

We have built a closely collaborative system of four foundational technologies in the three core areas through long-term independent R&D: (i) intelligent sensing algorithms and system-level solutions; (ii) highly integrated digital processing and embedded systems; (iii) design and process development capabilities of sensor sensing elements; and (iv) analog IC design. These foundational technologies vertically integrate capabilities from physical signal detection to edge data processing, covering all stages of sensing (capturing signals), decision (processing data) and actuation (executing commands). Amid the trend of intelligent edge devices, our foundational technology system continues to empower our intelligent sensing solutions, building differentiated technical barriers and promoting large-scale implementation across multiple scenarios.

- **#1 — *Intelligent sensing algorithms and system-level solutions.*** We develop proprietary algorithms that interpret data captured by our sensors, ranging from underlying algorithms to system design, covering audio processing algorithms (for sound effect and speaker protection), accurate sensor calibration and correction algorithms (to ensure data accuracy), proprietary camera OIS algorithms (to reduce camera shake), and multi-component matching in ToF sensors (to combine and synchronize the 2D and 3D images) with an aim to meet customers’ specific requirements.
- **#2 — *Highly integrated digital processing and embedded systems.*** We possess complete processor development capabilities, covering integration of DSP, RISC-V architecture-based central processing unit (CPU), image signal processor (ISP) and NPU. These processors that act as the “brain” of the device are designed to process data locally on the device (edge computing) with low power consumption.
- **#3 — *Design and process development capabilities of sensor sensing elements.*** This technology relates to the design of the sensor hardware that captures physical environment signals such as light, sound, and others. We have built comprehensive design and process development capabilities in the field of sensor sensing elements, covering optical sensing, magnetic sensing, 3D depth sensing and temperature sensing, achieving accurate signal conversion of multiple physical quantities and laying a precise sensing foundation for smart devices.
- **#4 — *Analog IC design.*** Analog ICs are responsible for power management, analog-digital converter, and signal transmission. We have built full analog IC design capabilities covering driver, signal chain, power management, clock, and electrostatic discharge (ESD) protection. The low noise signal chain design can help the sensors achieve more accurate signal detection with high signal-to-noise ratio (SNR), and low power consumption design can ensure that our high-performance sensors operate stably, saving the battery life.

As the source of core competitiveness, our four foundational technologies have continued to drive technological iteration and product upgrades through deep cross-integration. Exemplified by our machine vision products, we adopt the sensing elements (#3) to measure 3D depth image information of surroundings, which can then be converted to digital signals using the analog signal chain ICs (#4) and processed by our digital processor (#2). The entire flow from sensing to processing is controlled by our system and algorithms (#1), facilitating customers in integrating our products to their system in an efficient manner. Such integration eliminates the needs for customers to source separate components from different suppliers, thereby streamlining their supply chain and optimizing overall system performance and cost structure.

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Our Business Model

During the Track Record Period, we primarily generated revenue from sales of intelligent sensing products, comprising optical sensing, smart audio and haptics products, in the PRC. We are driven by independent in-house R&D across multiple dimensions, including multi-modal fusion sensing, machine vision intelligence, and imaging technology breakthroughs. We have set and delivered scenario-specific technological standards characterized by “optimized performance, low power consumption, high adaptability, and high reliability,” continuously improving user experience and understanding real-time interaction and intelligent sensing. To the best of our knowledge, our products have been adopted by 13 global smartphone manufacturers during the Track Record Period.

Our technology platform, responsiveness, and solution delivery have enabled us to compete effectively. We have entered the supply chains of major global smart device manufacturers and secured support from upstream industry partners.

Throughout our collaboration with clients, we conduct independent and forward-looking R&D, expanding our product matrix and technology scope. We deepen technological cooperation for existing products by engaging at the earliest stages of product definition, enabling rapid iteration and technological development. We also expand our products and solutions to create a product and solution matrix spanning intelligent sensing, machine vision, and imaging technology. In this process, we have supported our smart device customers in achieving various results, while iterating our own technologies and scaling commercial implementation. The achievements set out below have even become *de facto* industry standards. For example:

- We have developed one of the first mass-produced medium-power smart audio amplifier ICs in China in 2020, according to CIC, integrating speaker protection, multi-voltage domain power supply, and low power consumption. Achieving tape-out success and smooth mass production, this has marked an advanced domestic breakthrough in the premium tablet and laptop audio sectors. Its sound quality and cost-effectiveness gained market recognition and led peers to adopt such standard.
- Our self-developed 3D iToF image sensor achieved satisfactory performance in key metrics and completed mass production in domestic wafer foundries. This sensor will be adopted in flagship smartphone models of multiple smart device manufacturers, for their 3D sensing solutions.
- In the field of OIS, previously dominated by Japanese and Korean manufacturers, our first self-developed product was accepted by several smart device manufacturers. This enabled the expansion of our OIS/AF portfolio covering the flagship lens series, supporting smart device manufacturers’ imaging technology development.

These collaborations have enhanced our position in existing sectors and enabled us to build a system covering demand foresight, architecture establishment, and solution delivery. This has enabled us to identify technological trends and market requirements, and convert concepts into mass-producible solutions through architecture-level design and project execution. Our system-level solutions have attracted enterprises in high-growth sectors such as drones, robotics and automotive electronics to work with us as their partner, applying our products across diverse scenarios.

We aim to establish an open and collaborative industrial ecosystem through scenario-centered innovation, technology-based development, product-oriented development and standard-driven expansion, ensuring that we remain aligned with technological advancement and market demand, and achieve mutual value creation with partners.

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Our Industry Opportunities

We are immersed in the midst of a transformation wave where intelligent sensing, machine vision, and imaging technology are profoundly transforming device forms and user experience. The rapidly expanding boundaries of smart devices have been accelerating from smartphones and PC tablets to high-growth emerging fields such as smart vehicles, robots, and drones. The deep penetration of AI is making human-machine interaction and edge intelligence standard features in smart devices. These trends are collectively driving strong and sustainable growth in intelligent sensing, machine vision, and imaging technology, providing us with broad development opportunities.

Intelligent Sensing: Establishing the Perceptual Foundation for Multi-modal Understanding and Immersive Interaction

As human-machine interaction requires continue to evolve towards greater refinement and immersion, intelligent sensing technologies are undergoing rapid iteration and widespread adoption. The market penetration of intelligent sensing technologies has accelerated significantly, while the application boundaries are expanding beyond mature sectors like smartphones into emerging fields such as smart wearables and smart vehicles. According to CIC, the market size of global intelligent sensing ICs is expected to grow from US\$11.6 billion in 2025 to 14.3 billion in 2030 at a CAGR of 6.2% from 2026 to 2030 primarily driven by the growth of global shipment of smart wearables and smart vehicles. Meanwhile, products like high-performance vocal microphones are emerging as significant growth markets, which are expected to reach a global market size of over US\$50 million in 2030 in terms of revenue, according to CIC.

Machine Vision: Unlocking New Dimensions of Spatial and Spectral Information

Machine vision technology is breaking through the physical limitations of 2D sensing, evolving towards high-dimensional intelligent sensing, and becoming as a key technology for unlocking spatial intelligence and material recognition. With smart devices requiring significant advances in environmental adaptability and spatial understanding, machine vision technology is advancing towards real-time processing, high precision, and multi-dimensional coordination. The surge of emerging scenarios such as drones, robots, and digital twins further underscores its critical necessity in complex dynamic scenarios. According to CIC, 3D ToF image sensors, as a core solution for these applications, are experiencing strong growth, with the global market size increasing from US\$ 924.0 million in 2025 to US\$ 1,294.4 million in 2030 in terms of revenue, representing a CAGR of 10.6% from 2026 to 2030 highlighting the trend of machine vision evolving towards high-dimensional sensing.

Image Technology: Experience and System Upgrades in Parallel

Imaging technology has been the most essential differentiating factor for smart device competition. Demand for high-quality imaging continues to increase, with application scenarios rapidly expanding beyond smartphones to diverse mobile imaging devices like action cameras, panoramic cameras, and handheld gimbals. Industrial inspection and smart agriculture are also increasingly reliant on clear and stable visual information, making imaging systems a core focus for technological breakthroughs among smart device manufacturers. According to CIC, the market size of global intelligent imaging IC market is expected to increase from US\$532.3 million in 2025 to US\$1,351.6 million in 2030, at a CAGR of 25.5% from 2026 to 2030. The diversification and complexity of application scenarios pose unprecedented challenges to the imaging system’s imaging quality, real-time computing power, and system energy efficiency, giving rise to two key directions: image sensors and imaging system architecture. The global market size of the relevant emerging submarket is expected to reach US\$632.7 million and US\$120.0 million in 2030, respectively, according to CIC. Smart device manufacturers and consumers have a higher willingness to pay for improved imaging functions and experiences.

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The diversified expansion of smart device forms and the strong trend of intelligent upgrades have jointly created a broad and high-growth addressable market for our three major technology areas. The sensing of devices will become more precise and intelligent, with greater realism and accuracy in capturing and presenting visual information. The driving force behind this transformation is our integrated IC and algorithm solutions. Backed by deep technological expertise and a forward-looking product strategy, we are well positioned to capture current market opportunities and help define the next generation of sensing and imaging standards, continuously unleashing growth momentum.

Financial Performance

We achieved strong performance growth during the Track Record Period. Our revenue increased by 175.4% from RMB242.0 million in 2023 to RMB666.6 million in 2024, and further increased by 28.2% to RMB854.7 million in 2025. In particular, our revenue from intelligent sensing solutions increased from RMB236.5 million in 2023 to RMB573.6 million in 2024 and further increased to RMB708.0 million in 2025, with a CAGR of 73.0% from 2023 to 2025. While achieving rapid business growth, we also successfully narrowed losses at a significant level and achieved profitability in 2024 and 2025. In 2023, our loss for the year was RMB110.1 million. We recorded profit for the year of RMB9.7 million in 2024 and RMB26.5 million in 2025. Our adjusted net (loss)/profit (non-IFRS measure, adjusting (loss)/profit for the year by adding back share-based payments, [REDACTED] expenses and loss on fair value change of financial liabilities at FVTPL) was RMB25.5 million in 2023, and we recorded adjusted net (loss)/profit (non-IFRS measure) of RMB71.1 million and RMB71.4 million in 2024 and 2025, respectively.

OUR COMPETITIVE STRENGTHS

Established expertise in intelligent sensing, machine vision, and imaging technology solutions

Centered around the areas of intelligent sensing, machine vision, and imaging technology, we provide comprehensive solutions combining ICs and intelligent algorithms for consumer electronics applications including mobile smart devices and IoT, and expect to expand into more scenarios such as robotics, digital twins and automotive electronics. Our comprehensive and distinctive product matrix spans 11 product lines, including ten commercialized product lines and one product line that are at the design-in phase. According to CIC, we are:

- The fourth largest among all solution providers in the global optical sensor market and the largest among all solution providers in China, in terms of revenue in 2025;
- The third largest among all solution providers in the global 3D ToF image sensor market and the largest among all solution providers in China, in terms of revenue in 2025;
- The third largest among all solution providers in the global smart audio amplifier IC market, in terms of revenue in 2025;
- The third largest among all solution providers in the global LRA driver IC market, in terms of revenue in 2025; and
- The eighth largest among all solution providers in the global intelligent imaging IC market.

During the Track Record Period and up to the Latest Practicable Date, we had received multiple awards and recognitions for our technologies and innovations from government authorities and industrial organizations. See “— Awards and Recognition” for details.

Building intelligent sensing technology capitalizing on IC and algorithm co-design

We have built differentiated technological barriers through continuous R&D since our inception. Leveraging the deep coupling and long-term iteration of our four foundational technologies — intelligent sensing algorithms and system-level solutions, highly integrated digital processing and

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embedded systems, design and process development capabilities of sensor sensing elements, and analog IC design — we continuously make breakthroughs and develop a series of differentiated technology matrices with optimized performance, low power consumption, and self-adaptability. Such technologies provide our solutions with significant advantages in scenario adaptability and response efficiency, demonstrating strong competitiveness in various complex scenarios.

Our differentiated technological advantages are demonstrated by the following examples:

- In the field of intelligent sensing, we have established notable technological advantages. Our self-developed high sensitivity photodiode technology, anti-OLED interference technology, and optical filter technology enable our sensors to penetrate CoE OLED screens with a minimum transmittance of 0.5%, bringing accurate proximity, ambient light, and color temperature detection. Coupled with self-developed black frame, screenshot, and adaptive frequency domain algorithms, a complete under-display optical sensing solution has been formed. Our smart audio amplifier IC products are known for their precise sensing protection, low power consumption, and high audio quality, and integrate soft-core DSP for on-chip processing. The LRA driver IC offers excellent tactile feedback using fast response, accurate F0 detection, and advanced control algorithms. The cross-domain application of key technologies, such as dynamic boost control, dynamic voltage regulation, and high-voltage protection, further strengthens our platform-based. The advantages above have been successfully implemented and launched in our products, establishing our high position in the intelligent sensing IC market.
- In the field of machine vision, we have forged various key core technologies, greatly developing product performance and user experience. We have adopted an advanced pixel architecture and integrated self-developed signal processing technology to develop a high-resolution, low-power, high signal-to-noise ratio 3D iToF image sensor and its accompanying algorithms. Our technological advancements enable our machine vision solutions to perform excellently in scenarios such as drones and IoT, providing users with efficient and reliable sensing experiences.
- In the field of imaging technology, we have enhanced the imaging experience of mobile devices through deep hardware-software integration. Our dToF ranging sensor has achieved improved performance in ranging accuracy, power consumption control, and anti-ambient light interference capabilities. We have successfully miniaturized professional-grade ambient spectral reproduction capabilities at the chip level, supporting multi-channel spectral analysis at a single point, and breaking through nine channels in array solutions, significantly expanding the dimensions of color and environmental sensing on mobile devices. Flicker sensors offer a broad detection frequency range with sensitivity, and accuracy, effectively solving imaging flicker issue under complex light sources. OIS driver IC technology is based on self-developed magnetic sensors and low-noise signal chain technology to achieve precise control, combined with dynamic voltage regulation technology to achieve the low no-load power consumption. Our core technologies, along with rapid response system tuning capabilities, collectively establish our position in mobile imaging and emerging applications.

We have a strong global R&D team to realize the technological breakthroughs. As of December 31, 2025, our R&D team comprised 206 professionals, all of whom possessed professional academic backgrounds and extensive industry experience. Among them, over 60% held postgraduate degrees or above, while approximately 22.8% were equipped with over five years of extensive industry experience.

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We have also built a strong proprietary intellectual property portfolio. As of the Latest Practicable Date, we had 136 granted patents, including 26 utility model related patents and 110 invention related patents, and 62 integrated circuit layout design registrations in the PRC. As of the same date, we also own 12 copyrights, one trademark and one registered domain name in the PRC for our website.

Collaboration with clients in vertical fields to build strong commercialization framework

We have built robust commercialization framework covering through our forward-looking customer strategy and exceptional technological delivery. Based on our technological capabilities, on-time responsiveness, and fast delivery, we have integrated into the core supply chain systems of multiple enterprises in the mobile smart device and IoT sectors. We have secured stable, strategic partnerships with global smart device manufacturers. The premier smart device companies require rigorous supplier certification, which typically involves a lengthy cycle, encompassing comprehensive verification of technological indicators, delivery stability, and collaborative attitudes. Upon success, this process creates a substantial market entry barrier.

We keep deepening clients’ cooperation stickiness and value potential through our self-developed multi-category product matrix and system-level solutions. Such product capability precisely aligns with the strategic trend of smart device manufacturers to optimize supply chain efficiency and enhance strategic synergy. It also significantly reduces system integration complexity and supply chain management costs, thereby establishing efficient, stable, mutually beneficial, and co-existent long-term partnerships.

Long-term mutual trust and cooperation lay a foundation for sustainable growth. Our cooperation with global smart device manufacturers extends beyond three years, and we continue to be an important partner of intelligent sensing, machine vision, and imaging technology for them. Based on our independent R&D and agile response mechanism, we can efficiently support clients in exploring new scenarios, rapidly transforming solutions into scalable commercial outcomes. Meanwhile, large-scale application verification in the demanding scenarios of key clients continuously feeds back into the maturity and universality of our technology platform and solutions, making them the preferred choice for enterprises in other high-potential vertical sectors to overcome similar challenges, driving our continuous expansion into emerging markets such as robotics, digital twins and automotive electronics.

This deep collaboration model, grounded in technological strength and centered on mutual success with clients, has been a twin engine driving our joint growth with clients. The long-term trust of key clients solidifies the foundation for development, multi-category synergy unleashes the potential value of individual clients, and cross-scenario solution reuse continuously opens up new growth avenues, collectively forging an irreplaceable core commercial competitiveness.

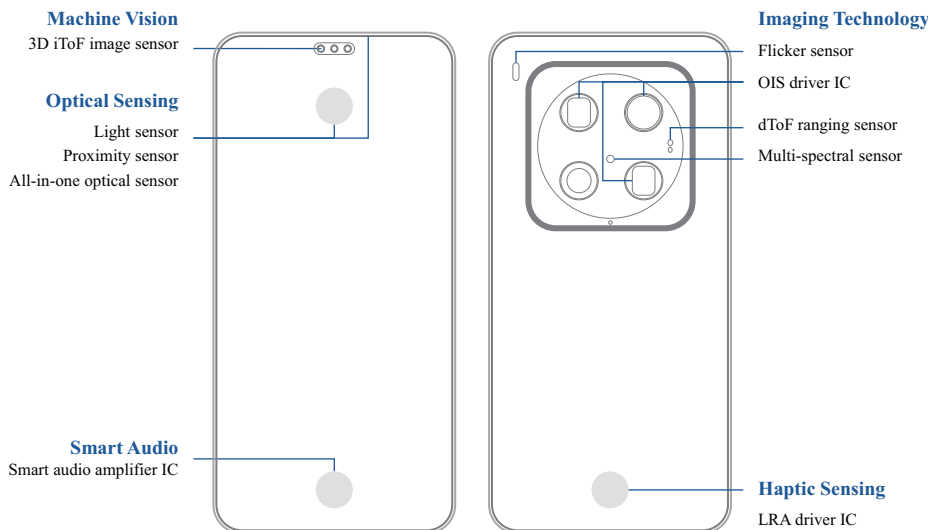
Diversified product matrix empowering rich downstream application scenarios with a large market size

We have established a diversified portfolio of integrated software and hardware solutions in the three core areas. Currently, we have 11 product lines, namely ten commercialized product lines and one product line at the design-in phase, with wide application in mainstream scenarios including mobile smart devices and IoT.

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Taking a mobile phone scenario as an example, our integrated IC and algorithm solutions have empowered core experiences, with products covering key functions such as facial recognition, laser autofocus, audio amplifier, haptic sensing, optical image stabilization, bokeh effect, adaptive screen dimming, health vital signs monitoring, and environmental sensing. According to CIC, the global smartphone shipment volume is expected to grow steadily from 1,246.8 million units in 2025 to 1,338.4 million units in 2030. With the expansion of the downstream market and the continuous category expansion of our solutions, our overall market opportunities in the smartphone sector will be broader and more promising. The following diagram illustrates our commercialized product applications in smartphones as of the Latest Practicable Date.

Our Commercialized Product Applications in a Smartphone



We endeavour to expedite the strategic extension and rapid implementation of our core capabilities in intelligent sensing, machine vision, and imaging technology into three emerging fields: robotics, digital twins, and automotive electronics, to achieve a “sensing-decision-actuation” human-machine interaction in more real-world scenarios, empowering intelligent devices with the ability to actively respond to their environment.

Drones have evolved from simple remote-controlled devices into sophisticated machines equipped with advanced sensors, global positioning system (GPS), and autonomous navigation systems. The integration of machine learning algorithms further enhances the performance of drones, enabling the adaptability to changing environments and more complicated tasks. According to CIC, the global drone shipment volume is expected to increase from 9.0 million units in 2025 to 11.2 million units in 2030, representing a CAGR of 4.1% from 2026 to 2030.

Intelligent robots possess advanced environmental sensing capabilities, allowing autonomous operation and adaptive team collaboration. With breakthroughs in sensing software and hardware technologies, intelligent robots are rapidly gaining popularity in an increasing number of scenarios. According to CIC, the global robot shipment volume is expected to increase from 27.2 million units in 2025 to 55.8 million units in 2030, representing a CAGR of 14.3% from 2026 to 2030.

Smart wearable devices integrate various technologies such as optical technology, computer technology, and sensor technology. With the increasing IC integration and computing power, smart glasses products are turning more diversified in function, gradually becoming the next generation of portable smart device entry points. According to CIC, the global smart wearable device shipment volume is expected to increase from 220.5 million units in 2025 to 320.3 million units in 2029, representing a CAGR of 8.4%.

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The emerging scenarios feature significant technological and supply chain synergy advantages with areas such as mobile smart devices and smart wearables. Assisted by our extensive product portfolio and deep technological expertise, we can swiftly expand into emerging sectors and increase penetration in existing markets, continuously enhancing market competitiveness and ensuring the long-term sustainable development of our business.

Localized global business presence, jointly serving and responding to domestic and overseas supply chains and customers

We have established long-term and stable cooperation with global suppliers, and have built a diversified and flexible global supply chain system. Through multi-resource backup and tiered supply management, we have significantly enhanced our business continuity management (BCM) assurance to withstand sudden risks such as extreme natural disasters, geopolitical events, and industry fluctuations. As a key client of several major suppliers with an average cooperation period exceeding three years, we also firmly believe the strong long-term relationships of mutual trust and cooperation ensure that we can bind production capacity, obtain cost-advantaged product supply, support efficient mass production, and build scale barriers. During the Track Record Period, we maintained a relatively high on-time delivery rate while achieving a CAGR over 85% in revenue from 2023 to 2025.

In terms of the technological collaboration, we engage in deep co-creation with supply chain partners to jointly drive breakthroughs in product performance and high-quality delivery. Through precise collaboration with foundries, we significantly enhance device performance metrics by developing customized Process Design Kits (PDKs) and optimizing specialty processes. In terms of our optical sensing products, our joint customized process platform development with domestic foundries has substantially improved light-capture efficiency and photodetector responsiveness of the products. This not only delivers performance upgrades and cost competitiveness but also accelerates domestic substitution for such product line, securing its top position in the domestic market. In terms of our 3D iToF image sensor products, we conduct joint development and optimization based on the process platform from top-tier foundries in the industry, achieving optimized performance in noise control and sensitivity, and successfully completed the first mass production run on such platform. Furthermore, we actively promote supply chain domestic substitution by collaborating with domestic testing equipment manufacturers to customize and develop testing equipment. Improving efficiency while lowering procurement costs, this achieved the domestic substitution for critical testing equipment and solidifying our competitive barriers through strategic partnerships. Our full-chain joint quality control system is the outcome of this deep collaboration, ultimately achieving an exceptionally high product yield rate. This “joint R&D, production capacity assurance, and value sharing” cooperation model not only strengthens our product competitiveness but also promotes the mutual development of the industrial chain.

We proactively plan for global localized networks to further enhance global synergy and accelerate customer responsiveness. Our R&D center in the Netherlands brings together top European semiconductor talents, collaborating with domestic teams to serve the R&D needs of global customers. Our overseas headquarters in Singapore coordinates international supply chain resources. This full-chain capability spanning “supply resilience, capacity binding, technology co-creation, and global linkage” continuously strengthens our delivery leadership in the intelligent sensing IC sector, ensuring efficient responsiveness and stable supply to meet global customer demands.

Management team with a forward-looking vision and strategic perspective, equipped with extensive industry experience

Our Founder, Mr. Liu, is a leader who keeps faith and persists in constant innovation and transformation. With a distinguished academic and industry experience record, Mr. Liu uses his foresight and understanding of the industry trends and customer needs to guide our technological advancement, product positioning and delivery of solutions. He earned his bachelor’s and master’s degrees in the PRC and overseas, respectively, equipping him with a diversified educational background. He also possesses over 15 years of experience in the semiconductor industry with a

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particular focus on R&D of intelligent sensing solutions. Led by Mr. Liu, our management team on average possesses over 15 years of experience in product development, marketing and branding, enterprise management, and capital markets support.

We have established a comprehensive R&D system and training mechanism to cultivate R&D team from scratch, which has broken through the bottleneck of experienced talents and ensured sustainable supply of talent. Supported by our foundational R&D capabilities and technologies, our product matrix possesses a clear roadmap covering the whole lifecycle from production definition to its end-of-life phase. Over ten years of accumulated expertise in studies, R&D and operation in Europe, outstanding academic backgrounds earned from domestic and overseas top universities and research institutions such as Huazhong University of Science and Technology, University of Science and Technology of China, Technische Universiteit Delft in the Netherlands and Katholieke Universiteit Leuven in Belgium, and extensive experience in mixed-signal IC design gained from working at global IC design companies, our R&D team and product line team are experienced, dedicated, and creative, possessing truly global insights with forward-looking perspectives. Our core R&D members include Dr. Ke Yi and Mr. Quan Rui, who take a lead in system and analog IC design; Mr. Ma Kezheng, who leads a lead in digital IC design and overseas R&D activities; and Mr. Shi Yun, who leads our algorithm and software development. Mr. Kong Fanxiao, Mr. Shi Yipeng and Mr. Long Jie co-head our product line activities, including product strategies and business developments.

OUR STRATEGIES

Increasing investment in R&D to maintain technological leadership

Strong technological research and development is the core strategic foundation of our long-term growth. We will continue to commit resources to R&D and deepen our capabilities in the three core areas of intelligent sensing, machine vision, and imaging technology, continuously improve the performance and scenario adaptability on various smart devices, and solidify our technological position. Additionally, we will strategically plan the development of technologies that are highly synergistic with our core areas, focusing on directions such as breakthroughs in sensor sensing elements and process, mixed-signal ICs, and intelligent sensing algorithms. Through cross-domain technology integration and platform capability building, we will create more competitive intelligent interactive solutions, continuously upgrading the technological depth and breadth of our product portfolio.

Our talent team is fundamental for the continuous development of breakthrough solutions. We will leverage our global R&D platform to establish a global talent recruitment network, actively attracting and gathering top international talent and senior experts, particularly in key areas such as system architecture design, advanced sensor technology, intelligent sensing algorithms, digital SoC, and edge computing. To this end, we will establish and improve internationally competitive compensation and benefits, equity incentive, and long-term development mechanisms, and foster a research environment that stimulates a cross-disciplinary collaboration platform. We are committed to becoming a hub for technology talent, providing the most crucial foundation for continuous technological innovation and leadership.

Approximately [REDACTED]% of our net [REDACTED] from the [REDACTED] will be used to research and development of key technologies in the field of intelligent sensing, machine vision, and imaging technology to strengthen our leadership position and accelerate commercialization of our pipeline products to realize this strategy. See “Future Plans and Use of [REDACTED]” for details.

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Continuous development of products, enrichment of our solution portfolio and expansion of our advantages

We will systematically improve our product lines to provide one-stop solutions covering a wider range of needs, with a focus on products and continuous launching of new-generation high-performance sensors to integrate technologies to accelerate the commercialization of diversified and high-performance products. Our penetration and market share will be continuously deepened in existing advantageous markets such as mobile smart devices and IoT, thereby enhancing our market competitiveness.

We also plan to take initiatives to expand into high-growth emerging scenarios such as robotics, digital twins, and automotive electronics. Equipped with the technological advantages and differentiated solutions accumulated in the three core areas, we will understand new scenario demands, develop more product portfolios, actively seize market opportunities, and open up incremental space for our business.

Leveraging our foundational technologies and robust R&D accumulation, we are currently expanding our product matrix to cover more solutions. As we keep expanding our product portfolio and application scenarios, we will deepen our strategic partnerships with global smart device manufacturers across various sectors. Leveraging our technological capabilities and on-time delivery of solutions, we are able to provide competitive solutions at the early stage when customer put forward their requirements. More cross-selling opportunities will be created across product lines and application scenarios, significantly improving client loyalty and market penetration and opening up new growth areas.

Approximately [REDACTED]% of our net [REDACTED] from the [REDACTED] will be used to research and development of key technologies in the field of intelligent sensing, machine vision, and imaging technology to strengthen our leadership position and accelerate commercialization of our pipeline products to realize this strategy. See “Future Plans and Use of [REDACTED]” for details.

Continued efforts to strengthen our ecosystem establishment to achieve expansion of customer base and business scale

We have been committed to furthering the establishment of an ecosystem with global industry chain partners, accelerating market penetration, and achieving expansion of customer base and business scale. In terms of the existing market, we strive to increase the coverage and loyalty of key clients. Leveraging our full-chain empowerment capability, we precisely identify, understand, and respond to customers’ requirements, significantly increasing the sales proportion and cross-selling capabilities of our solutions to existing customers and consolidating long-term strategic partnerships. Also, we will proactively introduce solutions into high-growth application scenarios not yet covered, such as robotics, digital twins, and automotive electronics, to expand our customer base. By establishing global localized service teams and strengthening the channel partner network, we intend to provide efficient local support, comprehensively enhance market penetration, and achieve continuous business growth. Approximately [REDACTED]% of our net [REDACTED] from the [REDACTED] will be used to expand our global sales and service network, and approximately [REDACTED]% will be used for strategic investments and/or acquisitions to realize this strategy. See “Future Plans and Use of [REDACTED]” for details.

Accelerating our presence of globalized supply chain and localized team

We will further strengthen the global supply chain presence while optimizing systems of production, procurement, and logistics for higher risk resistance and delivery efficiency to achieve dual circulation domestically and internationally, and ensure stable and agile supply in the global market to support sustainable business growth. Establishing overseas R&D centers in technology-leading regions such as Europe, Japan, and South Korea will help us attract top global talent, strengthen collaboration with the international technology ecosystem, and drive continuous development.

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We will strengthen our presence in overseas market and localization capabilities, concentrating investment in strategic regions such as Europe, Japan, and South Korea, hereby broadening our channel network and developing core business partners to accelerate our penetration into growing and high-value markets. At the same time, we will accelerate the deployment of localized services and technical support teams to provide rapid response and deliver customized solutions based on regional market demands, enhancing adaptability to engage more with key smart device manufacturers and build a competitive advantage.

Approximately [REDACTED]% of our net [REDACTED] from the [REDACTED] will be used to expand our global sales and service network to realize this strategy. See “Future Plans and Use of [REDACTED]” for details.

Exploration of strategic investment and cooperation

We will keep seeking high-quality M&A targets through our external investment layout and rapidly expand into advanced technologies, product categories, and market directions through effective integration of industry resources. We may conduct strategic investments in and acquisitions of teams, assets, and companies, with the aim of enhancing our technological capabilities. With a primary focus on targets with strengths in our three core areas, we aim to expand our technology portfolio and product categories through strategic acquisitions and investments, thereby broadening our addressable market, reinforcing our competitive position, and support long-term growth. Approximately [REDACTED]% of our net [REDACTED] from the [REDACTED] will be used for strategic investments and/or acquisitions. See “Future Plans and Use of [REDACTED]” for details.

OUR PRODUCT OFFERINGS

As a provider of intelligent sensing, machine vision and imaging technology solutions, we aim to enhance smart devices with accurate sensing, reliable imaging, and intelligent upgrades through the integration of high-performance analog and mixed-signal ICs with optimized algorithm software. We deliver critical driving forces to global large-scale, leading industry players among high-growth application scenarios in consumer electronics sector, spanning smartphones and IoT, and are expanding our footprints to other emerging growth areas such as robotics, digital twins and automotive electronics. We operate with fabless model, where we focus on the design of ICs and outsource IC manufacturing to trusted third-party foundries. As the semiconductor industry has developed a high degree of division of labor, the fabless model is consistent with the industry norm, according to CIC.

Our diversified product matrix comprised a broad range of sensors and actuators, categorized into ten commercialized product lines as of the Latest Practicable Date. The following table demonstrates each of the commercialized product lines encompassed in the three solutions:

Solution	Product Line
Intelligent sensing	
<i>Optical sensing</i> . . .	Light sensor Proximity sensor All-in-one optical sensor
<i>Smart audio</i>	Smart audio amplifier IC
<i>Haptics</i>	LRA driver IC and LRA control algorithm

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Solution	Product Line
Machine vision	3D iToF image sensor
Imaging technology .	Flicker sensor Multi-spectral sensor OIS driver IC dToF ranging sensor

Besides commercialized products, we have completed the main R&D phase for the products at the design-in phase, and are working with smart device manufacturers to integrate our product candidates into their designs to ensure the features meet market needs. Once our product candidates pass the evaluation and selection process of the smart device manufacturers, we will receive purchase orders from them, and these products become commercialized. See “Design, Research and Development — Product Line at the Design-in Phase” for details of the products at the design-in phase. We are actively diversifying our product portfolio, aiming to cover a broader range of scenarios. See “— Design, Research and Development — Solutions Under Development” for details of the products under development.

Intelligent Sensing Solutions

We have developed a range of intelligent sensing products that integrate optical, smart audio, and haptic sensing with proprietary edge AI algorithms. These products enable responsive, immersive interaction across smart devices. Our intelligent sensing solutions aim to enhance the accuracy, immediacy, and immersion of human-machine interaction by enabling low-power, low-latency, and privacy-preserving interactions of sensors and actuators. Our intelligent sensing products support multimodal sensing scenarios, helping smart devices to capture light information, process sound, detect temperature fluctuations and provide haptic feedback.

As of the Latest Practicable Date, we had developed light sensors, proximity sensors and all-in-one optical sensors under optical sensing solutions, smart audio amplifier ICs under smart audio solutions, and LRA driver ICs and LRA control algorithm under haptics solutions. Our products can be embedded into low-, mid- to high-end smart devices, and are well recognized by mainstream smartphone and IoT device manufacturers. In 2023, 2024 and 2025, we generated revenue of RMB236.5 million, RMB573.6 million and RMB708.0 million, respectively, from the sales of intelligent sensing products.

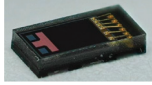
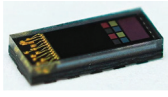
Our intelligent sensing solutions are featured by a diverse range of specialized products and technologies, as detailed below:

Optical Sensing Solutions

Our optical sensing solutions primarily include high-sensitivity pixel and light sensors designed for brightness, proximity, and color temperature detection. They are widely applied in smartphones, wearables, XR, and automotive devices. As of the Latest Practicable Date, all of our light sensors, proximity sensors, and all-in-one optical sensors were commercialized.

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The following table sets forth our commercialized product lines, their respective functions and primary applications, with illustrative pictures:

Product Line	Functions	Primary Applications	Illustrative Picture
Light sensor	Our light sensors offer high sensitivity and supports short-integration black frame capture and screenshot modes. They integrate proximity sensing, ambient light detection, and color temperature measurement under OLED screens to enable a full-screen viewing experience.	Our light sensors adapt properly in smartphones, tablets, in-car large screens, and IoT applications.	
Proximity sensor .	Our proximity optical sensing technology features a pixel structure that greatly improves photosensitivity and signal stability across diverse environments, enabling excellent performance in complex lighting conditions. Integrated with AI algorithms, proximity sensors precisely extract and restore spectral information, enhancing the imaging system’s ambient light sensing and response. The strong ambient light sensing capability enables dynamic real-time screen brightness adjustment in full-screen devices, delivering a natural and comfortable visual experience.	Our proximity sensors are widely used in smartphones, smart watches and bracelets, laptops, drone controllers, tablets, smart rings, and home appliances.	
All-in-one optical sensor	Our all-in-one optical sensors feature a compact size, low power consumption, and high detection accuracy. Designed for LCD screens, they integrate proximity sensing, ambient light detection, and color temperature measurement.	Our all-in-one optical sensors are applicable to smartphones, tablets, in-car large screen, and IoT applications.	

Smart Audio Solutions

Our smart audio solutions primarily consist of smart audio amplifier ICs, DSPs, and NPUs with in-house algorithms for speaker protection, spatial sound, and power optimization, which are ideal for compact and wearable devices. The following table sets forth our commercialized product lines, their respective functions and primary applications, with an illustrative picture:

Product Line	Functions	Primary Applications	Illustrative Picture
Smart audio amplifier IC . .	Our smart audio amplifier ICs intelligently process, amplify audio signals and optimize acoustic quality in complex audio content and noisy environments while enabling real-time temperature and excursion protection for speakers.	Our smart audio amplifier ICs are widely used in smartphones, tablets, laptops, smart wearables, smart home, and in-car audio equipment.	

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Haptics Solutions

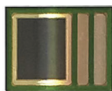
The following table sets forth our commercialized product line, their respective functions and primary applications, with an illustrative picture:

Product Line	Functions	Primary Applications	Illustrative Picture
LRA driver IC . . .	Our LRA driver ICs function together with in-house developed LRA control algorithm, featuring vivid haptic control and fast response.	Our LRA driver ICs are well deployed in smartphones and are expanding to laptops, AR/VR/XR, game controllers, smart home, and smart vehicles.	

Machine Vision Solutions

We offer a comprehensive suite of machine vision solutions that provide smart devices with spatial awareness and visual understanding. Through active optical detection and multi-spectral sensing technologies, our solutions endow smart devices with accurate 3D modeling, material composition analysis, and dynamic environment understanding functions, overcoming the limitations of traditional 2D imaging. Our core products under machine vision solutions, namely 3D iToF image sensors, have broken through the imaging limitations of traditional image sensors, allowing smart device users to perceive 3D image information and obtain information of objects. As one of the few domestic companies with scalable ToF sensor solutions, according to CIC, our machine vision products are widely adopted across multiple industries, highlighting our leadership.

The following table sets forth our commercialized product line, their respective functions and primary applications, with illustrative pictures:

Product Line	Functions	Primary Applications	Illustrative Picture
3D iToF image sensor	Our compact, low-power 3D iToF image sensors are designed for face recognition and gesture interaction.	Our 3D iToF image sensors are applied in smartphones and true depth 3D cameras. Through 3D modeling, these sensors also support 3D navigation and obstacle detection for intelligent robots and AR/VR devices.	

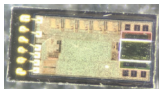
In 2023, 2024 and 2025, we generated revenue of RMB0.8 million, RMB46.4 million and RMB70.7 million, respectively, from the sales of machine vision products.

Imaging Technology Solutions

We have built a strong imaging product portfolio to deliver professional-grade imaging experiences for smart devices. Our imaging technology solutions are aimed at core challenges including color distortion, motion blur, telephoto shake, low-light focusing, and noise in complex environments, resolved by our flicker sensors, multi-spectral sensors, dToF ranging sensors, and OIS driver ICs. These imaging products, empowered by on-chip intelligent processing, optimize the full imaging chain — spanning from photon capture to image output — ensuring vivid and adaptive visuals.

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The following table sets forth our commercialized product lines, their respective functions and primary applications, with illustrative pictures:

Product Line	Functions	Primary Applications	Illustrative Picture
Flicker sensor . . .	Our flicker sensors deliver precise high-frequency flicker detection and accurate ambient color temperature measurement.	Our flicker sensors are applied in smartphones, action cameras, drones, and professional photography.	
Multi-spectral sensor	Our multi-spectral sensors support accurate rendering under complex lighting environments. Combined with AI algorithms, they accurately restore environmental spectral information, identifying light source types and intensities. This enables more precise color reproduction in imaging systems and supports material detection applications.	Our multi-spectral sensors are applied in smartphones, action cameras and panoramic cameras.	
OIS driver IC . . .	Our OIS driver ICs are engineered to mitigate the impact of camera shake and vibration, which can cause blurry images or videos, particularly in low-light environments or when using zoom lenses. By physically adjusting the lens or image sensor, the IC counteracts these movements, ensuring steady, sharp captures. This stabilization feature is especially valuable for minimizing blur caused by shaky hands and enhancing performance in low-light conditions or when using longer focal lengths.	Our OIS driver ICs are applied in smartphones, tablets, personal computers, sports cameras, pan-tilt system, drones, wearable devices like smart glasses, surveillance and security system	
dToF ranging sensors	Our dToF ranging sensors are designed for fast auto focusing in dynamic scenes. Equipped with four partitions, the sensor can detect up to four objects at different distances simultaneously, enabling precise distance measurement and proximity detection of objects.	Our dToF ranging sensor features a compact size, low power, and high accuracy. It is applicable for camera autofocus, presence detection and collision avoidance for low power mobile platforms such as smartphones, tablets, PCs, and IoT devices, etc.	

We started the provision of imaging technology solutions in 2023. In 2023, 2024 and 2025, we generated revenue of RMB11.0 thousand, RMB46.5 million and RMB71.2 million, respectively, from the sales of imaging technology products.

Operational Highlights

Our commercialized products have gained wide recognition in the industry, and have been delivered in billions during the Track Record Period, the details of which are set forth below:

	Year ended December 31,						CAGR ⁽¹⁾
	2023		2024		2025		
	<i>Pieces</i> (<i>'000</i>)	%	<i>Pieces</i> (<i>'000</i>)	%	<i>Pieces</i> (<i>'000</i>)	%	
Intelligent sensing products	211,744	100.0	613,418	94.6	775,686	93.7	91.4
<i>Optical sensing products</i>	<i>62,181</i>	<i>29.4</i>	<i>283,159</i>	<i>43.7</i>	<i>319,302</i>	<i>38.6</i>	<i>126.6</i>
<i>Smart audio products</i>	<i>149,536</i>	<i>70.6</i>	<i>309,522</i>	<i>47.7</i>	<i>413,235</i>	<i>49.9</i>	<i>66.2</i>

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	Year ended December 31,						CAGR ⁽¹⁾
	2023		2024		2025		
	<i>Pieces</i> (‘000)	%	<i>Pieces</i> (‘000)	%	<i>Pieces</i> (‘000)	%	
<i>Haptics products</i>	27	– ⁽²⁾	20,737	3.2	43,149	5.2	39.0
<i>Machine vision products</i>	6	– ⁽²⁾	2,357	0.3	3,682	0.4	23.8
<i>Imaging technology products</i>	6	– ⁽²⁾	32,757	5.1	48,579	5.9	89.0
Total	211,756	100.0	648,532	100.0	827,947	100.0	97.7

Notes:

- (1) CAGR only refers to the growth rate from 2023 to 2025.
(2) Less than 0.1%.

Our shipment volume increased significantly during the Track Record Period due to our broadened product lines and increasing adoption of our products by customers. During the Track Record Period, we primarily provided intelligent sensing solutions, which was our primary revenue driving force. We have strategically diversified our solution offerings since 2023, and experienced a robust growth in the sales volume of machine vision and imaging technology products.

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Analysis on Historical Performance

We have achieved rapid business expansion during the Track Record Period, supported by strong customer demand and growing market acceptance of our solutions. In 2023, 2024 and 2025, our revenue was RMB242.0 million, RMB666.6 million and RMB854.7 million, respectively, representing a CAGR of 87.9% from 2023 to 2025. This significant growth was primarily driven by volume ramp-up in our product lines. However, we incurred net loss in 2023, and net cash used in operating activities in 2023 and 2024. We also recorded net liabilities and net current liabilities primarily as of December 31, 2023 and 2024 as a result of the financial liabilities at FVTPL. Our future profitability is uncertain and subject to various factors, including our ability to effectively monetize our solutions and continuously grow revenue in a cost-effective manner by improving our operational efficiency. Despite our continued increase in revenue and gross profit, we may continue to incur net losses and cash outflows, and maintain the net liabilities position in the foreseeable future. See “Risk Factors — Risks Relating to Our Business and Industry — Our historical growth may not be indicative of our future growth. If we are unable to manage our growth or execute our business strategies effectively, our results of operations and business prospects may be materially and adversely affected.”

Strategies to Improve Profitability

Continuous profitability is crucial to our success and long-lasting business operations. We recorded loss for the year in 2023 of RMB110.1 million and afterwards achieved breakeven in 2024 with profit for the year of RMB9.7 million, which further increased to RMB26.5 million in 2025. We plan to continuously putting in efforts to increase our revenue and profit level through the following approaches:

Expand Customer Base and Increase Sales Volume

We target to continuously dive into the vertical sectors of smart devices and IoT devices, penetrate into emerging sectors, and continue to increase sales volume and enlarge our market share. Specifically, we plan to:

- *Increase the sales to existing customers from smart device and IoT sectors.* We will continue to generate revenue and enlarge the market share from our existing customers from our current areas of expertise, namely the mobile smart device and IoT sectors. In

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addition to increasing the sales from the current product types that we offer to our existing customers, we plan to continue to, leveraging our recognized R&D capabilities and quality product and solution offerings, introduce new product types or product lines to our existing customers. As it generally takes the leading customers in these sectors six to nine months to verify a key component product and qualify such supplier, as advised by CIC, it is more advantageous for us to leverage our qualified supplier status to increase sales to existing customers by diversifying the product types and product lines. By doing so, we believe our customer stickiness will be further enhanced. For instance, by successfully expanding our product portfolio with Customer E, we increased revenue contribution from this customer from RMB59.0 million in 2023, and doubled it to RMB119.0 million in 2024. In 2025, we continued to generate significant revenue of RMB131.9 million from Customer E. This growth trajectory demonstrates our ability to deepen customer relationships and capture greater value from top-tier clients through continuous product diversification.

- *Expand the customer base through various means.* We aim to obtain new customers from our current areas of expertise and other emerging sectors, such as robotics, digital twins and automotive electronics. Specifically, we target to secure new direct sale customers who are globally leading industry players. We will continue to leverage available channels for customer acquisition, including word-of-mouth referrals by business partners, introducing our products and technologies on exhibitions and forums, and connecting through business partners. From time to time when the needs for qualified suppliers so arise, these leading industry players may source us through their marketing departments, and invite us to participate in the supplier selection process. We encourage our distributors covering mass markets to cultivate R&D capabilities, receive trainings and expand their downstream customer base. We will incentivize our distributors as appropriate. For example, we plan to provide performance-based incentives to distributors for each of the additional downstream customers they acquire. The number of our sales and marketing members covering smart device and IoT sectors grew from 26 in 2023 to 47 in 2025, and the number of our sales and marketing members covering emerging sectors grew from nil in 2023 to eight in 2025, indicating our efforts and investment into customer acquisition and marketing initiatives.

Increase the Contribution from Higher-margin Products

In 2023, 2024 and 2025, our gross profit margin of intelligent sensing products was 24.3%, 23.0% and 21.3%, respectively, and our gross profit margin of machine vision products was negative 115.2%, 12.0% and 25.6%, respectively. In 2024 and 2025, our gross profit margin of imaging technology products was 40.3% and 49.6%, respectively. Going forward, we target to increase the contribution from higher-margin products of each business line to improve our overall margin level:

- *Intelligent sensing products.* We plan to maintain the contribution of relatively lower-margin products as to the current level, while continuously launching high-end products with relatively high margins to improve the overall gross profit margin of intelligent sensing products.
- *Machine vision products.* Since the mass production in the second half of 2024, our machine vision products experienced a relatively low gross profit margin due to the high purchase price from Supplier A and our competitive pricing strategies. We have gradually increased our purchase of wafers from Supplier B for the fabrication of our machine vision products, which has a more competitive pricing than Supplier A and thus reducing the supply chain costs.

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- *Imaging technology products.* Our imaging technology products are primarily tailor-made to meet our customers’ needs. Future new, customized products with upgrades of technological innovation will have a higher gross profit margin, which will improve the overall margin level of imaging technology products as the revenue contribution of these high-margin products increases.

Innovate and Iterate Solutions and Technologies

To maintain our competitiveness and prevent our products from being obsolete, we will continuously innovate our foundational technologies to cater to the latest market trends and iterate our solutions and product lines to meet a broader range of application scenarios. See “— Design, Research and Development” for details.

Improve Operational Efficiency and Optimize Cost Structure

In addition to actively broadening revenue source, we will further enhance our profit and margin level by improving operational efficiency and optimizing cost structure. Specifically, we plan to:

- *Manage supply chain cost level.* We rely on trusted foundries to manufacture our designs and qualified chip packaging and testing service providers to package and test our products. We have maintained a good relationship with our two major foundry partners, Supplier A and Supplier B, for almost eight and nine years, respectively. We have also maintained a good relationship with our major chip packaging and testing service providers for at least three years. In light of our long-term and stable relationship with major suppliers, we are able to negotiate an annual discount on the prices, which help us reduce annual costs by 2% to 3%.
- *Efficient project management.* We plan to continuously design our products at the platform-level and use reusable modules to improve operational efficiency, thereby avoiding redundant R&D investment and improving R&D efficiency. We will also, while fulfilling customers’ requirements, optimize product designs by simplifying designs to the extent probable and focusing on the core needs of customers, which in turn helps us improve the success rate.
- *Refine the management of operational expenses.* We plan to refine the management of operational expenses. For example, we plan to reduce unnecessary trips and at the same time improve online communication efficiency. We also enter into agreements with our frequently partnered hotel vendors to reduce per-person annual travel expenses by 7% to 10%. In addition, we choose to lease properties for office use with convenient locations over top-tier office buildings, and negotiate with property owners for competitive prices.

Secure Sufficient Working Capital

Sufficient working capital is essential to maintain our sustainable operation and we have placed importance on sourcing working capital through different means. In addition to the working capital generated from our operating activities, as of December 31, 2025, we had committed unutilized banking facilities of RMB100.0 million. Additionally, as of the same date, we had cash and cash equivalents of RMB717.3 million. Besides, we expect to receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, based on the low-end [REDACTED] of HK\$[REDACTED] per Share.

Favorable Market Potential

We observe a favorable growth in the markets we penetrate into. According to CIC, the market size of global intelligent sensing ICs grew from US\$10.4 billion in 2021 to US\$11.6 billion in 2025, at a CAGR of 2.8%, and is expected to reach US\$14.3 billion by 2030 at a CAGR of 6.2% from 2026 to 2030. The market size of global 3D ToF image sensors grew from US\$661.5 million in 2021 to US\$924.0 million in 2025, representing a CAGR of 8.7%, and is anticipated to boost to reach

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US\$ 1,294.4 million by 2030 at a CAGR of 10.6% from 2026 to 2030. The market size of global intelligent imaging ICs grew from US\$ 310.0 million in 2021 at a CAGR of 14.5% to US\$532.3 million in 2025, and is anticipated to grow steadily to US\$ 1,351.6 million by 2030 at a CAGR of 25.5% from 2026 to 2030. We believe that we are well positioned to benefit from this growth as our solutions serve as key components to enhance end-users’ viewing, audio, and haptic experience. With a track record of stable and rapidly growing delivery to major global smart device and IoT device manufacturer customers, broad coverage of mainstream smart mobile device use scenarios, and continuous advanced product design and iteration, we are equipped to capture the boosting market demands and emerging opportunities, capitalizing on our accumulated R&D capabilities and expertise across the sectors.

Near-term Profitability Outlook

We incurred net losses of RMB110.1 million in 2023, and reached breakeven and recorded net profit of RMB9.7 million in 2024. Our net profit was further improved to RMB26.5 million in 2025. Our net current liabilities increased from RMB592.8 million as of December 31, 2023 to RMB621.8 million as of December 31, 2024, primarily due to a continuous increase in financial liabilities at FVTPL. We turned from net current liabilities of RMB621.8 million as of December 31, 2024 to net current assets of RMB981.4 million as of December 31, 2025, primarily due to a decrease of RMB1,053.3 million in financial liabilities at FVTPL from RMB1,053.3 million as of December 31, 2024 to nil as of December 31, 2025 as certain special rights of our Pre-[REDACTED] Investors were terminated on July 31, 2025. Our operating cashflow was also improved during the Track Record Period. We recorded net operating cash outflow of RMB190.1 million and RMB184.8 million for the years ended December 31, 2023 and 2024, respectively, then recorded an operating cash inflow for the year ended December 31, 2025 of RMB270.2 million. All of these represent a positive outlook of our business operations and financial conditions.

As our revenue continued to grow and operating leverage improved, we expect to achieve an increased net profit of the year. Our expectation to achieve and sustain profitability is based on reasonable assumptions, including (i) continued increase in sales volume, (ii) no material disruption to our business operations, and (iii) no material adverse change in the macroeconomic, regulatory, or competitive environment. We firmly believe that our proven business model, diverse and full solution coverage and R&D capabilities provide a clear and credible path to long-term profitability.

DESIGN, RESEARCH AND DEVELOPMENT

We consider that we possess sufficient knowledge of the technical specifications, features, functionalities and applications of the sensor and driver products under our three core solutions, based on which we perform day-to-day design and R&D activities. Our design and R&D of products are market-driven, and are carried out as a group effort in close collaboration between our different teams. Our sales and marketing team provides the anticipated features and functionalities of products desired by downstream markets as well as the expected purchase volume that fulfill customers’ requirements. Our production team formulates production plans according to the expected purchase volume from downstream customers, and communicate with trusted foundries for manufacturing of products. Our engineering team is responsible for tape-out and verification of ICs upon completion of design.

In 2023, 2024 and 2025, our R&D expenses amounted to RMB81.5 million, RMB77.1 million and RMB90.4 million. Our R&D staff cost was RMB40.5 million, RMB45.8 million and RMB50.5 million, respectively, in 2023, 2024 and 2025. The growing trend of R&D staff cost during the Track Record Period showcases our continuous investment in our R&D personnel, which is a critical force driving the growth of our R&D activities.

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Our Technologies

After years of technological accumulation and deep penetration into the industry, we have developed in-house core technologies, covering intelligent sensing algorithms and system-level solutions, highly integrated digital processing and embedded systems, design and process development capabilities of sensor sensing elements, and analog IC design. These aspects are fundamental to our operations, empowering our products with strong technologies and competitive advantages.

Intelligent sensing algorithms and system-level solutions: We have developed capabilities from underlying algorithms to upper-layer applications, focusing on three core areas. We continuously develop and optimize key technologies such as optical sensing, machine vision, haptic sensing, smart audio, and imaging technology. We have system-level design and scenario-based optimization capabilities across light sources, lenses, sensors, actuators, algorithms and software. These capabilities are integrated to form system-level solutions that enhance product performance and provide precise, fast, and smart sensing for various smart devices.

Highly integrated digital processing and embedded systems: Our processors include RISC-V CPUs, custom instruction set DSPs, and high-performance NPUs. Through chip-level heterogeneous integration, we integrate these with sensing/driving ICs to build edge intelligent embedded MCUs. For example, by integrating DSP and RISC-V CPU, we achieve real-time gyroscope data processing for stabilization precision. Our NPU supports offline speech recognition and multi-language keyword wake-up. We will continue to strengthen processor and sensor integration, and explore lightweight model deployment and in-memory computing to provide low-power intelligent engines for edge devices.

Design and process development capabilities of sensor sensing elements: We have built comprehensive design and process development capabilities for sensor sensing elements, with a focus on optical sensing. Through independently developed high-sensitivity pixel technology, low-power photogate pixel technology, and miniaturized SPAD devices, we have achieved efficient wide-spectrum response from visible light to near-infrared with low power consumption and miniaturization. Using our micro-nano optical design platform and wafer-level optical coating technology, we have achieved precise spectrum detection across wide spectral bands. Our manufacturing process integrates back-illumination, 3D stacking, near-infrared enhancement, deep trench isolation, and heterogeneous packaging. We have also expanded to magnetic sensing and MEMS. For example, our high sensitivity Hall elements achieve precise OIS control, improving photography quality in low light. Through the integration of these technology.

Analog IC design: We have built analog IC design capabilities covering driver, signal chain, power management, clock, and ESD protection, achieving independent full-process development from circuit design to layout verification. Through multi-level power consumption optimization, our OIS driver IC has achieved one of the industry’s lowest no-load power consumption, according to CIC. Our dynamic self-adaptive power management technology addresses signal integrity challenges under voltage fluctuations, and our signal chain design has improved signal resolution in complex environments. These capabilities provide low power consumption, anti-interference, and environmental adaptability for intelligent sensing devices.

Looking ahead, we are developing an edge intelligence fusion architecture by embedding lightweight model inference into the device sensing layer to enhance real-time decision-making and privacy protection. Through integration of lightweight model deployment, in-memory computing, and analog IC technologies, we will empower smart devices to achieve autonomous sensing, spatial intelligence, and real-time processing. We aim to build a precise, low-power, integrated next-generation intelligent sensing technology system, promoting edge computing to become a value creation engine.

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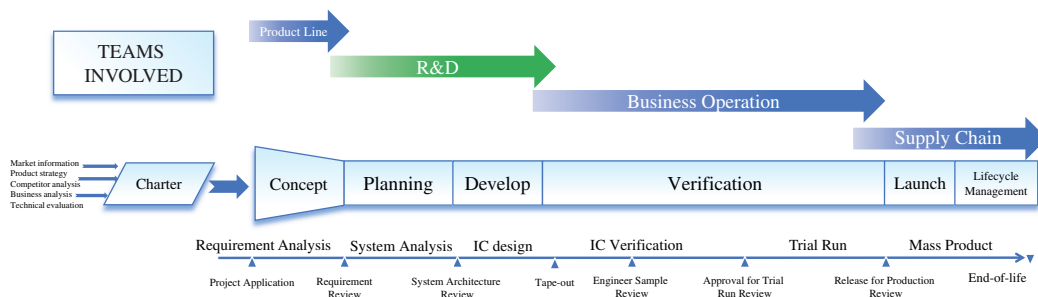
Our Design Activities

Our design activities start with project planning, followed by system and IC design, testing and verification, and tape-out.

- *Project planning.* At the commencement of a project, we formulate a project plan setting out details of the project, including the background and definition of the underlying products, delivery schedule, requirement analysis, and R&D goals, among others.
- *System and IC design.* Once the project planning phase is completed, we allocate our internal resources properly to carry out design activities, covering system and architecture establishment, IC design, and development of software and algorithms.
- *Testing and verification.* After the system and IC design phase, we conduct product sample testing and verification to ensure the designed IC fulfills the requirements as set out in the project plan.
- *Tape-out.* Upon completion of our design, we send it to foundries for tape-out, which is the final stage of the design process before manufacturing. A successful tape-out does not usually happen when the design is fabricated for the first time. Upon a successful tape-out, we place orders to third-party foundries for manufacturing, which typically takes up to three months.

Typically, the development cycle of complicated products is around 12 to 18 months, and the development cycle of fast iterated products is about six to nine months. After the wafer is produced, we send it to third-party service providers for packaging and testing, which takes one to two additional months. Different products vary in the length of production time.

The following chart illustrates the process of our design activities and summarizes the key phases from the commencement of an IC design to the completion of its production.



Product Line at the Design-in Phase

As of the Latest Practicable Date, one of our product lines, i.e. our 3D dToF image sensors product line, was at the design-in phase. Designed for LiDAR and autonomous driving, our 3D dToF image sensors enable accurate long-range detection up to 40 meters, and deliver clear imaging performance. Our 3D dToF image sensors are robust for drones, robots, and autonomous navigation. The sensors have passed our major customers’ verification. We have completed the main R&D phase for these products, and are working with smart device manufacturers to integrate our products into their designs to ensure the features meet market needs. Once our products pass the appraisal and selection process of the smart device manufacturers, we typically will receive purchase orders from them, and these products become commercialized.

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Solutions Under Development

We are actively expanding the sensing dimension, developing multi-modal sensing scenarios such as temperature sensing, health sensing, and high-performance vocal microphones, and plan to integrate with NPU to create next-generation sensing nodes with powerful edge intelligence. Meanwhile, we are accelerating the R&D of products such as audio codecs, audio DSPs and voice NPUs to deepen the integration with DSPs, NPUs and intelligent algorithms to create low-latency, self-adaptive intelligent interactive response solutions. Leveraging our deep system understanding and integrated software-hardware collaborative design capabilities, we are devoted to building a multi-modal synergistic “sense-decision-actuation” network to comprehensively enhance the performance, user experience, and adaptability to a wide range of scenarios for smart devices such as smartphones and IoT devices.

We are also developing advanced technologies such as SWIR hyper-spectral sensors to expand the sensing dimension of machine vision to material composition identification and state analysis. Combined with existing 3D sensing technology, we aim to build a “space + composition” multi-dimensional sensing network, empowering scenarios such as industrial quality inspection and smart agriculture. With our self-developed sensors and intelligent algorithms, we continuously drive the transition of machine vision from passive imaging to active cognition, empowering smart devices to understand and respond to the real world more accurately. By continuously expanding the sensing dimension and decision intelligence, we have laid the technological foundation for next-generation autonomous systems and human-machine interaction, opening up broad application prospects for spatial intelligence.

Besides, we are advancing next-generation imaging technologies, including photon counting imaging sensors, enhanced multi-spectral imaging sensors, imaging co-processors, and imaging PMICs. By combining sensing, computation and energy efficiency, we are driving restoration of real-world scenes while achieving low power consumption, high efficiency, and strong adaptability.

Based on the three core areas, we will continuously develop solutions through deep integration of intelligent computing (including MCU, NPU, and DSP) at the chip level, and accelerate our expansion into high-growth emerging scenarios such as robotics, digital twins, and automotive electronics. These areas form a deep technological resonance with existing mobile smart devices and IoT — the spatial modeling capability of 3D sensing provides a spatial cognitive basis for robot navigation; the material detection capability of multi-spectral sensing technologies empowers machine vision; and intelligent OIS driver IC empowers drone gimbal stabilization and multi-domain actuator control.

The following table sets forth our products under development, their latest status and expected commercialization timeline as of the Latest Practicable Date:

Product Under Development	Major R&D	Latest Status	Expected Commercialization Timeline
Audio DSP . . .	Audio DSPs are designed to be applied in smartphones and tablets, tackling pain points such as edge computing power and power consumption.	We have completed the development of DSPs and are making optimizations as necessary. We are discussing with key potential customers on product definition of audio DSPs.	Tape-out of the audio DSPs is expected to take place by the end of 2026, with anticipated commercialization taking place in 2027.

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Product Under Development	Major R&D	Latest Status	Expected Commercialization Timeline
Voice NPU . . .	We aim to address the ADSP computing power limitations at the platform level in the AI era. Voice NPUs are used for scenarios such as wake-up and noise reduction. We expect to deploy voice NPUs in smartphones, tablets and smart home devices.	We have aligned with key potential customers on their requests, and completed the initial product definition. The products are under the early stage of development.	Tape-out of the voice NPUs is expected to take place in the first half of 2027.
Audio codec . .	Audio codecs enable the conversion between digital and analog audio signals, and perform encoding, decoding, processing and control of audio data. We expect to use audio codecs in laptops, televisions and tablets.	We have aligned with key potential customers on their requests, and completed the initial product definition. The products are under the early stage of development.	Tape-out of the audio codecs is expected to take place in the first half of 2026, with anticipated commercialization taking place by the end of 2026.
High-performance vocal microphone .	The high-performance vocal microphones are suitable for complex scenarios and long-distance voice pickup in mobile devices, including smartphones and conference equipment.	We have aligned with key potential customers on their requests. The products are under the early stage of development.	Tape-out of the high-performance vocal microphones is expected to take place in 2027, with anticipated commercialization taking place in 2028.
Optical navigation sensor	The optical navigation sensors are used in human-machine interaction, primarily designed for smart watches.	The products are under the early stage of development.	Tape-out of the optical navigation sensors was completed in March 2026, with anticipated commercialization taking place in the second half of 2026.
Magnetic sensor	The magnetic sensors, primarily including Hall sensors, are used in all short-range detection scenarios, including consumer electronics, industrial automation applications and automotive electronics.	We have completed the verification of Hall sensors.	Tape-out of the Hall sensors is expected to take place in the second half of 2026, with anticipated commercialization taking place in 2027.
SWIR hyper-spectral sensor	The SWIR hyper-spectral sensor is a spectral sensor covering the short-wave infrared band from visible light to 1700nm, containing specialized spectra of many substances. It can be used for substance detection in robotic vacuum cleaners.	The products are under the preliminary research stage, including data collection and analysis, and feasibility assessment.	Commercialization is anticipated to take place in 2027.

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Product Under Development	Major R&D	Latest Status	Expected Commercialization Timeline
Camera PMIC .	Camera PMICs are designed for camera modules, addressing the issues of high power consumption, large footprint, complex peripheral circuitry, and large ripple during dynamic voltage adjustment.	We have aligned with key potential customers on their requests, and completed the initial product definition. The products are under the early stage of development.	Tape-out of the camera PMICs is expected to take place by the end of 2026, with anticipated commercialization taking place in 2027.
Imaging co-processor .	Imaging co-processors are used for multi-channel algorithm processing for OIS, dynamic voltage adjustment, and interaction and collaborative processing with camera data and algorithms.	The products are under the early stage of development.	Tape-out of the imaging co-processors was completed in January 2026, with anticipated commercialization taking place in 2027.
Multi-spectral imaging sensor	We strive to extend the functionality of traditional single-point multi-spectral imaging sensors to high-resolution imaging capabilities, enabling spatial spectral identification.	We are discussing with potential customers on product definition, including product details and specifications, system modeling and simulation.	We expect to complete the design of multi-spectral imaging sensors by the end of 2026, with anticipated commercialization taking place in 2027.
Photon counting imaging sensor	By leveraging the high sensitivity of SPAD single-photon avalanche diodes, we expect to miniaturize the photon counting imaging sensors to enable high-resolution imaging to provide high dynamic range and high sensitivity image sensors for scenarios including security, automotive electronics and robotics.	The products are under the early stage of development.	Commercialization is anticipated to take place in 2028.

Our R&D Team

We primarily perform our R&D and operational activities in our headquarters in Wuhan, China, and we have also established R&D centers in the Netherlands and Suzhou, China. We manage our R&D centers in an integrated manner, that is, each R&D center functions as an integral component of one R&D team and may participate in any R&D program with other R&D centers as needed. As a result, we generally tend to establish R&D centers where sufficient suitable talent candidates are accessible. We maintain and manage our R&D team following a “matrix” model. Horizontally, we maintain four R&D groups, each focusing on one set of foundational technologies and a particular R&D field. Vertically, we select engineers from each R&D group to form project teams, focusing on the design and development of specific product lines. As the products of the same product line possess similarities in technology, we conduct design reviews among different products of the same product line collaboratively to exchange views and allocate resources, thereby enhancing efficiency.

Our design and R&D capabilities enable us to possess solid foundational technologies, an integrated IC design platform, a science-oriented and rigorous R&D management system, and an ability to develop, upgrade and iterate existing and new products. As of December 31, 2025, our

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R&D team consisted of 206 experienced, expert-level engineers, over 60% of whom possess postgraduate degrees or above, while approximately 22.8% have over 5 years of extensive industry experience. For more details of our dedicated R&D team, see “— Competitive Strengths — Building intelligent sensing technology capitalizing on IC and algorithm co-design.”

SALES AND MARKETING

We market our products through our sales and marketing team, which is responsible for identifying suitable potential markets and customers. Our dedicated sales and marketing team is responsible for formulating and coordinating marketing activities and promotion campaigns. Our sales and marketing members are equipped with knowledge and expertise about our products, and are able to identify the requests of customers and provide technical support. They stay abreast of emerging products and technologies that appeal to our existing and potential customers and provide our customers with pre-sale consultations and recommendations tailored to their needs. Our established sales and marketing team spreads among China. As of December 31, 2025, our sales and marketing team consisted of 55 members, working closely with our customers to execute our marketing strategies.

Pricing Strategy

We determine the pricing of our products by evaluating a combination of internal cost structures and external market conditions. This approach allows us to remain competitive while capturing the value of our technological advancements. The key factors influencing our pricing include:

- (i) product performance: we price our next-generation products to reflect their enhanced functional specifications and performance improvements, which typically command a price premium over established product. Correspondingly, existing products are typically subject to price erosion as next-generation products are introduced, in line with the industry development cycle;
- (ii) competitive pricing strategy: to defend and strengthen our market share while driving overall sales volume growth, we selectively adopted a competitive pricing strategy for certain established product lines rather than our full product portfolio, such as optical sensing and smart audio products, both of which operate in highly competitive market segments. Our haptics, machine vision and imaging technology products were generally not subject to such competitive pricing reductions, as these product lines are characterized by relatively moderate competitive intensity;
- (iii) periodic price adjustments for key customers: we implement periodic price adjustments for key customers with significant procurement volumes, primarily to maintain long-term strategic partnerships. Unlike the broader competitive pricing strategy applied at the product line level, these price adjustments highly reflect to the specific individual commercial arrangements, rather than being a reaction to general market-wide competition;
- (iv) customer and market factors, including (a) purchase volume: customers with large annual purchase volumes typically receive more competitive pricing, (b) customer’s bargaining power: customers with multiple supplier options often have stronger bargaining power and can secure more favorable prices, and (c) market competition and strategic objectives: to enter new markets or respond to competition, we may offer competitive price to specific customers, where pricing is driven primarily by market objectives; and
- (v) dynamic cost structure: our pricing may be affected by the periodic fluctuations in raw material and processing fees including packaging, testing and coating fees related to our cost of sales.

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Our Sales Channels

During the Track Record Period, our products are sold offline primarily through distribution and to a lesser extent through direct sales. We recognize revenue when a performance obligation is satisfied, namely, at a point in time when the products are delivered to the specified location designated by or accepted by our distributors and direct customers and thus the control of products is transferred to them. See “Financial Information — Material Accounting Policies, Judgments and Estimates — Performance Obligations for Contracts with Customers and Revenue Recognition Policies — Sales of Sensor and Driver Products under Intelligent Sensing, Machine Vision and Imaging Technology.” The table below sets forth a breakdown of revenue contribution by sales channels for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
Distribution	181,271	74.9	466,625	70.0	573,140	67.1
Direct sales	60,777	25.1	199,955	30.0	281,564	32.9
Total	242,048	100.0	666,580	100.0	854,704	100.0

The increase in the proportion of direct sales revenue during the Track Record Period was primarily attributable to our continuous effort to maintain stable relationship with direct sales customers, as well as the strategic shift requested by several downstream customers, who were also seeking for a gradual transition from distribution models to direct sales models among their domestic suppliers which can provide direct and customized service with more competitive prices. In alignment with such initiative, we gradually adopted the direct sales model.

Distribution

During the Track Record Period, we primarily sold and marketed our products through third-party distributors. We sell our products to our distributors according to the terms in our distribution agreements. The purchase volume and amount is specified in the purchase orders based on the demand of our distributors. After purchasing the products from us, our distributors are responsible for onward sales to their respective customers. In 2023, 2024 and 2025, our sales generated from distributors amounted to RMB181.3 million, RMB466.6 million and RMB573.1 million, respectively, accounting for 74.9%, 70.0% and 67.1%, respectively, of our revenue for the corresponding periods. The increasing revenue attributable to our distributors during the Track Record Period demonstrated our efforts in expanding our sales network and business operations. Historical revenue generated by our distributors were generally recurring in nature. Our distributor customers primarily engage in distribution of semiconductor components, electronic components and modules. For details, see “— Our Customers.”

According to CIC, engagement of distributors is in line with the industry norm in the intelligent sensing, machine vision and imaging technology solution industries. With expertise in sales and marketing of IC products and solutions, our distributors help us expand sales channels, enhance market penetration, and provide timely market insights. The distribution model streamlines our operations, strengthens customer relationships across various scenarios, optimizes our trade receivable collection and improves our financial flexibility. By utilizing distributor resources, we can focus on R&D and design for our products, further optimizing our technological capabilities.

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The relationships between distributors and us are categorized as seller-buyer relationships — they buy our products from us and then resell the products to their respective downstream customers. Under such model, the ownership of our products is transferred to our distributors upon delivery to the specified location designated by, or accepted by, the distributors. Our distributors independently manage their downstream customer relationships and retain discretion over their customer selection decisions. Nevertheless, we maintain communications with our distributors in the ordinary course of business, from which we become aware of key downstream customers engaged by our distributors and a general picture of the downstream applications of our products from time to time, to the extent our distributors can share with us. Our distributors are independently responsible for their own inventory management, any risks arising from which will be taken by our distributors at their own cost. We do not stipulate pricing policy for our distributors, but provide suggestions on the range of pricing based on our knowledge of the recent market trends. We typically do not prohibit our distributors to appoint sub-distributors. During the Track Record Period, to the best of our knowledge, we identified that one of our distributors made onward sales of our products to two sub-distributors. We did not enter into sub-distribution agreements with, nor did we have any control over, such sub-distributors. Except for this, as of the Latest Practicable Date and to the best of our knowledge, we did not identify any sub-distributors.

The number of our distributors increased as of December 31, 2024 compared to as of December 31, 2023, primarily driven by the growth in our sales volume and the expansion of our business operations. As of December 31, 2025, the number of our distributors decreased compared to December 31, 2024, mainly because we established direct commercial relationships with several downstream customers that were previously served through our distributors. This shift allows us to get closer to the market needs of downstream customers and gain deeper market intelligence. See “— Sales and Marketing — Our Sales Channels” for explanation of the increase in the proportion of direct sales revenue during the Track Record Period. The following table sets forth the movement in the number of our distributors during the years indicated.

	Year ended December 31,		
	2023	2024	2025
Distributors at the beginning of year	9	10	16
Addition of new distributors	3	8	1
Termination of existing distributors	2	2	4
Distributors at the end of year	10	16	13

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties. To the best of our knowledge, other than the distribution arrangements during the ordinary course of business with us, there is no other relationship between the distributors and each of our Company, our subsidiaries, our Shareholders who own 5% or more of the total issued Shares, Directors or senior management or any of their respective associates. There are no other past or present relationships (including, without limitation, business, employment, family, trust, financing, shareholding or otherwise) between each distributor and our Group, including their respective shareholders, directors, senior management or associates of our Group.

Salient Terms of Distribution Agreements

During the Track Record Period, we typically entered into distribution agreements with each of our distributors, the salient terms of which include the following:

- *Purchase.* The purchase volume and total amount is specified in subsequent purchase orders. We do not impose minimum purchase volume or purchase targets on our distributors. However, our different products are packaged in different minimum quantities, and purchase orders shall contain requests as an integer multiple of the minimum packaging volume.
- *Selling price and credit terms.* The distributors shall follow our pricing policy, which specifies purchase price by the distributors and selling price to their respective downstream customers. We typically grant a credit term of 0 to 90 days to our distributors.

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- *Distribution.* We typically grant non-exclusive distribution rights to our distributors. The distributors warrants that they shall comply with all applicable laws and regulations, including but not limited to export control and sanctions related laws and regulations.
- *Warranty on product quality.* We provide warranties on product quality. The distributor may return or replace our products in case of quality issues within the warranty period. We typically give a warranty period of 12 or 24 months. During the Track Record Period and up to the Latest Practicable Date, we did not have any material product returns.
- *Confidentiality.* Each party shall keep confidential the trade secrets, technologies and proprietary rights of the other party, unless otherwise required by laws and regulations.
- *Term, termination and renewal.* The agreement usually lasts one year, and will be automatically terminated at its expiration date unless renewed upon consent by both parties 60 days before the agreement expires. The sales agreement may be terminated (i) upon mutual consent of both parties; (ii) by the non-defaulting party in the event of a material breach; and (iii) in the event of failure to perform due to business deterioration or regulatory punishments by either party, or *force majeure*.
- *Export control and sanctions.* We typically include standard provisions on permitted distribution regions and require distributors to comply with applicable export control and sanctions laws and regulations.
- *Dispute resolution.* Any disputes arising out of the performance of the sales agreements shall be negotiated amicably. If an agreement cannot be reached, the issue will be submitted for resolution by a court.

Management of Distributors

Our distributor management covers criteria for selection, pricing mechanisms, return and replacement policies, and inventory management systems.

- *Selection criteria.* We normally cooperate with distributors with an established sales network, strong customer relationships, and demonstrated capabilities in market management and sales operations. Prior to appointing a new distributor, we typically conduct a review of the prospective distributor's business background, sales network, customer relationships, market management capabilities, corporate governance, business reputation and financial stability. We also consider factors including corporate governance, business reputation and financial stability. Additionally, we take into consideration the type of downstream customers or markets they specialize in. Typically, we establish business with distributors that focus on different downstream customers.
- *Sales and inventory management.* We typically hold regular meetings on a weekly basis to communicate with them and exchange ideas of market information, downstream demand forecast, and competition of our products, among others. We usually discuss with our distributors regarding their general inventory levels and anticipated purchase demand on a monthly basis. Although we do not directly manage our distributors' inventory levels or have real-time access to their inventory systems, when a distributor's reported inventory level exceeds what we consider to be a reasonable range relative to market demand, we proactively work with the distributor to adjust the shipment schedule as appropriate.
- *Return and replacement.* The distributor may return or replace our products in case of quality issues within the warranty period, which is typically 12 or 24 months.
- *Anti-cannibalization management.* First, we have implemented measures to manage competition among our distributors and mitigate potential cannibalization. Specifically, we require our distributors to confirm with us that their intended scope of business relating to specific product lines does not conflict with existing arrangements with our other distributors, thereby reducing conflicts among distributors and protecting the interests of our distribution network. In our regular communication with distributors, we also review feedback from distributors that may indicate the competition among our distributors, and take steps to address any such issues as they arise. In addition, we monitor the market conditions, pricing mechanisms and customer requirement changes of the downstream industries in which the distributor is authorized to sell our products. This enables us to identify potential overlaps and take corrective action when necessary.

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- *Anti-channel stuffing management.* We typically maintain regular communication with our distributors, and require them to send us periodic sales summary reports so we can learn about their inventory level and near term sales targets. We do not allow our distributors to return any unsold products to us, nor do we give any sales rebates to distributors. During the Track Record Period and up to Latest Practicable Date, we did not have any channel stuffing issues.
- *Channel diversion management.* We typically maintain regular communication with our distributors and monitor sales performance and order patterns to identify unusual activity. We verify distributor sales information and conduct periodic reviews to detect potential unauthorized sales. Where suspected channel diversion is identified, we conduct a review with the relevant distributor and may take appropriate measures depending on the circumstances. During the Track Record Period and up to the Latest Practicable Date, we did not identify any material channel diversion incidents.

Direct Sales

Direct sales enables us to precisely understand and respond to customer requirements, allowing us to offer customized solution that meet our customers’ specific needs. Our direct sale customers primarily engage in design, R&D or manufacturing of smartphones, optical components and electronic devices. We directly acquire new direct sale customers primarily through (i) customer referrals, (ii) attending activities, exhibitions and conferences, and (iii) direct marketing efforts.

At the commencement of establishing a new business relationship with a direct sale customer, we generally require the customer to enter into a non-disclosure agreement to protect our technical and commercial data and information. We conduct internal review, prepare benchmarking response and make quotation according to our customer’s end product specification requirements, and perform several rounds of sample product delivery for the customer’s verification purpose. Once our product undergoes verification, passes the customer’s qualification inspection and is accepted by the customer, we negotiate and enter into direct sales agreement or framework sales agreements with the customer, and prepare for production and delivery. Direct sale customers typically provide to us their forecasts indicating their expected purchases for the next six to 12 months, and then place purchase orders specifying the description of the purchase products, quantity, price, payment term and delivery term.

In 2023, 2024 and 2025, our sales generated from direct sale customers amounted to RMB60.8 million, RMB200.0 million and RMB281.6 million, respectively, accounting for 25.1%, 30.0% and 32.9%, respectively, of our revenue for the corresponding years. The increasing revenue contribution from our direct sale customers during the Track Record Period demonstrated our efforts in direct sales with existing customers and marketing activities, as a result of which, we established new business relationship with downstream customers. For details of the principal businesses of our major direct sale customers during the Track Record Period, see “— Our Customers.” After purchasing the products from us, our direct sale customers may perform packaging and testing procedures with a target of producing their self-branded ICs and sell to their respective customers, or directly use our ICs in their own final products.

Our direct sale customer retention rate* in 2023, 2024 and 2025 was 33.3%, 77.8% and 73.3%. The following table sets forth the movement in the number of our direct sale customers during the years indicated:

	Year ended December 31,		
	2023	2024	2025
Direct sale customers at the beginning			
of year	3	9	15
Addition of new direct sale customers . . .	8	8	8
Termination of existing direct sale			
customers	2	2	4
Direct sale customers at the end			
of year	9	15	19

* Direct sale customer retention rate is calculated by subtracting the number of new direct sale customers from the number of direct sale customers at the end of year/period, divided by the number of direct sale customers at the beginning of the given year/period, multiplied by 100%.

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We consider it critical to diversify our revenue stream and plan to deepen our collaboration with existing direct sale customers and attract and establish long-term business relationship with new direct sale customers in the near future. See “— Our Strategies — Continued efforts to strengthen our ecosystem establishment to achieve expansion of customer base and business scale.” We are constantly making efforts in broadening our direct sale customer base. For example, we expect to use our net [REDACTED] to establish regional sales and technical support teams in China, Singapore, South Korea and Europe, and invest in international marketing and promotional activities to attract more direct sale customers. See “Future Plans and Use of [REDACTED] — Use of [REDACTED].”

Salient Terms of Framework Sales Agreements

During the Track Record Period, we typically entered into framework sales agreements with each of our direct sales customers, the salient terms of which include the following:

- *Purchase.* The purchase volume and total amount is specified in subsequent purchase orders. Purchase orders shall contain requests exceeding the minimum packaging volume.
- *Selling price and credit terms.* The selling price is determined upon negotiation by both parties, and may be adjusted subject to the changing market conditions. The customers settle with us the sales amount every month, usually grant a credit term of 60 days to our direct sales customers.
- *Warranty on product quality.* We provide warranties on product quality, including the fulfillment of our customer’s quality requirements. The customer may return or replace our products in case of quality issues. We typically give a warranty period of no more than 24 months.
- *Confidentiality.* Each party shall keep confidential the trade secrets, technologies and proprietary rights of the other party, unless otherwise required by laws and regulations.
- *Term, renewal and termination.* The sales agreement does not specify a fixed term, and remains effective unless either party intends to terminate by written notice. The sales agreement may be terminated (i) upon mutual consent of both parties; (ii) by the non-defaulting party in the event of a material breach; and (iii) in the event of failure to perform due to business deterioration or regulatory punishments by either party, or *force majeure*.
- *Dispute resolution.* Any disputes arising out of the performance of the sales agreements shall be negotiated amicably. If an agreement cannot be reached, the issue will be submitted for resolution by a court or an arbitration tribunal.

Marketing and Branding

Our sales and marketing team is responsible for enhancing our brand awareness and promoting our new and existing products. We have built a strong brand reputation and industry influence through sustained collaboration with top-tier companies across diverse application areas. By adopting tailored strategies for different industries, we allocate substantial resources to business development in emerging high-growth applications such as consumer electronics, industrial and IoT and robotics. In addition, we have implemented a comprehensive customer strategy that spans the entire process from acquisition to product delivery, further strengthening our market position. By maintaining close engagement with customers, we gain insights into their evolving needs and competitive market dynamics. This understanding enables us to strategically position our products, foster co-development opportunities, swiftly resolve technical challenges during production, and provide exceptional after-sales support.

We promote our brand and new solutions through various channels. We participate in industry exhibitions, conduct media campaigns, and organize workshops to showcase our latest solutions to potential customers. Additionally, we implement targeted marketing initiatives, and engage in collaborative development projects to universities and research institutions. We also share our insights through public speaking engagements. These initiatives are undertaken to enhance our brand recognition and strengthen our relationships with our customers.

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Backlog

The following table sets forth the movement of our backlog value of our main products during the Track Record Period.

	Year ended December 31,		
	2023	2024	2025
	(RMB'000)	(RMB'000)	(RMB'000)
Intelligent sensing products			
Opening value of backlog as of the beginning of the year	5,228	76,285	82,703
Add: contract value of new orders	307,545	579,975	753,030
Less: revenue recognized during the current year	236,487	573,557	708,004
Ending value of backlog as of the end of the year	76,285	82,703	127,730
Machine vision products			
Opening value of backlog as of the beginning of the year	–	411	53,934
Add: contract value of new orders	1,162	99,958	28,829
Less: revenue recognized during the current year	751	46,434	70,724
Ending value of backlog as of the end of the year	411	53,934	12,039
Imaging technology products			
Opening value of backlog as of the beginning of the year	–	298	10,338
Add: contract value of new orders	309	56,541	68,770
Less: revenue recognized during the current year	11	46,501	71,192
Ending value of backlog as of the end of the year	298	10,338	7,916
Total			
Opening value of backlog as of the beginning of the year	5,228	76,994	146,975
Add: contract value of new orders	309,016	736,474	850,629
Less: revenue recognized during the current year	237,250	666,492	849,920
Ending value of backlog as of the end of the year	76,994	146,975	147,685

The following table sets forth the movement of our backlog volume of our main products during the Track Record Period.

	Year ended December 31,		
	2023	2024	2025
	('000)		
Intelligent sensing products			
Opening volume of backlog as of the beginning of the year	5,183	68,719	99,508
Add: contract volume of new orders	275,280	644,208	809,306
Less: volume delivered during the current year	211,744	613,418	775,686
Ending volume of backlog as of the end of the year	68,719	99,508	133,127
Machine vision products			
Opening volume of backlog as of the beginning of the year	–	4	2,844
Add: contract volume of new orders	10	5,196	1,808
Less: volume delivered during the current year	6	2,357	3,682
Ending volume of backlog as of the end of the year	4	2,844	970
Imaging technology products			
Opening volume of backlog as of the beginning of the year	–	97	7,662
Add: contract volume of new orders	103	40,321	44,993

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	Year ended December 31,		
	2023	2024	2025
		(‘000)	
Less: order delivered during the current year	6	32,757	48,579
Ending volume of backlog as of the end of the year	97	7,662	4,076
Total			
Opening volume of backlog as of the beginning of the year	5,183	68,819	110,013
Add: contract volume of new orders	275,393	689,725	856,107
Less: order delivered during the current year	211,756	648,532	827,947
Ending volume of backlog as of the end of the year	68,819	110,013	138,174

* Less than 100

OUR CUSTOMERS

We provide our products to direct sales customers that engage in R&D, manufacturing and sales of smartphones, electronic devices and components, as well as distributors in these industries. During the Track Record Period, revenue contributed from our five largest customers for each year accounted for 90.5%, 78.3% and 82.2% of our total revenue in 2023, 2024 and 2025, respectively, while the largest customer for each year contributed 25.0%, 26.4% and 37.0% of our total revenue, respectively, for the same years. During the Track Record Period, we primarily sold our products to our top five customers and may be susceptible to concentration risk. See “Risk Factors — Risks Relating to our Business and Industry — A significant proportion of our revenue was derived from certain customers during the Track Record Period. Any decrease in sales from, or loss of, one or more of our major customers would have negative impacts on our results of operations.”

The following tables set out the details of our five largest customers in each year based on their revenue contribution during the Track Record Period:

For the year ended December 31, 2023

Ranking	Customer	Major products or services sold	Year of commencement of business relationship with us	Credit terms	Payment method	Revenue	Percentage of total revenue
						(RMB‘000)	
1. . . .	Customer F ⁽⁶⁾	Smart audio amplifier ICs, light sensors and all-in-one optical sensors	2022	Payment upon delivery	Bank transfer	60,482	25.0%
2. . . .	Customer E ⁽⁵⁾	Smart audio amplifier ICs, light sensors and software development services	2019	60 days	Bank transfer	59,033	24.4%
3. . . .	Customer D ⁽⁴⁾	Smart audio amplifier ICs, light sensors and all-in-one optical sensors	2022	30 days	Bank transfer	41,723	17.2%
4. . . .	Customer C ⁽³⁾	Smart audio amplifier ICs, light sensors and all-in-one optical sensors	2021	30 days	Bank transfer	33,761	13.9%
5. . . .	Customer A ⁽¹⁾	Smart audio amplifier ICs and all-in-one optical sensors	2020	30 days	Bank transfer	24,129	10.0%
	Total					<u>219,128</u>	<u>90.5%</u>

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For the year ended December 31, 2024

Ranking	Customer	Major products or services sold	Year of commencement of business relationship with us	Credit terms	Payment method	Revenue (RMB'000)	Percentage of total revenue
1. . . .	Customer D	Smart audio amplifier ICs, light sensors, all-in-one optical sensors, LRA driver ICs and flicker sensors	2022	30 days	Bank transfer	175,740	26.4%
2. . . .	Customer G ⁽⁷⁾	Smart audio amplifier ICs, light sensors, all-in-one optical sensors, LRA driver ICs and multi-spectral sensors	2024	3 days	Bank transfer	119,105	17.9%
3. . . .	Customer E	Smart audio amplifier ICs, light sensors, all-in-one optical sensors and LRA driver ICs	2019	60 days	Bank transfer	119,039	17.9%
4. . . .	Customer A	Smart audio amplifier ICs, light sensors, all-in-one optical sensors and flicker sensors	2020	30 days	Bank transfer	68,767	10.3%
5. . . .	Customer F	Smart audio amplifier ICs, light sensors and all-in-one optical sensors	2022	Payment upon delivery	Bank transfer	38,559	5.8%
Total						521,210	78.3%

For the year ended December 31, 2025

Ranking	Customer	Major products or services sold	Year of commencement of business relationship with us	Credit terms	Payment method	Revenue (RMB'000)	Percentage of total revenue
1. . . .	Customer G	Smart audio amplifier ICs, light sensors, all-in-one optical sensors, LRA driver ICs, multi-spectral sensors and flicker sensors	2024	3 days	Bank transfer	316,151	37.0%
2. . . .	Customer E	Smart audio amplifier ICs, light sensors, all-in-one optical sensors and LRA driver ICs	2019	60 days	Bank transfer	131,852	15.4%
3. . . .	Customer A	Smart audio amplifier ICs, light sensors, all-in-one optical sensors and flicker sensors	2020	30 days	Bank transfer	96,398	11.3%
4. . . .	Customer I ⁽²⁾	Smart audio amplifier ICs, light sensors, all-in-one optical sensors and flicker sensors	2024	30 days	Bank transfer	93,462	10.9%
5. . . .	Customer H ⁽⁸⁾	3D iToF image sensors	2024	60 days	Bank transfer	65,242	7.6%
Total						703,105	82.2%

Notes:

- (1) Customer A is a private company founded in 2019 and headquartered in Hong Kong, China, engaging in the distribution of electronic components and modules.
- (2) Customer I is a Shenzhen Stock Exchange-listed company founded in 2014 and headquartered in Shenzhen, China, engaging in the distribution of semiconductor components. Customer I recorded revenue of approximately RMB7.0 billion in 2024.
- (3) Customer C is a private company founded in 2013 and headquartered in Hong Kong, China, engaging in the distribution of electronic components and modules.
- (4) Customer D is a private company founded in 2014 and headquartered in Shenzhen, China, engaging in the distribution of electronic components and modules.

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- (5) Customer E is a private company founded in 2003 and headquartered in Guangdong, China, engaging in the manufacturing and sales of smartphones and electronic devices.
- (6) Customer F is a private company founded in 2019 and headquartered in Hubei, China, engaging in the sale of electronic components, computer hardware, and communication equipment.
- (7) Customer G is a private company founded in 2011 and headquartered in Shenzhen, China, engaging in the distribution of semiconductor components.
- (8) Customer H is a company listed on the Stock Exchange founded in 1991 and headquartered in Zhejiang, China, engaging in the designing, researching and developing, manufacturing and selling of optical and optical related products and scientific instruments. Customer H recorded revenue of approximately RMB38.0 billion in 2024.

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

During the Track Record Period and up to Latest Practicable Date, we did not have any material disputes with, nor did we receive any material complaints from, our customers.

Concentration of Customers

During the Track Record Period, we primarily sold our products and solutions to a limited number of customers. In 2023 and 2024 and 2025, our revenue generated from the five largest customers were RMB219.1 million, RMB521.2 million and RMB703.1 million, respectively, accounting for 90.5%, 78.3% and 82.2% of our total revenue for the corresponding years. Given the significant revenue contribution by our major customers in aggregate during the Track Record Period, any decrease in sales from, or loss of, one or more of our major customers would harm our business, financial condition and results of operations. See “Risk Factors — Risks Relating to our Business and Industry — A significant proportion of our revenue was derived from certain customers during the Track Record Period. Any decrease in sales from, or loss of, one or more of our major customers would have negative impacts on our results of operations.”

Our five largest customers in each year comprising the Track Record Period were different. These major customers remain stable relationships with us, and continuously make purchases from us with different purchase amounts in each year. The shuffling of our five largest customers in each year comprising the Track Record Period was primarily due to a change in our customers’ downstream demand which, according to CIC, is in line with the industry norm. Besides, the changes in the ranking of our top five customers in each year during the Track Record Period were not due to the loss of key accounts, but rather as a result of our successful acquisition of new major customers (such as Customers G, H and I) and the organic growth of existing relationships (such as Customer E). Notably, Customer A has remained one of our top five customers throughout the entire Track Record Period, evidencing the stability and stickiness of our business relationships.

We do not believe that we are mutually dependent on any of our five largest customers in each year comprising the Track Record Period, because (i) there was no single largest customer in multiple years during the Track Record Period; (ii) the revenue contribution of our five largest customers decreased from 90.5% in 2023 to 82.2% in 2025, demonstrating our ability to eliminate the reliance on our five largest customers and maintain a more balanced revenue structure; (iii) the shuffling of our five largest customers in each year comprising the Track Record Period showcased our ability to cover multiple downstream market players in the competitive smart device and IoT sectors with significantly fluctuating market share, thereby eliminating the market risks of relying on a single brand.

Our Directors are of the view that the risk of termination or material and adverse change of our relationship with any of our major customers is relatively low, based on the above and also considering that (i) we have maintained a relationship with a majority of our five largest customers

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in each year comprising the Track Record Period for more than three years, and currently there is no indication or sign from any of them that they will alter their existing relationship with us in any aspect in the near future; (ii) during the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with any of our major customers; (iii) there had not been any incidents of failure to renew or early termination of agreements with our major customers during the Track Record Period and up to the Latest Practicable Date; and (iv) there had not been any reduction, delay or cancellation of orders from our major customers during the Track Record Period and up to the Latest Practicable Date.

PROCUREMENT AND SUPPLY

Raw Materials and Procurement

We operate with a fabless model in order to optimize our IC design functions. Fabless is a typical operation model adopted by many IC design companies. Unlike the IDM model where companies perform design, manufacturing, packaging and testing of IC products, companies operating with a fabless model focus on the design process, and outsource the IC manufacturing to foundries. The fabless model allows us to maximize our design resources and functions with limited and efficient capital commitment. During the Track Record Period, we primarily procured from third parties (i) foundry-manufactured silicon wafers with completed built-on ICs designed by us, and (ii) packaging and testing services.

Our procurement team is primarily responsible for formulating procurement plans based on the anticipated sales, the manufacturing lead time, inventory levels and production schedules. Pursuant to the procurement plans, our procurement team places purchase orders to our foundry suppliers. The foundry suppliers then manufacture and deliver the products to our warehouses. We arrange subsequent IC packaging and testing with our packaging and testing partners. Upon completion, our packaging and testing partners deliver the finished products to us for sale.

Our Suppliers

We typically engage reputable suppliers to ensure the quality of our products. During the Track Record Period, our suppliers mainly included foundries and chip packaging and testing service providers. We outsourced 100% of the chip packaging and testing to qualified third-party suppliers. Costs paid to our foundry suppliers are recorded as purchase of raw materials, and costs paid to packaging and testing service providers are recorded as fees for services rendered.

Once the foundry suppliers complete the fabrication process of our products, we are responsible for the arrangement of third-party logistics service providers to pick up the products and deliver them to our chip packaging and testing service providers. The chip packaging and testing service providers, upon completion of packaging and testing of our products, are primarily responsible for the arrangement of logistics service providers to ship the products to our customers. To a lesser extent, the chip packaging and testing service providers ship the products back to our warehouse in Wuhan, after which we deliver the products to our customers.

As of the Latest Practicable Date, we engaged four wafer foundry suppliers and nine packaging and testing suppliers.

Supplier Selection and Management

We consider a comprehensive set of factors when selecting suppliers, which mainly include technological expertise, product quality, production capacity, pricing, after-sales service, responsiveness and delivery speed. We have implemented a comprehensive supplier management system that defines the admission of suppliers, management of qualified suppliers and termination of unqualified suppliers to ensure the efficiency of our supplier management. We carry out performance assessments on the suppliers and conduct examinations on the deliverables to ensure the consistency of the high quality of our products. We also collaborate with multiple suppliers and conduct comprehensive and regular evaluations of supplier qualifications to ensure the suppliers' supply capacity and maintain the stable supply. In addition, we also implement measures to continuously monitor the final product quality. See “Quality Control — Product Quality and Safety” for further details.

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Salient Terms of Framework Purchase Agreements

We typically enter into framework purchase with our foundry suppliers, which set forth the general terms and conditions of purchase.

- *Purchase.* Our purchase includes a trial run before quality certification, and official production of the wafers. We provide a forecast of our purchase to our foundry suppliers, and set out the details, including among others, the quantity and specifications, in separate purchase orders.
- *Purchase price.* The purchase price of products are set out in separate purchase orders, subject to negotiation by the parties. Factors that affect the purchase price include market prices, payment methods, and purchase quantities, among others. We bear all costs of components for the manufacturing of products.
- *Warranty on product quality.* The foundry suppliers provide warranties on product quality. We may return or replace the products in case of quality issues within the warranty period. The foundry suppliers typically give a warranty period of 12 months.
- *Confidentiality.* Each party shall keep confidential the trade secrets, technologies and proprietary rights of the other party, unless otherwise required by laws and regulations.
- *Term, termination and renewal.* The agreement normally has a term of three to five years. The agreement may be terminated (i) upon mutual consent of both parties; (ii) by the non-defaulting party in the event of a material breach; and (iii) in the event of failure to perform due to business deterioration or regulatory punishments by either party, or *force majeure*. There is typically no renewal clause.
- *Dispute resolution.* Any disputes arising out of the performance of the framework purchase agreements shall be negotiated amicably. If an agreement cannot be reached, the issue will be submitted for resolution by a court.

Relationship with Packaging and Testing Suppliers

We diversify our packaging and testing partners to reduce reliance risks. Our multi-supplier strategy across packaging and testing segments ensures continuity of supply. Our regular capability assessments are conducted on potential alternative suppliers, covering their technical qualifications, production capacity, quality management systems, and delivery performance. In addition, our ongoing communication with backup suppliers is maintained, and periodic trial runs are conducted to validate their ability to meet our specifications and volume requirements. Our Directors believe that the risk of supply chain disruption in packaging and testing is low. In the event of termination of our relationship with any major supplier, we believe we are able to identify and transition to alternative suppliers.

As of the Latest Practicable Date, we have engaged nine packaging and testing suppliers. We already take quality control measures that include: (i) detailed quality control protocols requiring incoming material inspection, in-process monitoring, and final product testing; (ii) monitoring mechanisms such as real-time data exchange with suppliers, periodic on-site inspections, and third-party quality certifications; and (iii) contingency plans covering emergency supplier switches, inventory buffers, and alternative sourcing arrangements. We conduct regularly business reviews with major suppliers to assess performance against key metrics including yield rates, defect rates, on-time delivery, and responsiveness to technical issues.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material changes in our business relationships with packaging and testing suppliers that resulted in adverse impacts on our business operations, financial condition, or results of operations. We believe our diversified supplier base, supplier management policies, and the availability of qualified alternative suppliers in the market provide us with sufficient flexibility to manage supplier relationships effectively and minimize potential disruptions to our operations.

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Major Suppliers

In 2023, 2024 and 2025, purchases from our five largest suppliers for each year amounted to RMB292.5 million, RMB639.8 million and RMB529.5 million, respectively, accounting for 90.4%, 89.7% and 83.1% of our total purchases in the same years. For the same years, purchases attributable to our largest supplier for each year amounted to RMB136.1 million, RMB265.6 million and RMB312.5 million, respectively, accounting for 42.1%, 37.2% and 49.0% of our total purchases. During the Track Record Period, we primarily procured raw materials from our top five suppliers and may be susceptible to concentration risk. See “Risk Factors — Risks Relating to our Business and Industry — We partner with third-party wafer foundry and packaging and testing service providers. We are exposed to supplier concentration risk due to our reliance on such major suppliers.” During the Track Record Period, we maintained multiple suppliers to avoid overreliance on any of the existing suppliers.

The following table sets forth the details of our five largest suppliers in each year during the Track Record Period based on purchases from them:

For the year ended December 31, 2023

Ranking	Supplier	Products or services purchased	Year of commencement of business relationship with us	Credit terms	Payment method	Purchase amount	Percentage of total purchase
(RMB'000)							
1. . . .	Supplier A ⁽¹⁾	Silicon wafers	2017	100% down payment before delivery	Bank transfer	136,142	42.1%
2. . . .	Supplier B ⁽²⁾	Silicon wafers	2016	50% prepayment, 50% telegraphic transfer within 30 days from billing date	Bank transfer	66,091	20.4%
3. . . .	Supplier E ⁽⁵⁾	Chip packaging and testing services	2022	30 days	Bank transfer	63,177	19.5%
4. . . .	Supplier C ⁽³⁾	Chip packaging and testing services	2019	30 days	Bank transfer	14,214	4.4%
5. . . .	Supplier F ⁽⁶⁾	Chip coating services	2021	30 days	Bank transfer	12,841	4.0%
Total						<u>292,465</u>	<u>90.4%</u>

For the year ended December 31, 2024

Ranking	Supplier	Products or services purchased	Year of commencement of business relationship with us	Credit terms	Payment method	Purchase amount	Percentage of total purchase
(RMB'000)							
1. . . .	Supplier B	Silicon wafers	2016	30% prepayment, 70% telegraphic transfer within 30 days from billing date	Bank transfer	265,643	37.2%
2. . . .	Supplier A	Silicon wafers	2017	100% down payment before delivery	Bank transfer	156,000	21.9%
3. . . .	Supplier E	Chip packaging and testing services	2022	30 days	Bank transfer	134,529	18.9%
4. . . .	Supplier C	Chip packaging and testing services	2019	30 days	Bank transfer	49,740	7.0%
5. . . .	Supplier F	Chip coating services	2021	30 days	Bank transfer	<u>33,869</u>	<u>4.7%</u>

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Ranking	Supplier	Products or services purchased	Year of commencement of business relationship with us	Credit terms	Payment method	Purchase amount (RMB'000)	Percentage of total purchase
Total						639,781	89.7%

For the year ended December 31, 2025

Ranking	Supplier	Products or services purchased	Year of commencement of business relationship with us	Credit terms	Payment method	Purchase amount (RMB'000)	Percentage of total purchase
1. . . .	Supplier B	Silicon wafers	2016	30% prepayment, 70% telegraphic transfer within 30 days from billing date	Bank transfer	312,548	49.0%
2. . . .	Supplier E	Chip packaging and testing services	2022	30 days	Bank transfer	105,057	16.5%
3. . . .	Supplier C	Chip packaging and testing services	2019	30 days	Bank transfer	41,260	6.5%
4. . . .	Supplier D ⁽⁴⁾	Chip packaging and testing services	2020	30 days	Bank transfer	35,710	5.6%
5. . . .	Supplier A	Silicon wafers	2017	100% down payment before delivery	Bank transfer	34,946	5.5%
Total						529,521	83.1%

Notes:

- (1) Supplier A is a New York Stock Exchange-and Taiwan Stock Exchange-listed company founded in 1987 and headquartered in Taiwan, China, engaging in the provision of semiconductor foundry services. Supplier A recorded revenue of approximately US\$90.0 billion in 2024.
- (2) Supplier B is a Hong Kong Stock Exchange-and Shanghai Stock Exchange-listed company founded in 2000 and headquartered in Shanghai, China, engaging in the provision of semiconductor foundry services. Supplier B recorded revenue of approximately US\$8.0 billion in 2024.
- (3) Supplier C is a Shenzhen Stock Exchange-listed company founded in 1994 and headquartered in Jiangsu, China, engaging in the manufacturing of telecommunications and other electronic equipment. Supplier C recorded revenue of approximately RMB23.9 billion in 2024.
- (4) Supplier D is a Shenzhen Stock Exchange listed-company founded in 2003 and headquartered in Gansu, China, engaging in the manufacturing of telecommunications and other electronic equipment. Supplier D recorded revenue of approximately RMB14.5 billion in 2024.
- (5) Supplier E is a private company, founded in 1998 and headquartered in Guangdong, China, engaging in the manufacturing of telecommunications and other electronic equipment.
- (6) Supplier F is a Shenzhen Stock Exchange-listed company founded in 2002 and headquartered in Zhejiang, China, engaging in the manufacturing of telecommunications and other electronic equipment. Supplier F recorded revenue of approximately RMB6.3 billion in 2024.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers, or delay in delivery of our orders from our suppliers.

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

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our suppliers.

Relationship with Supplier A and Supplier B

During the Track Record Period, we primarily procured silicon wafers from two leading foundries, namely Supplier A and Supplier B. These silicon wafers are produced by foundries and embedded with our designs of ICs. In 2023, 2024 and 2025, our purchases from Supplier A were RMB136.1 million, RMB156.0 million and RMB34.9 million, respectively, accounting for 42.1%, 21.9% and 5.5% of our total purchases for the corresponding years. During the same periods, our purchases from Supplier B were RMB66.1 million, RMB265.6 million and RMB312.5 million, respectively, accounting for 20.4%, 37.2% and 49.0% of our total purchases for the corresponding years. The portion of our purchases from Supplier A decreased along with the increase of that from Supplier B during the Track Record Period, which was mainly due to (i) our efforts to minimize the impacts of geopolitics; (ii) more flexible and customized manufacturing processes offered by Supplier B; (iii) more ample production capacity of Supplier B than Supplier A, as Supplier A fulfills the manufacturing needs of global clients; and (iv) lower costs of Supplier B than Supplier A.

Our substantial purchases from Supplier A and Supplier B during the Track Record Period were primarily attributable to the quality products, comprehensive services, and high reputation of these two top-tier foundries. According to CIC, it is in line with industry norm for IC design companies like us to rely on a limited number of foundry partners to ensure consistently quality products and centralized management of manufacturing needs.

We are not an exclusive customer of Supplier A or Supplier B. Due to the material reliance we had on Supplier A and Supplier B given the substantial purchases from them during the Track Record Period, any interruption to the supplies from, or loss of, any of our major foundry suppliers would have negative impacts on our results of operations. See “Risk Factors — Risks Relating to Our Business and Industry — We partner with third-party wafer foundries and packaging and testing service providers. We are exposed to supplier concentration risk due to our reliance on such major suppliers.” Considering the operational scale of Supplier A and Supplier B and our immaterial revenue contribution, we are not mutually dependent on either of them. However, we consider ourselves to be a valuable customer of Supplier A and Supplier B considering our substantial historical purchases from them and an expected increase in future purchases brought by our growing business scale.

Our Directors are of the view that the risk of termination or material and adverse change of our relationship with Supplier A or Supplier B is relatively low, considering that (i) our foundry service agreement with Supplier A is automatically renewed upon expiration unless either party gives a notice of termination; our latest foundry service agreement with Supplier B has a term of eight years, and we had previously made two successful renewal of our agreement with Supplier B; (ii) we have maintained a long-term and stable partnership with Supplier A and Supplier B since 2017 and 2016, respectively, and currently there is no indication or sign from Supplier A or Supplier B that either of them will alter its existing relationship with us in any aspect in the near future; (iii) we did not have any material disputes with Supplier A or Supplier B during the Track Record Period and up to the Latest Practicable Date; (iv) there had not been any incidents of failure to renew or early termination of agreements during the Track Record Period and up to the Latest Practicable Date; and (v) there had not been any reduction, delay or cancellation of our orders during the Track Record Period and up to the Latest Practicable Date.

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We strive to diversify our foundry partners to mitigate such reliance risks. According to CIC, there are approximately five foundries in the market that offer products at similar terms and quality, and have compatible operational scale, possess necessary manufacturing technologies and production capacities. Besides, we believe the export control and sanctions laws and regulations currently do not have material impacts on our business operations and financial performance directly or indirectly. See “— Implications of International Sanctions.” Therefore, our Directors believe that the risk of supply chain disruption is relatively low, and we believe we are able to find alternative foundry suppliers in the event of a termination of relationship with Supplier A or Supplier B. As of the Latest Practicable Date, we have entered into the foundry service agreements with two additional foundry suppliers, including one in South Korea and the other in Zhejiang, China. Our foundry supplier base has facilitated our capability of delivering quality products to global clients, and is proved to be effective measures to cope with the reliance risks.

Use of Customs Brokers

In connection with our sales to overseas customers, we have engaged third-party customs brokers to facilitate the execution of our sales (the “**Customs Brokers**”). The Customs Brokers primarily facilitate us with the logistics and customs clearance of products exported from the PRC to Hong Kong, thereby expediting the execution of our sales to overseas customers and enhance capital efficiency, and reducing labor costs that may be incurred to retain qualified personnel with respect to these matters. The Customs Brokers are selected based on their relevant qualifications, compliance track record and operational capabilities, and are required to comply with all applicable laws and regulations, including export control and sanctions related requirements. According to CIC, it is in line with industry practice to use customs brokers to facilitate companies’ sales to overseas customers, as industry players typically do not have the relevant qualifications to handle the logistics and customs clearance matters involved in the export of products, and it is therefore common practice to engage third-party customs brokers to facilitate such processes. Our revenue attributable to transactions involving the Customs Brokers amounted to RMB100.1 million, RMB238.4 million and RMB222.4 million for 2023, 2024 and 2025, respectively, representing 41.4%, 35.8% and 26.0% of our total revenue for the corresponding years.

Contract Arrangements

To make a sale (the “**Sale**”) to our overseas customers, we enter into purchase agreements with third-party customs brokers in the PRC (the “**PRC Customs Brokers**”), who then, after facial check and acceptance procedures, deliver our products to their entities in Hong Kong (the “**Hong Kong Customs Brokers**”), who then onsell (the “**Onward Sale**”) the same products with no markup to our subsidiary in Hong Kong, SI Hong Kong, pursuant to purchase agreements between SI Hong Kong and the Hong Kong Customs Brokers. During the process, the PRC Customs Brokers and Hong Kong Customs Brokers are responsible for the logistic arrangements and customs clearance. Despite the legal form of sales and purchase agreements, for accounting purposes at the Group level, the Customs Brokers were assessed only as agents to the Group.

Flow of Funds

With respect to the Sales and Onward Sales, SI Hong Kong pays the Hong Kong Customs Brokers after receiving payment from the overseas customers, and the PRC Customs Brokers typically makes the payment to us on the same day. The Customs Brokers earn service fees, which is typically calculated based on the value of the goods being exported, for handling the logistic arrangements, customs clearance, and do not assume inventory or market risk in connection with these arrangements.

Legal Basis

The use of the Customs Brokers and the contractual arrangements as described above comply with the following applicable laws and regulations:

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- (i) According to our PRC Legal Advisors, such use of the Customs Brokers and the arrangements comply with the applicable PRC laws and regulations, including (a) the PRC foreign exchange control laws and regulations, because both of the Customs Brokers and us have registered with the relevant authorities supervising the foreign exchange payment and receipt activities according to the applicable regulations, and there was no violation of foreign exchange control laws and regulations during the Track Record Period; and (b) the PRC anti-money laundering laws and regulations, the funds involved were derived from genuine purchases of customers with legal sources, and there was no violation of anti-money laundering laws and regulations during the Track Record Period.
- (ii) According to our legal advisors as to local Hong Kong laws, such use of the Customs Brokers and the arrangements comply with the applicable Hong Kong laws and regulations, (a) there are no foreign exchange controls or restrictions in Hong Kong that affect SI Hong Kong; (b) funds transferred from SI Hong Kong to the Hong Kong Customs Brokers relate to genuine transactions purchasing from the Hong Kong Customs Brokers, and such fund flow arrangement does not violate any applicable anti-money laundering laws and regulations in Hong Kong; and (c) there are no laws in Hong Kong prohibiting the use of customs brokers which are independent third party.

Accounting Treatment

At the Group level, as the Customs Brokers were assessed only as agents to the Group, apart from the necessary transaction costs and handling charges, our sales to and purchases from the Customs Brokers would be fully eliminated, while balances of the transactions would be gross settled according to credit terms as stipulated in the separate sales and purchase agreements with the Customs Brokers, respectively. Accordingly, any unsettled balances would result in other receivables from and other payables to the Customs Brokers at the Group level.

SEASONALITY

We experience seasonal fluctuations in our revenue and results of operations. We have historically experienced, and expect to continue to experience, accelerated revenue generation in the second half of a particular year as compared to the first half of that year. The accelerated revenue generation in the second half of a year is primarily because our major customers, who primarily engage in smart mobile devices sector, typically launch new product models in the second half of a year. According to CIC, this is an industry norm as major global smartphone and consumer electronics brands generally schedule annual flagship and mass-market product launches in the third and fourth quarters, evidenced by a 10% more shipment volume in the second half of 2024 than in the first half of the same year of the global market. This has resulted in a larger purchase volume of our products during such period. The seasonal trends we have experienced in the past may not apply to, or be indicative of, our future operating results. See “Risk Factors – Risks Relating to Our Business and Industry – Our results of operations are subject to seasonal fluctuations.”

QUALITY CONTROL

Product Quality and Safety

We have established a rigorous and well-structured quality management system that integrates industry-leading standards and best practices to ensure product reliability and customer satisfaction. Our overall quality framework is built upon the ISO9001:2015 standards and the Joint Electron Device Engineering Council (JEDEC) standards.

From product design to production, quality is embedded throughout our entire product lifecycle. We employ rigorous validation and verification processes to ensure reliability and compliance with industry standards, with all R&D workflows and project documentation managed

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through an IT-backed system for consistency and traceability. We identify and take record of defective products, find out the reasons for the defectiveness and formulate precaution and mitigating measures. Defective products that are scrapped shall be stored and disposed of properly. For any defective products returned by our customers, we identify them separately, take record, and form an analysis.

We outsource chip packaging and testing to third-party service providers, and require them to strictly follow the industry standards and quality requirements. In addition, we work closely with customers to ensure compliance with their specific product development, manufacturing, and shipping requirements while conducting thorough contract reviews to align expectations. Our customer feedback mechanisms allow us to promptly address concerns and drive continuous improvement.

Product Returns and Warranty

The warranty for our products vary depending on the characteristics of the products sold. We maintain cordial communication with our customers after sales and proactively work with them to resolve any quality issues.

We typically do not allow customers to return or exchange products except for defective products due to our faults. In isolated cases, we may coordinate product exchanges for customers to accommodate their adjustments in product designs, product processes and product promotion and marketing arrangements. During the Track Record Period and up to the Latest Practicable Date, (i) we had not received any material complaints relating to product quality; and (ii) we had not experienced any product recalls or accidents due to product defects.

LOGISTICS AND INVENTORY

Logistics

We engage qualified third-party logistics service providers for the delivery of all finished goods from our warehouse to locations specified by our customers. We set strict standards for the transportation of our products and conduct regular evaluations to ensure compliance and efficient delivery. As of the Latest Practicable Date, we had not experienced any significant delay or inappropriate handling of goods that materially and adversely affected our business operations.

Inventory Management

Our inventories consist of raw materials, work in progress and finished goods. We attach great importance to our inventory health, assigning dedicated staff to provide management with regular reports on the status of inventory. To ensure effective inventory management, we implement various policies, including the first-in, first-out method, maintaining safety stock to address demand fluctuations or supply delays, and tracking inventory flow through our warehouse management system. We take inventory level into consideration when formulating procurement plans.

INTELLECTUAL PROPERTY

We regard our patents, trademarks, know-how, domain names and other intellectual property rights as critical to our competitiveness and success. As of the Latest Practicable Date, we had 136 granted patents, including 26 utility model related patents and 110 invention related patents, and 62 integrated circuit layout design registrations in the PRC. As of the same date, we also own 12 copyrights, one trademark and one registered domain name in the PRC for our website. We are also in the process of applying for over 150 pending patent applications in the PRC and have five pending PCT applications. See “Statutory and General Information — B. Further Information about Our Business — 2. Our Intellectual Property Rights” in Appendix V for more information.

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We rely primarily on a combination of patents, trademarks, trade secrets, and unfair competition laws and contractual rights, such as confidentiality agreement, to protect our intellectual property rights. We generally state all rights and obligations regarding the ownership and protection of intellectual properties in employment confidentiality agreements and some commercial agreements we enter into. In addition, we have taken the following key measures to protect our intellectual property rights: (i) implementing a set of comprehensive internal policies to establish robust management over our intellectual property rights, (ii) deploying a special team to guide, manage, supervise and monitor our daily work regarding intellectual properties, (iii) timely registration, filing and application for ownership of our intellectual properties, (iv) actively tracking the registration and authorization status of intellectual properties and take action in a timely manner if any potential conflicts with our intellectual properties are identified, and (v) engaging professional intellectual property service providers.

We have entered into agreements with confidentiality clause with all of our employees, and agreements with non-competition clause with our senior management and other employees who have access to trade secrets or confidential information about our business. The confidentiality clause has an unlimited term and the non-competition clause has a term of two years. Our standard confidentiality and intellectual property rights agreement, which we use to manage our employees who have access to trade secrets or confidential information about our business for work-performing purposes, contains an assignment clause, under which we own all the rights to all inventions, utility models, technology, know-how and trade secrets derived during the course of such employee’s work. We also seek to preserve the integrity and confidentiality of our data and trade secrets related to EDA software tools and IP library by maintaining physical security of our premises and physical and electronic security of our information technology systems.

Except as disclosed in “— Legal Proceedings and Compliance,” as of the Latest Practicable Date, we had not been subject to any material disputes or claims for infringement upon third parties’ intellectual property rights in the PRC and, to the best knowledge of our Directors and senior management, they are not aware of any such disputes. Although we have adopted measures to protect our intellectual properties, we may be unable to adequately protect them due to certain reasons. See “Risk Factors — Risks Relating to Our Business and Industry — We may be unable to adequately protect our proprietary rights, which may impact our ability to compete effectively.”

DATA PRIVACY AND INFORMATION SECURITY RISK MANAGEMENT

In the course of our business, we collect, store and process business data and transaction data. As we only make transactions with enterprises, we do not collect or process personal data.

We pay close attention to risk management relating to our IT system, as storage and protection of corporate data and related information is critical to us. To ensure data security, we have adopted a rigorous encrypted algorithm to store sensitive data and strictly execute a data accessing and transmitting policy to ensure the confidentiality of our data. We have also developed strict internal control and data accessing mechanisms and detailed approval and operation procedures regarding data storage and processing. We have established a set of internal protocols on data security, which set forth detailed, strict requirements in relation to the use, disclosure and protection of confidential information. Among other things, such internal protocols provide limited authorization to our employees holding specific positions at specific levels to access and process corporate data on a need-to-know basis, who shall use such data only for the purposes of performing their work assignment. Our internal control measures are primarily set forth in policy documents: (i) the Information System Security Management Policy, which requires system administrators to promptly analyze network anomalies, develop response plans, record incidents in the network operation log, monitor external access, and address security issues; and (ii) the Employee Handbook, which requires all employees to comply with confidentiality rules and policies.

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All of our employees are required to sign a confidentiality agreement with us, which prohibits them from disclosing any confidential information relating to their work without our consent. We have a comprehensive data backup system to encrypt and store data on servers in different locations in order to minimize the risk of data loss. We also conduct data restoration tests to examine the status of the backup system on a regular basis.

The types of data transmitted from the PRC to overseas consist solely of R&D data generated during our business operations. Our employees and employees of SI Netherlands with data access privileges upload R&D data to their respective proprietary servers and subsequently synchronise such data via software. Pursuant to our collection policy, SI Netherlands collects only R&D-related data necessary for its designated purposes and is not authorised to collect other types of data. The transmitted data is sent solely to SI Netherlands and will not be transmitted to any other parties. Important materials, documents and data are encrypted, stored and backed up using appropriate technical measures. As cross-border data transmission does not involve personal information, we have not established a data deletion policy. During the Track Record Period and up to the Latest Practicable Date, SI Netherlands transmitted solely R&D data to us. Such data will not be transmitted to any other parties. The retention and destruction policies for such data are consistent with those applicable to data transmitted from the PRC to overseas.

In addition, we have established a remote disaster recovery system for our server by setting up multiple storage for the same information and data of long time dimension on the cloud, local and remote locations. Even if the server is damaged due to the highest level of disasters such as earthquakes, mudslides and other irresistible natural disasters, we believe that it can safeguard and guarantee that the service and data can be completely restored within 24 hours.

Our PRC Legal Advisors are of the view that we have been in compliance with the relevant PRC laws, rules and regulations relating to cybersecurity and data protection in all material aspects during the Track Record Period and up to the Latest Practicable Date on the basis that (i) we do not collect or process personal data as we do not conduct business directly with individuals, (ii) we have implemented comprehensive cybersecurity and data protection policies, procedures, and measures to ensure secured storage and transmission of data, prevent unauthorized access or use of data and respond to network security incidents, (iii) we have not been subject to any material fines or administrative penalties, mandatory rectifications, or other sanctions by any competent regulatory authorities for violation of cybersecurity and data protection laws, rules and regulations, (iv) there have been no material cybersecurity and data protection incidents or infringement upon the rights of any third parties, or other legal proceedings, administrative or governmental proceedings, pending or, to the best of the knowledge of our Directors, threatened against or relating to us, and (v) we have not experienced any material leakage of data, any breach of confidential business data or violation of cybersecurity and data protection and privacy laws, rules and regulations which will have a material adverse impact on our business operations.

AWARDS AND RECOGNITION

During the Track Record Period, we received awards and recognitions in respect of our Company, products and technologies, the details of which are set forth below:

Award year	Award/Recognition	Awarding Institution/Authority
2025	Wuhan “Future Eagle” Enterprise (武漢市 “未來之鷹”企業)	Wuhan Municipal Bureau of Economy and Information Technology (武漢市經濟和信息化局)
2025	National Specialized and Innovative “Little Giant” Enterprise (國家級專精特新“小巨人”企業)	MIIT

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Award year	Award/Recognition	Awarding Institution/Authority
2024	High-tech Enterprise (高新技術企業)	Hubei Provincial Department of Science and Technology, Hubei Provincial Department of Finance and Hubei Provincial Tax Service of the State Taxation Administration (湖北省科學技術廳、湖北省財政廳及國家稅務總局湖北省稅務局)
2024	Key Specialized and Innovative “Little Giant” Enterprise (2024年重點專精特新“小巨人”企業)	MIIT
2024	Hubei Provincial Enterprise Technology Center (湖北省企業技術中心)	Hubei Provincial Development and Reform Commission (湖北省發展與改革委員會)
2024, 2023 and 2022 . .	Optic Valley “Gazelle Enterprise” (光谷“瞪羚企業”)	Administration of Wuhan East Lake High-tech Development Zone (武漢東湖新技術開發區管理委員會)
2024	Listed as a Hubei Province Science and Technology Innovation “New Species” Enterprise — Potential Unicorn (入庫湖北省科創“新物種”企業-潛在獨角獸)	Department of Science and Technology of Hubei Province (湖北省科技廳)
2024	Hubei’s Manufacturing Industry High-Quality Development “Project Bidding & Leadership” (湖北省製造業高品質發展“揭榜掛帥”)	Hubei Provincial Department of Economy and Information Technology (湖北省經濟和信息化廳)
2024	2024 Hubei Province Manufacturing Individual Champion Enterprise (2024年湖北省製造業單項冠軍企業)	Hubei Provincial Department of Economy and Information Technology (湖北省經濟和信息化廳)
2023	EE Times Silicon 100	EE Times
2021	Hubei Provincial Specialized and Innovative “Little Giant” Enterprise (湖北省專精特新“小巨人”企業)	Department of Economy and Information Technology of Hubei Province (湖北省經濟和信息化廳)

COMPETITION

The analog IC market comprises a wide range of product categories with significantly different technical requirements, application scenarios and functional characteristics. Among these, intelligent sensing ICs, machine vision sensors and intelligent imaging ICs represent distinct application-driven sub-segments. According to CIC, the global analog IC market reached US\$86.5 billion in 2025, and is expected to grow to US\$111.3 billion in 2030, representing a CAGR of 6.1% from 2026 to 2030. In terms of revenue, intelligent sensing ICs, machine vision sensors and intelligent imaging ICs accounted for 13.4%, 1.9% and 0.9%, respectively, of the global analog IC market in 2025, and are expected to reach 12.9%, 1.7% and 1.2%, respectively, by 2030. Within the global intelligent sensing IC market, optical sensors, smart audio amplifier ICs, and LRA driver ICs account for approximately 9%, 8% and 2% respectively in terms of revenue in 2025.

We face intense competition in the intelligent sensing, machine vision and imaging technology solutions industries. Key competitive factors in our industries include R&D capabilities, quality of products, ability to meet technological iteration demands and trends of downstream sectors, and provision of timely, effective support. According to CIC, in terms of revenue in 2025, we ranked (i) the fourth in the global optical sensor market with a market share of 3.7%; (ii) the third in the

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global smart audio amplifier IC market with a market share of 6.1%; (iii) the third in the global LRA driver IC market with a market share of 3.8%; (iv) the third in the global 3D ToF image sensor market with a market share of 1.1%; and (v) the eighth of the global intelligent imaging IC market with a market share of 1.9%. For more information on the competitive landscape of our industry, see “Industry Overview.” Our Directors believe that we will maintain our competitiveness over other competitors and our market position by strengthening and developing our competitive strengths, which are highlighted in the paragraph headed “— Our Competitive Strengths” in this section.

EMPLOYEES

As of December 31, 2025, we had a total of 344 dedicated members comprising 341 full-time employees and 3 consultants substantially all of whom were based in China. The following table sets forth a breakdown of our employees categorized by function as of December 31, 2025.

Function	Number	Percentage (%)
R&D	206	59.9
Sales and Marketing	55	16.0
Business Operations	53	15.4
Administration	30	8.7
Total	344	100.0

We recognize the importance of talents for sustainable business growth and competitive advantages. We believe that our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees relatively competitive salaries, performance-based bonuses, and other incentives. We typically sign non-competition agreements with our senior management or other key employees for a term of two years. We occasionally review the performance of our employees on the basis of, among other criteria, their abilities to achieve stipulated performance targets. As a result, we have generally been able to attract and retain qualified employees and maintain a stable core management team.

We plan to adopt a diversified recruitment approach to ensure a sufficient talent pool for key positions. We primarily recruit our employees through on-campus recruitment, online channels and third-party employment websites. We provide on-board training for all of our employees as well as periodic training or seminars to ensure their self-development. We also provide courses for our employees as an important part of their continuous self-learning. We strive to create a multiple-incentive mechanism and a friendly working environment to fulfil our employees’ full potential. Due to our efforts, we generally maintain a stable team of employees that make continuous contributions.

We do not have a labor union. During the Track Record Period and up to the Latest Practicable Date, we did not experience any labor disputes or strikes.

Social Insurance and Housing Provident Fund Contributions

According to the Social Insurance Law of the PRC and the Administrative Regulations on the Housing Provident Fund of the PRC, we are required to make social insurance premium payments and contributions to housing provident funds for our employees. As advised by our PRC Legal Advisors, 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 by social insurance contributions collection institutions to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late payment fee of up to 0.05% per day. If the employer still fails to

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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 of the amount overdue. In addition, an employer that has not made housing provident fund contributions at a rate and based on an amount prescribed by the law, or at all, may be ordered by the housing provident fund management center to rectify the non-compliance and pay the required contributions within a stipulated deadline. If the employer still fails to rectify the failure to make housing provident contributions within the stipulated deadline, it may be subject to the court’s compulsory enforcement.

During the Track Record Period and up to the Latest Practicable Date, we did not make full social insurance and housing provident fund contribution for our employees in accordance with relevant laws and regulations. This was primarily attributable to our human resource management personnel’s unfamiliarity with the relevant PRC laws and regulations. During the Track Record Period, the aggregate amount of shortfall in social insurance and housing provident fund contributions was approximately RMB7.3 million, comprising approximately RMB1.9 million, RMB2.5 million and RMB2.9 million for 2023, 2024 and 2025, respectively.

Our PRC Legal Advisors are of the view that the possibility of us being required to settle historical outstanding social insurance and housing provident funds is remote, considering that: (i) we had not been the subject of any administrative penalties for not making full payment of the social insurance and housing provident funds, or received any notice to pay the shortfall, by relevant social insurance and housing provident fund bureaus during the Track Record Period; (ii) according to the compliance letters issued by the competent social insurance and housing provident fund authorities, during the Track Record Period and up to the Latest Practicable Date, such authorities did not impose administrative penalties on us for failure to make full social insurance or housing provident fund contributions; (iii) as of the Latest Practicable Date, there were no material pending disputes or controversies between our employees and us in connection with labor and employment matters including in respect of social insurance and housing provident fund contributions; (iv) during the Track Record Period and up to the Latest Practicable Date, no employees or relevant competent authorities raised objections in relation to the contribution arrangements relating to social insurance or housing provident funds, and up to the Latest Practicable Date, we had not received any material objections from any employees or authorities in relation to labor and employment, social insurance or housing provident funds; and (v) we have undertaken that in the event that we receive requests from the relevant authorities to pay any historical outstanding social insurance and housing provident fund contributions, or that we are required to pay any related late charges or penalties, we will timely make such payments in full.

Based on the above, our Directors are of the view that the abovementioned issues in relation to the contributions of social insurance and housing provident funds would not have a material adverse effect on our business, results of operations or financial condition and the possibility for any relevant competent authorities imposing administrative penalty or seeking recovery from us in relation to any outstanding social insurance and housing provident fund contributions incurred during the Track Record Period is remote. Consequently, we did not make any additional provisions for the underpaid social insurance contributions and housing fund contributions for each of the periods comprising the Track Record Period.

According to the “Supreme People’s Court’s Interpretation (II) on Several Issues Concerning the Application of Law in 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)) promulgated by the Supreme People’s Court on February 17, 2025 which became effective on September 1, 2025, if an employer and an employee agree or the employee commits that social insurance contributions are not required to be paid, the People’s Court shall deem such agreement or commitment invalid. Where an employer fails to pay social insurance contributions as required by law, and the employee requests to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38, Paragraph 1, Item 3 of the Labor Contract Law, the People’s Court shall support such request in accordance with the law. We have completed social insurance registration for our employees and made social insurance contributions accordingly. During the Track Record Period and up to the Latest Practicable Date, there were no circumstances where we have reached agreements with employees or obtained commitments from employees to waive social insurance contributions. Therefore, the aforementioned provision of Article 19 does not apply to us and has no impact on our compliance with the relevant laws and regulations.

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INSURANCE

We have not obtained any business liability or disruption insurance to cover our operations. We have determined that the costs of insuring against these risks, and the difficulties associated with acquiring such insurances on commercially reasonable terms render these insurances impractical for our business. During the Track Record Period and up to the Latest Practicable Date, we had not been the subject of any product liability claims. Our Directors consider our insurance policy as a whole is in line with the general market practice and complies with the relevant rules and regulation in China. As of the Latest Practicable Date, we had not made or suffered any significant insurance claims, and there had not been any material product liability claims against us. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See “Risk Factors — Risks Relating to Our Business and Industry — We may not have sufficient insurance coverage to cover our potential liability or losses.”

PROPERTIES

We are headquartered in Wuhan, China. As of the Latest Practicable Date, we did not own any property in the PRC, and we leased five properties in the PRC with an aggregate gross floor of approximately 5,230.0 square meters, and one property in Netherlands with a gross floor of approximately 170.0 square meters from third parties. These properties were used primarily as premises of office and R&D. Our lease agreements in respect of the abovementioned leased properties generally have lease terms ranging from one to seven years.

As of the Latest Practicable Date, we had not obtained the registration of lease agreements for all of our five leased properties with the relevant regulatory authorities due to the inaction of the landlords to cooperate with the registration procedure. As advised by our PRC Legal Advisors, the non-registration of lease agreements will not affect the validity of such lease agreements, but the relevant local housing administrative authorities can require us to complete registrations within a specified timeframe and we may be subject to a fine between RMB1,000 and RMB10,000 per lease for any delay in making these registrations, which we do not believe would have a material adverse impact on our operation. However, we will consult with our legal advisors and aim to address the issue appropriately during the lease negotiation process in the future. As of the Latest Practicable Date, we were not subject to any penalties arising from the non-registration of the lease agreements. See “Risk Factors — Risks Relating to Our Business and Industry — We may be required to pay administrative fines for our failure to register some of our lease agreements with housing administration authorities.”

LICENSES, PERMITS AND CERTIFICATES

As of the Latest Practicable Date, as advised by our PRC Legal Advisors, we had obtained all material licenses and permits required for our business operations in the PRC, and such licenses and permits had remained in full effect. Our PRC Legal Advisors have advised us that there was no material legal impediment to renewing our material licenses and permits as of the Latest Practicable Date.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance

To strengthen our ESG management, we have established a comprehensive ESG management system, supported by the Environmental, Social and Governance Policies and Procedures Manual. The Board of Directors serves as the highest ESG governance body, responsible for defining and reviewing the Company’s ESG framework, strategies, policies, and procedures; monitoring their implementation to ensure compliance with applicable laws and regulations; setting corporate ESG objectives and performance indicators; and reviewing and approving the annual Corporate Governance Report and ESG Report for disclosure. The Board also oversees ESG-related training

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and continuous professional development for directors and senior management. Reporting to the Board, the ESG Working Group is tasked with implementing ESG initiatives, including formulating, reviewing, and executing ESG strategies and policies; assessing ESG-related risks and internal controls; guiding departments on policy compliance; and managing ESG programs such as emission reduction, environmental greening projects, and community engagement. The Working Group also conducts materiality assessments and provides recommendations to the Board to further strengthen the Company’s ESG practices.

ESG Risk Identification and Mitigation

We place strong emphasis on strengthening our risk management framework and have introduced a series of environmental, health, and safety policies and procedures — such as the Environmental and Occupational Health and Safety Management System and the Natural Disaster Emergency Response Plan — to systematically identify, assess, and manage risks across our operations, including ESG-related risks. Guided by national policies, industry trends, and our own circumstances, we actively monitor risks and opportunities, focusing on key areas such as environmental protection and natural resources, climate change, product quality and safety, employment practices, and occupational health and safety, and evaluating their potential risks and financial impacts.

We continue to refine our ESG management system by embedding ESG considerations into our strategy and operations, strengthening our ability to manage sustainability risks. As of December 31, 2025, we had not experienced any material ESG-related incidents, had not been subject to penalties for non-compliance with ESG-related regulations, and had not identified any actual or potential material ESG impacts on our business, strategy, or financial performance. Going forward, we will further optimize our ESG risk assessment and management mechanisms and regularly disclose ESG reports in accordance with regulatory requirements.

Compliance Management and Anti-Corruption

To uphold strong compliance standards, we have established a comprehensive Compliance Management System and supporting policies, including the Anti-Corruption and Anti-Bribery Management Guidelines and the Anti-Fraud and Anti-Misconduct Policy. These set out the purpose, scope, and procedures for preventing bribery, corruption, fraud, and other improper conduct, with the Internal Audit Department designated as the primary body responsible for investigations and reporting to the Audit Committee.

The Board of Directors has responsibility for compliance, including approving policies, monitoring implementation, and overseeing ESG-related training and professional development. The Audit Committee supervises the effectiveness of compliance risk management, while management implements and maintains the compliance framework, establishes relevant risk controls, and ensures sufficient resources are allocated. The Legal Department supports compliance risk management by identifying, assessing, monitoring, and reporting risks, conducting compliance reviews and investigations, and providing guidance and training. Department heads are responsible for compliance within their areas, and all employees are expected to identify, manage, and report compliance risks in their roles.

Employees are encouraged to provide feedback or report concerns via face-to-face meetings, phone, or email. The Company has published the Whistleblowing and Investigation Procedures, which include dedicated reporting channels, clear procedures, and protections for whistleblowers.

External legal advisors are engaged to provide ongoing support, monitor relevant laws and regulations, and assist with business decisions, contracts, litigation, and policy implementation from a professional legal perspective.

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During the Track Record Period and up to the Latest Practicable Date, we were not involved in any legal proceedings related to corruption, bribery, or fraud.

Environmental Protection

We integrate environmental, social, and climate-related risks into our business strategy. Initiatives include office waste sorting, water conservation, carbon reduction campaigns, and daily practices such as limiting air conditioning usage and turning off idle devices.

Emissions Management

We strictly comply with PRC environmental laws, including the Water Pollution Prevention and Control Law, the Air Pollution Prevention and Control Law, and the Solid Waste Pollution Prevention and Control Law. We manage emissions carefully to ensure compliance with local standards.

Wastewater: Wastewater is limited to office sewage, discharged through the park’s sewage system and managed by the property management company; routine maintenance and cleaning are performed regularly.

Solid Waste: Our non-hazardous waste primarily comprised domestic waste generated from daily office activities, with minor amounts of construction debris occasionally arising from renovation works. Such waste was collected by cleaning staff on a daily basis and disposed of in designated waste areas by the industrial park’s property management.

Hazardous waste generated by us was minimal and mainly consisted of used toner cartridges and batteries. Specifically, we generated 2 toner cartridges and 70 batteries in 2023, 1 toner cartridge and 70 batteries in 2024, and 2 toner cartridges and 55 batteries in 2025.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any environmental incidents or violations of applicable environmental laws and regulations.

Energy Management

During the Track Record Period, we owned one gasoline-powered light vehicle (≤ 2.5 tons), which was replaced in 2024 with a fully electric vehicle, reducing energy consumption and emissions. Internally, we raise awareness of energy conservation through training and signage, encouraging employees to use resources efficiently and prioritize public transportation.

Our primary energy consumption arises from office electricity usage. Our total electricity consumption amounted to 181,020 kWh, 282,570 kWh and 372,267 kWh in 2023, 2024 and 2025, respectively. Water consumption was 966 tons, 1,340 tons and 1,814 tons in 2023, 2024 and 2025, respectively. We use municipal water supplies for daily office and domestic purposes only, and does not involve production-related water consumption. To further reduce energy and electricity usage, we have implemented the following measures (i) encouraging employees to finish work on time and adopt the “lights off when leaving” practice, with daily monitoring of electricity and water switches by administrative or cleaning staff; (ii) upgrading office lighting systems to LED energy-saving lamps to reduce electricity consumption. To achieve water conservation targets, we continue to foster employees’ awareness of water saving by posting reminder notices in restrooms, inspecting and repairing water supply pipelines to eliminate leaks, and minimizing unnecessary water wastage.

Packaging Materials Management

With business growth, our paper carton usage was 1.0 ton, 2.5 tons, and 3.1 tons in 2023, 2024 and 2025, respectively. We coordinate with suppliers to ensure material efficiency, minimize over-packaging, and maximize recyclability. We strictly comply with all relevant environmental

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protection laws, actively implement measures to manage emissions and waste responsibly, and maintain compliance with national standards. During the Track Record Period and up to the Latest Practicable Date, we did not have environmental complaints or violations occurred.

The following table sets forth our resource use and emission-related indicators during the Track Record Period.

Indicator	Unit	Year ended December 31,		
		2023	2024	2025
Greenhouse Gas Emissions				
Scope 1 – Direct Emissions	tones	0.9	0.6	–
Scope 2 – Indirect Energy Emissions	tones	97.1	151.6	199.8
Scope 3 – Other Indirect Emissions	tones	17.3	19.0	17.7
Total Emissions	tones	115.4	171.2	217.4
Total Emissions Intensity	tones/ RMB (million)	0.5	0.3	0.3
Energy Consumption				
Direct Energy Consumption – Gasoline	L	350	210	–
Indirect Energy Consumption – Purchased Electricity	MWh	181.0	282.6	372.3
Total Direct Energy	MWh	3.4	2.0	–
Total Indirect Energy	MWh	181.0	282.6	372.3
Total Energy Consumption	MWh	184.41	284.61	372.3
Energy Intensity	MWh/ RMB (million)	0.8	0.4	0.4
Water Consumption				
Total Water Consumption	tones	966	1,340	1,814
Water Intensity	tones/ RMB (million)	4.0	2.0	2.1
Packaging Materials				
Total Packaging Materials Used	kg	1,000	2,500	3,100
Packaging Material Intensity	kg/ RMB (million)	4.1	3.8	3.6

Notes:

- The Company currently has no air pollutant emissions.
- Greenhouse gas (“GHG”) emissions are classified into three scopes in accordance with Appendix C2 of the Listing Rules:
 - Scope 1: Direct GHG emissions from operations owned or controlled by the Company.
 - Scope 2: Indirect GHG emissions from purchased or acquired electricity consumed by the Company.
 - Scope 3: All other indirect GHG emissions occurring outside the Company, including disposal of waste paper and employees’ business travel by air.
- GHG emissions are reported in carbon dioxide equivalent (CO₂e) and calculated with reference to:
 - IPCC Fifth Assessment Report (AR5, 2014) and Sixth Assessment Report (AR6, 2023);
 - Hong Kong Environmental Protection Department Guidelines on Accounting and Reporting of Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential, or Public);
 - Ministry of Ecology and Environment of the People’s Republic of China (2025).
- All “density” ratios are calculated using total revenue (RMB million) for the reporting period.
- The Company’s direct energy consumption consists of gasoline used in vehicles.
- The Company’s indirect energy consumption consists primarily of purchased electricity.
- Energy consumption is calculated based on actual direct and indirect energy use and unit conversions in Appendix 3 of the International Energy Agency Energy Data Handbook.
- In 2025, the Company transitioned entirely to electric vehicles, ceasing the use of gasoline or any other fuel.

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ESG Metrics and Targets

Given the nature of our business operations, we consider electricity consumption, water consumption, packaging material usage and greenhouse gas emissions to be key performance indicators (“KPIs”) in evaluating our ESG performance. We proactively quantify these KPIs to assess our management of ESG-related risks, and these indicators are generally aligned with industry benchmarks and standards. Following the [REDACTED], we will continue to balance business growth with environmental protection to achieve sustainable development. We have established several KPIs and environmental targets and will continue working towards these goals as set out below.

GHG Emissions and Air Pollutant Reduction

By 2030, our emissions intensity will be reduced to 95% to 100% of the 2024 level. We completed our first corporate carbon inventory in 2025 to establish a baseline. We encourage low-carbon commuting (such as public transportation), promote energy-saving practices (including requiring air-conditioning temperatures of no lower than 26°C in summer and restricting winter use to temperatures below 0°C), and advance “green office” practices through remote meetings, reduced business travel, and paperless workflows supported by digital systems.

Waste Management

By 2030, our waste intensity will be reduced to 95% to 100% of the 2024 level. In 2025, we strengthened the tracking of hazardous and non-hazardous waste to improve control over waste generation. We promote proper waste sorting, transfer recyclable waste to qualified recycling companies and arrange for non-recyclable waste to be collected and disposed of by property management.

Energy Consumption

By 2030, our energy-consumption intensity will be reduced to 95% to 100% of the 2024 level. We enhance equipment efficiency through periodic maintenance, reduce idle and unnecessary operation, and have upgraded office lighting systems to LED, which offers higher efficiency, longer lifespan and lower environmental impact.

Water Resource Consumption

By 2030, our water-consumption intensity will be reduced to 95% to 100% of the 2024 level. We promote water-saving awareness among employees, place water-saving reminders in key areas, and closely monitor usage to ensure timely response to abnormalities and minimize wastage. In parallel, we will continue to refine ESG data-collection procedures, strengthen data verification, and establish a sound data-management system. We will monitor the effectiveness of our management plans and mitigation measures, applicable laws and regulations, and industry standards to ensure the reasonableness and operability of our targets. Key ESG performance targets will be reviewed annually to ensure alignment with the our sustainable development objectives.

Our ESG-related compliance costs primarily comprise maintenance and upgrades of production equipment, replacement of new energy vehicles, renovation and improvement of office facilities, and employee training. Based on our estimates, the total ESG compliance costs for the years ended December 31, 2023, 2024 and 2025, were approximately RMB2.0 thousand, RMB0.8 million, and RMB3.3 million, respectively.

We are required to comply with the evolving and increasingly stringent ESG-related laws and regulations, and we confirm that we have complied with all applicable ESG-related laws and regulations during the Track Record Period and up to the Latest Practicable Date.

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Employees

Our employees are fundamental to both of our sustainable development and our success. We offer job applicants equal job opportunities and hire employees according to their merits. Child labor and forced labor are forbidden. We value diversity and comply with local labor laws to prevent discrimination based on gender, age, nationality, religion, or social status. Competitive salaries, performance-based bonuses, and comprehensive training are provided to attract and retain talent. Employee health and safety are prioritized, in accordance with the Production Safety Law and Fire Protection Law of the PRC, and Environmental, Health and Safety (EHS) Management System. As production is outsourced, we have established measures to enhance workplace safety, prevent accidents, and safeguard employees’ life and property. As of December 31, 2025, our management team comprised 16 members, including 14 males and two females.

The table below sets forth our employee composition during the Track Record Period:

		Year ended December 31,		
		2023	2024	2025
Unit				
By gender				
Male	Headcount	159	182	235
Female	Headcount	72	79	109
By age group				
30 and below	Headcount	114	127	199
30 to 45	Headcount	111	126	123
Above 45	Headcount	6	8	22

Occupational Health and Safety

We place the health and safety of our employees as our top priority. In compliance with the Production Safety Law of the People’s Republic of China, the Fire Protection Law of the People’s Republic of China, and other applicable laws and regulations, we have established an Environmental, Health and Safety (EHS) Management System to ensure the sustainable development of our business and safeguard the interests of our employees, customers, society, and the environment. Through this system, we aim to prevent environmental pollution, occupational diseases, and workplace incidents, while improving our overall management effectiveness.

Our production team formulates production plans according to the expected purchase volume from our customers, and communicate with trusted foundries for manufacturing of products. To strengthen workplace safety management, standardize procedures, and create a safe and healthy work environment, we have implemented the following measures under our EHS Management System:

Regular Health Check-ups: We maintain employee health records to promptly identify and address health issues. We provide personalized health check-ups based on employees’ job roles and exposure to occupational hazards.

Safe and Hygienic Work Environment: We design our workplaces to ensure proper ventilation and suitable temperature and humidity. We provide employees with appropriate personal protective equipment (PPE), such as safety glasses, gloves, and masks, to minimize exposure to occupational hazards.

Health Education and Training: We provide regular training to raise employees’ awareness of occupational disease prevention, healthy lifestyles, and emergency response. We organize lectures, case studies, and on-site demonstrations to enhance employees’ self-protection awareness and capabilities.

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Safety Operating Procedures: We establish detailed safety procedures for all stages of IC design, R&D, and testing. Employees are required to strictly follow these procedures, and we ensure that new employees complete training and pass assessments before commencing work.

Regular Safety Inspections: We conduct comprehensive inspections of workplaces, equipment, and processes to identify and rectify hazards. We maintain inspection records, and major hazards are flagged for urgent remediation to ensure thorough resolution.

During the Track Period and up to Latest Practicable Date, we did not receive any health- or safety-related penalties from government authorities.

Supply Chain Management

We recognize that effective supply chain management directly impacts product quality and overall business operations. We actively establish long-term and stable partnerships with suppliers from various regions to ensure supply chain stability and pursue mutual benefits. In doing so, we strictly comply with the Tendering and Bidding Law of the People’s Republic of China, the Anti-Unfair Competition Law of the People’s Republic of China, and other relevant laws and regulations. We have also established a series of management policies and procedures, including the Supplier Selection and Evaluation Process, Supply Chain Production Management Process, and Warehouse Management Process, which clearly define the requirements for managing different types of suppliers.

Supplier Access and Management

We strictly implement provisions under the Supplier Selection and Evaluation Process regarding supplier selection, certification, evaluation scoring, and management of non-compliant suppliers. We select suppliers scientifically and reasonably, entering into annual framework agreements or purchase contracts. In addition, we are actively promoting sustainable supplier management to further enhance social responsibility and environmental protection throughout our supply chain.

Supplier Diversification

We maintain an open and inclusive approach to cooperation, establishing partnerships with suppliers from diverse regions to build a diversified supply chain. We also deepen collaboration with local suppliers, supporting regional economic development while optimizing resource allocation, reducing logistics costs, and lowering carbon emissions, achieving mutually beneficial outcomes. As of December 31, 2025, we had business dealings with 18 suppliers across nine provinces in China. These suppliers were primarily located in Jiangsu with five suppliers, Guangdong with three suppliers, and Taiwan, Anhui and Zhejiang with two suppliers each.

Supplier Capability Assessment

Our Quality Department conducts annual audits of outsourcing partners to verify their qualifications, production quality, and production capacity. In line with our Supplier Selection and Evaluation Process, we regularly evaluate suppliers to assess their performance and lay the foundation for the following year’s cooperation.

Product Quality Management

Product Quality and Safety

Delivering products and solutions that satisfy our customers has long been our objective. We focus on rigorous product quality management, strictly adhering to the Advertising Law, the Trademark Law, the Law on Guarding State Secrets, and other relevant laws and regulations. We have established a robust internal management system and a set of policies covering R&D design, supplier selection, and product verification to ensure quality remains our top priority at every stage.

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Product Quality Management

To promote standardized management, we have developed documents including the Quality Manual, Quality Control Standards, Supplier Process Quality Monitoring Requirements, Product Reliability Certification Procedures, Non-Conformance Control Procedures, and Customer Complaint Handling Procedures, which define our product quality requirements. The Quality Department conducts regular supervision and inspections of suppliers and products based on these documents. In our day-to-day IC design operations, we implement and continuously improve our quality management in accordance with the ISO9001 Quality Management System.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product quality disputes or material product recalls.

Future ESG Trends and Risks

We recognize that ESG issues, including climate change and extreme weather events, may increase operating costs, insurance premiums, and workplace safety risks. Regulatory authorities may impose stricter ESG disclosure and compliance requirements, increasing our compliance costs. We are committed to proactive monitoring and mitigation of these risks, as further discussed in “Risk Factors — Risks Relating to Our Business and Industry — We are subject to changing laws, regulations and social trends regarding environmental, social and governance risks, increasing both our costs and the risk of non-compliance.”

LEGAL PROCEEDINGS AND COMPLIANCE

We have been and may from time to time continue to be, a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business. We are currently defending three ongoing legal proceedings, concerning three of our products. These three legal proceedings were initiated by the same plaintiff company (the “**Plaintiff Company**”), who is a competitor of ours and an Independent Third Party to our Group and, to the best knowledge of our Directors, is not related to any of our customers or suppliers.

Legal Proceeding A

In July 2025, the Plaintiff Company filed a lawsuit against us and a third-party defendant before the Shenzhen Intermediate People’s Court, alleging that one of our smart audio amplifier IC products, SIA8150, infringed its invention patent titled “audio amplification circuit”, patent number ZL201210114831.2 (the “**Invention Patent 1**”). In this lawsuit, the Plaintiff Company requested a judgment ordering us to (i) immediately cease infringing upon its Invention Patent 1, including ceasing the manufacture, sales, and offering for sale of SIA8150; and (ii) pay economic losses and relevant expenses totaling RMB10.5 million. As of the Latest Practicable Date, Legal Proceeding A had not entered into substantive court trial.

Legal Proceeding B

In July 2025, the Plaintiff Company also filed a lawsuit against us and a third-party defendant before the Shenzhen Intermediate People’s Court, alleging that another one of our smart audio amplifier IC products, SIA8101, infringed its Invention Patent 1. In this lawsuit, the Plaintiff Company requested a judgment ordering us to (i) immediately cease infringing upon its Invention Patent 1, including ceasing the manufacture, sales, and offering for sale of SIA8101; and (ii) pay economic losses and relevant expenses totaling RMB10.5 million. As of the Latest Practicable Date, Legal Proceeding B had not entered into substantive court trial.

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Legal Proceeding C

In January 2025, the same Plaintiff Company filed a lawsuit against us and a third-party defendant before the Xi'an Intermediate People's Court, alleging that one of our LRA driver IC products, SIH6887, infringed its invention patent relating to LRA driver IC titled “control method and device of LRA motor driving chip”, patent number ZL201711470402.8 (the “**Invention Patent 2**”). In this lawsuit, the Plaintiff Company requested a judgment ordering us to (i) immediately cease infringing upon its Invention Patent 2, including ceasing the manufacture, sales, and offering for sale of SIH6887; and (ii) pay economic losses and relevant expenses totaling RMB10.5 million. We received the court's judgment of first instance in December 2025, under which we were ordered by the court to cease the manufacture, sales, and offer for sale of the SIH6887, and compensate the Plaintiff Company for its total damages of RMB4.2 million, comprising RMB3.7 million of economic loss and RMB0.5 million of reasonable expenses to stop the infringement. We appealed the first-instance judgment to the Supreme People's Court of the PRC in December 2025, and the second-instance trial had not entered substantive trial stage as of the Latest Practicable Date.

As advised by our PRC IP Legal Advisors, DeHeng Law Offices (Shenzhen), the judgment of first instance has not taken effect as we have appealed this decision. Nevertheless, we have, out of prudence, made a provision of RMB4.2 million for the potential financial exposure under “other gains and losses” in our income statement for the year ended December 31, 2025 in this regard.

Potential Impact

None of the products involved in the legal proceedings above, being SIA8150, SIA8101 and SIH6887, constitutes a core product of our current product portfolio or plays a significant role in our forward-looking business strategy. SIA8150 is an earlier generation product that is gradually being superseded by more advanced upgraded versions; SIA8101 has already been replaced by upgraded versions; and SIH6887 is approaching end of life and being replaced by more advanced upgraded products. The revenue contribution of these three products did not exceed 7% in aggregate in each year during the Track Record Period.

Legal Proceeding A

If SIA8150 is found infringing Invention Patent 1, we may, in the worst case scenario, be ordered to cease the manufacture, sales, and offer for sale of SIA8150 and compensate the Plaintiff Company for its economic losses.

According to our PRC IP Legal Advisors, we are likely to successfully defend ourselves in Legal Proceeding A, given that (i) SIA8150 does not fall within the scope of protection of Invention Patent 1 as the technologies used in SIA8150 are clearly differentiated from the technologies within the scope of Invention Patent 1, and it does not possess several technical features as described in the patent claims under Invention Patent 1; (ii) there is no basis of the Plaintiff Company's claim for the economic losses as the Plaintiff Company did not provide any concrete evidence; and (iii) the Plaintiff Company did not submit sufficient evidence for determining the underlying dispute or calculating the amount of damages for infringement.

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Legal Proceeding B

If SIA8101 is found infringing Invention Patent 1, we may, in the worst case scenario, be ordered to cease the manufacture, sales, and offer for sale of SIA8101 and compensate the Plaintiff Company for its economic losses.

According to our PRC IP Legal Advisors, we are likely to successfully defend ourselves in Legal Proceeding B, given that (i) SIA8101 does not fall within the scope of protection of Invention Patent 1 as the technologies used in SIA8101 are clearly differentiated from the technologies within the scope of Invention Patent 1, and it does not possess several technical features as described in the patent claims under Invention Patent 1; (ii) there is no basis of the Plaintiff Company’s claim for the economic losses as the Plaintiff Company did not provide any concrete evidence; and (iii) the Plaintiff Company did not submit sufficient evidence for determining the underlying dispute or calculating the amount of damages for infringement.

Legal Proceeding C

We appealed the first-instance judgment in December 2025. In the worst case scenario where the court upholds the judgment of the first instance, we may be ordered to cease the manufacture, sales, and offer for sale of SIH6887 and compensate the Plaintiff Company for its economic losses of RMB4.2 million.

As advised by our PRC IP Legal Advisors, we believe that we are likely to successfully defend ourselves in this case and prove the SIH6887 does not fall within the scope of protection of Invention Patent 2 primarily as we are likely to establish a prior art defense, the amount of damages has been overestimated by applying the wrong calculation method in the judgment in the first instance, and taking into account the judicial appraisal report we have obtained by a qualified judicial appraisal institute.

Considering that (i) none of SIA8150, SIA8101 or SIH6887 are our core products of our current product portfolio or plays a significant role in our forward-looking business strategy; (ii) the worst-case scenario financial exposure where the Company’s defense is entirely unsuccessful and the court supports the Plaintiff Company’s claimed amount in entirety, being approximately RMB25.2 million (comprising RMB10.5 million for each of Legal Proceedings A and B, and RMB4.2 million for Legal Proceeding C), will not have a material adverse impact on the overall operations and financial position of the Group considering its absolute amount as compared to our total revenue in 2025 (RMB854.7 million); (iii) the insignificance of revenue contribution, individually or in the aggregate, of SIA8150, SIA8101 or SIH6887 during the Track Record Period; (iv) our likelihood in successfully defending ourselves in each of these legal proceedings is relatively high according to our PRC IP Legal Advisors; (v) we have made provision for Legal Proceeding C pursuant to the applicable accounting policies, which has been duly reflected in our audited financial statements for the year ended December 31, 2025; and (vi) our normal business operations and customer relationships are not materially affected by such legal proceedings, our Directors that consider these three legal proceedings would not have a material adverse effect on our business, financial condition, or results of operations. We are of the view that we have in place adequate internal control measures to ensure continued ongoing compliance with applicable laws and regulations. We may also take actions to proactively protect our intellectual property rights, including, among others, filing of confirmation of non-infringement lawsuits, as appropriate.

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Internal Control Measures

To prevent the recurrence of similar incidents, we have established an internal *Management Measures for Litigations and Disputes* which set forth, among others, the main responsibilities of the internal department for handling and managing potential litigations, namely the general office department and the legal department. These measure include:

- *Establishment of reporting system.* Upon occurrence of a litigation or a dispute, the personnel involved shall immediately report to the legal department, who may discuss with the general office department as necessary. For material cases, the legal department and the general office department shall report to the management.
- *Standardizing of internal procedures.* During our ordinary course of operations, we encourage inter-department communications and collaborations on handling potential litigations and disputes. The responsible department shall take an active role in understanding the situation, discussing with the parties in dispute, completing the case filing form for internal records in a timely manner, and submitting the case to the legal department. The general office department shall form opinions, decide on the next steps, and take timely and effective countermeasures.
- *IP monitoring and risk prevention.* Our internal IP department regularly monitors competitors’ intellectual property activities and relevant filings, sharing insights with the R&D team. If the R&D team identifies potential IP risks during product development, the internal IP department conducts comparative analyses to confirm the risk and advises on necessary measures.
- *Patent search and risk assessment for new projects.* For all new projects, our internal IP department proactively performs patent searches using relevant competitors and technology-specific keywords. The results are jointly analyzed with the R&D team to identify potential infringement risks. Where such risks are detected, the internal IP department provides detailed avoidance strategies and recommendations to mitigate potential IP disputes.

Our Directors confirm that, as of the Latest Practicable Date, save for the above, we were not aware of any ongoing or threatened legal, arbitral or administrative proceedings against us or our Directors, and our business operations had been carried out in compliance with applicable laws and regulations in all material aspects during the Track Record Period and up to the Latest Practicable Date.

IMPLICATIONS OF INTERNATIONAL SANCTIONS

Analysis on Certain International Sanctions and Export Control Issues

Our business operations and financial performance can be influenced by various factors relating to international export controls, economic or trade sanctions. See “Regulatory Overview — International Sanctions Laws and Export Control.” As international geopolitical tensions escalate, the U.S. continues to update its sanctions list and export control list. Specifically, regarding our shareholders, customers and suppliers, as advised by our International Sanctions Legal Advisors, the following counterparties have been designated on the U.S. sanctions or export controls lists:

- **Supplier B:** Supplier B been designated on (i) the U.S. Entity List; (ii) the Non-SDN Chinese Military Industrial Complex Companies List (“**NS-CMIC List**”); and (iii) the Chinese Military Companies List (“**CMC List**”). In 2023, 2024 and 2025, our purchase from Supplier B amounted to RMB66.1 million, RMB265.6 million and RMB312.5 million, respectively, accounting for 20.4%, 37.2% and 49.0% of our total purchases for the corresponding periods. We primarily purchased silicon wafers from Supplier B during the Track Record Period.

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- A certain supplier: One of our suppliers has been designated on the U.S. Entity List (the “**Entity List Supplier**”). In 2023, 2024 and 2025, our purchase from the Entity List Supplier was RMB1.9 million, RMB3.3 million and RMB2.1 million, respectively, accounting for 0.6%, 0.5% and 0.3% of our total purchases for the corresponding years. We primarily purchased testing equipment from the Entity List Supplier during the Track Record Period. In general, we outsource chip testing to third party service providers, and in some circumstances we may purchase testing equipment to enhanced collaboration with certain suppliers to secure production capacity according to our sales schedule and achieve better cost control in the same time, which is in line with the market practice according to CIC.

To the best of our knowledge, we are not aware that any of the products they sold to us are subject to the De Minimis Rules of the EAR or are produced in the U.S. As advised by our International Sanctions Legal Advisors, because we are not an entity on the U.S. Entity List, we believe that products procured from Supplier B and the Entity List Supplier are unlikely to be subject to the EAR because these products are not controlled by the U.S. export control regime and hence do not meet the standard of “subject to the EAR.” Therefore, our relevant procurement did not and will not violate the EAR. For the supplier designated on the NS-CMIC List and CMC List, namely Supplier B, companies on the NS-CMIC List are subject to limited sanctions that prohibit U.S. persons from investing in publicly traded securities issued by such companies or any publicly traded securities that are derivatives of such securities; further, companies on the CMC List are primarily restricted from entering into procurement contracts with the U.S. Department of Defense for goods, services, or technology, and are subject to certain lobbying-related prohibitions. Given the narrow focus of sanctions applicable to companies on the NS-CMIC and CMC List (which are not applicable to us or the [REDACTED]) and that we have not had any dealings with specially designated nationals (SDNs) designated by OFAC or comprehensively OFAC sanctioned territories or jurisdiction during the Track Record Period and up to the Latest Practicable Date, as advised by our International Sanctions Legal Advisors, the Directors do not believe that material sanctions risks are implicated by transactions with counterparties on the NS-CMIC and CMC Lists.

Moreover, though we have procured EDA software from U.S. suppliers which is subject to the EAR, we have not encountered any interruption or suspension regarding the procurement of these EDA software. Further, as advised by our International Sanctions Legal Advisors, because we are not an entity on the U.S. Entity List and the U.S. Export Control Classification Numbers of these EDA software do not indicate that its shipment to China is controlled, we believe such procurement do not have material impact on us arising from U.S. export control restrictions.

In sum, as advised by our International Sanctions Legal Advisors, (i) our business operations do not involve any Sanctioned Activities as defined under the Sanctions Guidance; (ii) no member of us is a Sanctioned Target, nor is any member located, incorporated, or resident in a Sanctioned Country; (iii) we are not a Sanctioned Trader, as it has not conducted business with any Sanctioned Country or Sanctioned Target; (iv) the U.S. military-related sanctions lists that suppliers of us involved are inapplicable to the business of us; and (v) the products sold and procurement activities of us are not subject to the EAR and thus we have not violated the EAR in any material respect. Therefore, as advised by our International Sanctions Legal Advisor, we believe the export control and sanctions laws and regulations currently do not have material impacts on our business operations and financial performance directly or indirectly, and we are compliant with relevant sanctions laws and there is no material sanctions risk discussed in Chapter 4.4 of the Guide for New Listing Applicants. For potential risk exposure and consequences, see “Risk Factors — Risks Relating to Our Business and Industry — Our business, financial condition and results of operations may be materially and adversely affected by international trade actions, laws, regulations and policies and international export controls and economic sanctions.”

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Our Directors are of the view that, based on advice from our International Sanctions Legal Advisors, our IC design activities do not constitute prohibited transactions under the Final Rule. However, pre-[REDACTED] investments by U.S. persons would constitute notifiable transactions requiring notification to the U.S. Department of the Treasury. Following the [REDACTED], subsequent purchases of our publicly traded shares by U.S. persons will be exempted from the Final Rule’s requirements.

Sanctions and Export Control Risk Management

To mitigate the potential sanctions and export control risks, we have established a trade compliance framework covering the key elements of export control and sanctions compliance to avoid potential non-compliance activities, such as the screening of counterparties and classification of controlled properties of items, and elaborating the corresponding transaction approval policies for each of the counterparties and items.

Our trade compliance framework primarily includes:

- Prohibition of establishing new operating entities, conducting new business, or establishing new relationships or making any commitments with countries that are subject to sanctions, corruption, or high political risks;
- Prohibition of conducting any business or investment activities with sanctioned countries, their respective governments, government officials, companies, or individuals through sales, purchases, or other transactions;
- Prohibition of buying and selling stocks of companies headquartered in or primarily operating in sanctioned countries; and
- Seeking the general manager’s approval and engaging a third-party professional agency to conduct risk assessments before establishing new operations, conducting new business, or forming new relationships or making any commitments with countries subject to sanctions, corruption, or high political risks.

Tariffs Risk Management

To ensure robust management of potential tariff and trade risks, we have implemented a set of measures covering tariff risk compliance and monitoring. These measures primarily include:

- Continuous monitoring of international trade policies, tariff regimes, and regulatory developments that may affect the semiconductor industry;
- Assessment of potential tariff impacts when evaluating new markets, suppliers, and customers;
- Diversification of the supplier base and adoption of flexible sourcing strategies to reduce reliance on any single jurisdiction exposed to elevated tariff risks;
- Incorporation of tariff-related considerations into commercial contracts and business planning, where applicable; and
- Oversight by senior management to promptly identify, assess, and respond to emerging tariff risks through established compliance procedures.

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RISK MANAGEMENT AND INTERNAL CONTROL

Internal Control

We have established comprehensive risk management and internal control frameworks covering our business operations, financial reporting, information disclosure, quality control, IT systems, human resources, and regulatory compliance. Our risk management approach focuses on identifying and analyzing various risks, setting appropriate risk tolerance levels, establishing control mechanisms, and regularly reviewing and updating policies to adapt to regulatory changes and market conditions. We have implemented policies governing sales practices, R&D management, production, legal compliance, investment and financing, and asset management. We have designated responsible personnel to monitor ongoing compliance with applicable PRC laws and regulations. Our Directors and senior management receive regular training on securities laws and continuing compliance obligations.

Our Directors and our senior management are responsible for the establishment, updating and implementation of our internal control policies and systems, while our management team monitors the daily implementation of the internal control procedures and measures with respect to our functional teams. We engaged an independent internal control consultant to review our risk management and internal control systems across key areas including financial reporting, sales and collection, procurement and payment, treasury management, asset management, R&D, IT general controls, and compliance management. We implemented corrective measures in response to the consultant’s recommendations. As of the Latest Practicable Date, based on the procedures performed and follow-up review, our internal control consultant has not identified any further material deficiencies in our design of internal control system. Our Directors have confirmed that all major recommendations have been implemented and appropriate corrective actions have been taken to address identified deficiencies. Our Directors are of the view that our internal control measures are adequate and effective to ensure compliance with relevant laws and regulations.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management. We have various procedures in place to implement accounting policies, and our financial team reviews our management accounts based on such procedures. We also provide regular training to our finance team members to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

Compliance Risk Management

In order to effectively manage our compliance and legal risk exposures, we have adopted strict internal procedures to ensure the compliance of our business operations with the applicable rules and regulations. In accordance with these procedures, our in-house legal team performs the basic function of reviewing and updating the form of contracts we enter into with our customers, partners, and suppliers. Our legal team examines the contract terms and reviews all relevant documents for our business operations, including licenses and permits obtained by the counterparties to perform their obligations of business contracts and all the necessary underlying due diligence materials, before we enter into any contract or business arrangements.

Our in-house legal team is responsible for obtaining any requisite governmental pre-approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities, within the prescribed regulatory timelines. We continuously improve our internal policies according to changes in laws, regulations and industry standards, and update internal templates for legal documents. We undertake compliance management over various aspects of our operations and employee activities. We have also established an accountability system in

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respect of employees’ violations of laws, regulations and internal policies. In addition, we continually review the implementation of our risk management policies and measures to ensure our policies and implementation are effective and sufficient.

Intellectual Property Risk Management

As a knowledge- and technology-intensive company, we have been and may continue to be subject to claims from companies holding patents or other intellectual property rights, alleging infringement of such rights or otherwise asserting their rights and urging us to obtain licenses in the course of our operations. See “Risk Factors — We may be subject to claims by third parties for intellectual property infringement.” To ensure proper management of our intellectual property and avoid litigation concerning intellectual property infringement, we have implemented various internal policies and established an internal intellectual property management system. See “— Intellectual Property.”

Anti-bribery and Kick-back Risk Management

In terms of anti-bribery and kick-back prevention, we have implemented a series of policies and internal control measures against bribery and kick-back, which set forth procedures for implementing relevant anti-bribery procedures and setting out anti-bribery responsibilities for relevant personnel. We strictly prohibit bribery or other improper payments in any of our business operations according to our anti-bribery and kick-back prevention policies. Improper payments prohibited by such policies include bribes, kickbacks, falsification and alteration of accounting and business documents, or any other payment made or offered to obtain an undue business advantage. Moreover, we keep accurate books and records that reflect transactions and asset dispositions in reasonable detail. Payment made in violation of the anti-bribery and kick-back prevention policies is strictly prohibited. Our internal audit team is responsible for investigating the reported incidents and taking appropriate measures as necessary. We provide employees with adequate communication channels, establish whistle- blower policy and encourage employees to take the initiative to seek guidance from us regarding the implementation of anti-bribery policies. During such investigations, our internal audit team complies with relevant laws and anti-bribery policies and provides written feedback as necessary.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board of Directors comprises nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors, the key information of whom are set out as follows:

Name	Age	Date of joining our Group	Date of appointment as Director	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors and senior management
Executive Directors						
Mr. Liu Deheng (劉德珩) . . .	41	January 27, 2016	January 27, 2016	Executive Director, chairman of our Board and chief executive officer	Responsible for the overall strategic planning and development of our Group	None
Mr. Kong Fanxiao (孔繁曉) . . .	40	January 27, 2016	April 2, 2019	Executive Director, deputy general manager and chief marketing officer	Responsible for the overall marketing and product portfolio management of our Group	None
Mr. Zhan Wanxing (詹萬幸) . . .	41	January 27, 2016	January 27, 2016	Executive Director, general manager chief operating officer and Board secretary	Responsible for the overall operational management of our Group	None
Ms. Yu Hong (余虹)	46	February 18, 2019	September 8, 2025	Executive Director and chief financial officer	Responsible for the overall financial management of our Group	None
Non-executive Directors						
Mr. Liu Kai (劉凱)	38	September 8, 2025	September 8, 2025	Non-executive Director	Responsible for providing guidance for the strategy and business development of our Group	None
Mr. Wang Fuyu (王馥宇) . . .	38	September 8, 2025	September 8, 2025	Non-executive Director	Responsible for providing guidance for the strategy and business development of our Group	None
Independent Non-executive Directors						
Ms. Wang Mingkun (王明坤) . . .	47	September 8, 2025	September 8, 2025	Independent non-executive Director	Responsible for providing independent advice to our Board	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Date of joining our Group	Date of appointment as Director	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors and senior management
Dr. Gao Teng (高騰)	56	September 8, 2025	September 8, 2025	Independent non-executive Director	Responsible for providing independent advice to our Board	None
Dr. Xing Xinpeng (辛新鵬) . . .	41	September 8, 2025	September 8, 2025	Independent non-executive Director	Responsible for providing independent advice to our Board	None

Executive Directors

Mr. Liu Deheng (劉德珩), aged 41, is our Founder, having founded our Group in January 2016. He was appointed as our Director, chairman of our Board and the chief executive officer on August 9, 2016, and will be re-designated as our executive Director on the [REDACTED].

Mr. Liu possesses extensive experience in semiconductor industry. Prior to founding our Group, from May 2010 to April 2013, he served as an application engineer and was then promoted to a project lead at ASML (Advanced Semiconductor Material Lithography), the world’s leading company specializes in the development and manufacturing of photolithography machines which are used to produce the most advanced integrated circuits, where he was primarily responsible for the project management in the application and business support group. From May 2013 to November 2015, he served as the senior international product manager at NXP Semiconductors Netherlands B.V., a Dutch semiconductor manufacturing and design company, where he was responsible for product management and business development in the business line emerging market primarily for mobile audio and sensors.

Mr. Liu obtained his bachelor’s degree in electrical information engineering from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2007 and his master’s degree in electrical engineering from Delft University of Technology in the Netherlands in June 2010. He was also an exchange student and visiting scholar in Tohoku University, Japan, and Virginia Polytechnic Institute and State University, the US in 2006 and 2008, respectively.

Mr. Kong Fanxiao (孔繁曉), aged 40, one of our Co-founders, having co-founded our Group in January 2016. He was appointed as our Director and the chief marketing officer on April 2, 2019 and will be re-designated as our executive Director on the [REDACTED].

Mr. Kong has rich experience in semiconductor investment and tech-product marketing. Prior to joining our Group, from October 2010 to January 2013, Mr. Kong worked as a product manager at Huawei Technologies Düsseldorf GmbH, a wholly-owned subsidiary of Huawei Technologies Co., Ltd. (華為技術有限公司), where he was primarily responsible for marketing and promotion of data communication products. In January 2013, he joined Universal Electronics B.V., a wholly-owned subsidiary of Universal Electronics Inc., a NASDAQ-listed company (stock code: UEIC), where he served as an application engineer. From November 2014 to December 2015, he worked at International Far Eastern Leasing Co., Ltd. (遠東國際租賃有限公司) (now known as International Far Eastern Financial Leasing Co., Ltd. (遠東國際融資租賃有限公司)), a wholly-owned subsidiary of Far East Horizon Limited (遠東宏信有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 3360) where he served as a project manager of the electronic information department of the company.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Kong obtained his bachelor’s degree in automation from the University of Science and Technology of China (中國科學技術大學) in the PRC in July 2007 and his master’s degree in electrical engineering from the Katholieke Universiteit Leuven in Belgium in July 2010. Mr. Kong was awarded the Winner Award of the 6th Outstanding Entrepreneur Contest of Pudong New Area (浦東新區第六屆創業新秀評選優勝獎) by the Pudong New Area Human Resources and Social Security Bureau (浦東新區人力資源和社會保障局) in November 2021, and the 2023 Pudong New Area Pearl Elite Talents (2023年浦東新區明珠菁英人才) by the Office of the Leading Group for Talent Work of the CPC Pudong New Area Committee of Shanghai (中共上海市浦東新區區委人才工作領導小組辦公室) in December 2023.

Mr. Zhan Wanxing (詹萬幸), aged 41, is one of our Co-founders, and was appointed as our Director, general manager and chief operation officer on January 27, 2016 and will be re-designated as our executive Director on the [REDACTED].

Mr. Zhan obtained his bachelor’s degree in electronic information engineering from Wuhan University of Science and Technology (武漢科技大學) in the PRC in June 2007. He further obtained his master’s degree in signal processing from the Nanyang Technological University in Singapore in June 2009 and in management engineering from the Politecnico di Milano in Italy in July 2011. From November 2012 to May 2014, Mr. Zhan worked as the planning management engineer at Easyway Technology Co., Ltd. (易程科技股份有限公司), a technology company, where he was primarily responsible for project management of the company. After that, Mr. Zhan commenced the preparatory work for the founding of our Group, and co-founded our Group in January 2016, having served as our Director, general manager and chief operation officer since then.

Ms. Yu Hong (余虹), aged 46, joined our Group on February 18, 2019. She was appointed as our chief financial officer on September 8, 2022 and our Director on September 8, 2025 and will be re-designated as our executive Director on the [REDACTED].

Ms. Yu has rich experience in finance. Prior to joining our Group, from July 2004 to February 2014, she worked at Procter & Gamble (Guangzhou) Ltd. (廣州寶潔有限公司) (“**Procter & Gamble**”), a company principally engaged in manufacturing of household and personal care products, where she was primarily responsible for financial budget management and analysis for Greater China of the company. She then worked as the finance director at Wuhan Zouqi Automotive Technology Service Co., Ltd. (武漢市走起汽車技術服務有限公司) from 2015 to 2017.

Ms. Yu obtained her bachelor’s degree and master’s degree in business management from the Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2001 and June 2004, respectively. Ms. Yu obtained the Certified Public Accountant Certificate issued by the Hubei Provincial Institute of Certified Public Accountant (湖北省註冊會計師協會) in April 2015.

Non-executive Directors

Mr. Liu Kai (劉凱), aged 38, was appointed as our Director on September 8, 2025 and will be re-designated as our non-executive Director on the [REDACTED].

Mr. Liu Kai is a partner of 5Y Capital (formerly known as Morningside Venture Capital), where he has worked since July 2014, mainly focusing on investment in the field of technology supply chain, cloud computing and enterprise services. Before that, he worked at Tencent Technology (Shenzhen) Co., Ltd. (騰訊科技(深圳)有限公司) from July 2012 to July 2014.

Mr. Liu Kai obtained his bachelor’s degree in electronic information engineering from the University of Science and Technology of China (中國科學技術大學) in the PRC in July 2012.

Mr. Wang Fuyu (王馥宇), aged 38, was appointed as our Director on September 8, 2025 and will be re-designated as our non-executive Director on the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

From July 2015 to March 2016, Mr. Wang worked as a R&D engineer at Broadcom Inc, a NASDAQ-listed company (stock code: AVGO), where he was primarily responsible for R&D of semiconductor chips. After that, he worked as an industry researcher at Shenzhen Junyi Innovation Securities Investment Co., Ltd. (深圳君逸創新證券投資有限公司), a securities investment company, where he was primarily responsible for conducting TMT sector research. He has also worked in several venture capital companies thereafter, including China Electronics Commercial Finance Leasing Co., Ltd. (中電通商融資租賃有限公司) as a deputy general manager of the investment department, and Nanjing Origin Zhengze Venture Capital Management Center (Limited Partnership) (南京原點正則創業投資管理中心(有限合夥)) as an investment director. He joined CTC Capital Management Co., Ltd. (和利創業投資管理(蘇州)有限公司) in August 2018 and is currently serving as a partner, primarily focusing on investment operations.

Mr. Wang obtained his bachelor’s degree in optical information science and technology from Jiangsu University (江蘇大學) in the PRC in June 2009 and his master’s degree in optical engineering from Shanghai Jiao Tong University (上海交通大學) in the PRC in March 2012.

Independent non-executive Directors

Ms. Wang Mingkun (王明坤), aged 47, was appointed as our Director on September 8, 2025 and will be re-designated as our independent non-executive Director on the [REDACTED].

Since August 2015, Ms. Wang has been working at Chengdu Kaibai Vocational Skills Training School Co., Ltd. (成都市楷柏職業技能培訓學校有限責任公司) (KB Financial), a financial and economic qualification certificate training institution, where she successively served as a faculty member, and her teaching portfolio focuses on strategic business leader, advanced performance management and financial management. From July 2004 to June 2015, Ms. Wang worked at Procter & Gamble and has served as the finance manager and finance director within the Procter & Gamble group, where she was mainly responsible for financial management.

Ms. Wang obtained her bachelor’s degree in accounting and her master’s degree in regional economics from Nankai University (南開大學) in the PRC in June 2001 and June 2004, respectively. Ms. Wang was certified as the Certified Public Accountant (Non-practicing member) (註冊會計師(非執業會員)) by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in January 2005 and was admitted a fellow of the Association of Chartered Certified Accountants in November 2013.

Dr. Gao Teng (高騰), aged 56, was appointed as our Director on September 8, 2025 and will be re-designated as our independent non-executive Director on the [REDACTED].

Dr. Gao possesses extensive experience in semiconductor industry. Prior to joining our Group, he joined IMEC in October 2001 and was seconded to China, serving as the general manager at IMEC Electronics (Shanghai) Co., Ltd. (愛勘科微電子(上海)有限公司) from August 2010 to April 2015. From May 2015 to August 2023, Dr. Gao worked at Shanghai New Micro Technology R&D Center Co., Ltd. (上海新微技術研發中心有限公司) (also known as Shanghai Industrial Technology Research Institute (上海微技術工業研究院)), a company principally committed to innovation and industrialization of “Beyond Moore” technology and IoT applications, with his last position serving as a senior deputy general manager. From August 2023 to July 2024, he worked as a deputy general manager at Zhejiang ICsprout Semiconductor Ltd. (浙江創芯集成電路有限公司), a company principally engaged in integrated circuit manufacturing industry, where he was mainly responsible for strategic management of the company. Since January 2025, Dr. Gao has been serving as the chief executive officer at Hong Kong Microelectronics Research and Development Institute Company Limited (香港微電子研究院有限公司).

Dr. Gao obtained his bachelor’s degree in automatic control from Southeast University (東南大學) in the PRC in July 1991. He further obtained his master’s degree and his Ph.D. degree in engineering from Katholieke Universiteit Leuven in Belgium in June 1995 and September 2000,

DIRECTORS AND SENIOR MANAGEMENT

respectively. Dr. Gao has completed the CEIBS Executive MBA Program and obtained his master’s degree of business administration from China Europe International Business School (中歐國際工商學院) in the PRC in January 2014. He was selected into the 12th “Thousand Talents Plan” Innovation Talents Long-term Project (第十二批“千人計劃”創新人才長期項目) by the Organization Department of Shanghai Municipal Committee of the CPC (中共上海市委組織部) and Shanghai Overseas Talent Introduction Office (上海市引進海外高層次人才工作專項辦公室) in September 2016.

Dr. Xing Xinpeng (幸新鵬), aged 41, was appointed as our Director on September 8, 2025 and will be re-designated as our independent non-executive Director on the [REDACTED].

Dr. Xing has been serving as an associate professor at the School of Integrated Circuits of Sun Yat-sen University (中山大學) since December 2022, where he specializes in the field of mixed-signal, analog integrated circuits and systems. Prior to that, Dr. Xing joined Tsinghua University Shenzhen International Graduate School (清華大學深圳國際研究生院) in December 2013 and was appointed as a lecturer in February 2021, focusing on research in the field of simulation, mix-signal and integrated-circuit design.

Dr. Xing obtained his bachelor’s degree in electronic information engineering from Beihang University (北京航空航天大學) in the PRC in July 2005, his master’s degree in electronic and communication engineering from Tsinghua University (清華大學) in the PRC in July 2008 and his Ph.D. degree in electrical engineering from Katholieke Universiteit Leuven in Belgium in October 2013. Dr. Xing was awarded the High-Level Talents in Nanshan District of Shenzhen (深圳市南山區領航人才) by the Human Resources Bureau of Nanshan District of Shenzhen (深圳市南山區人力資源局) in December 2017, the Overseas High-Caliber Personnel in Shenzhen (深圳市海外高層次人才) by the Human Resources and Social Security Administration of Shenzhen Municipality (深圳市人力資源和社會保障局) in May 2015 and the High-Level Professional in Shenzhen (深圳市高層次專業人才) by the Human Resources and Social Security Administration of Shenzhen Municipality in June 2018.

Dr. Xing was previously the supervisor of the following company which was established in the PRC and was dissolved on a voluntary basis:

Name of company	Nature of business	Date of dissolution	Method of dissolution	Reasons for dissolution
Jinan Niuxin Security Technology Co., Ltd. (濟南鈕信安全技術有限公司)	Dormant	March 21, 2019	Deregistered	Cessation of business

Dr. Xing confirmed that the aforementioned company was solvent prior to its dissolution and that, as of the Latest Practicable Date, no claims had been made against him and he was not aware of any threatened or potential claims made against him and there were no outstanding claims and/or liabilities as a result of the dissolution of such company.

Save as disclosed above and in this document, each of our Directors has confirmed that he/she has no other relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of our Company and none of our Directors has held any other directorships in listed companies during the three years immediately preceding the date of this document.

Save as disclosed above, each of our Directors has confirmed that there are no other matters relating to his/her appointment as a Director that need to be brought to the attention of our Shareholders and there is no other information in relation to his/her appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

Each of our Directors has confirmed that he/she (i) obtained the legal advice on September 21, 2025 with regard to the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange as set out in Rule 3.09D of the Listing Rules and he/she understood his/her obligations as a director of a listed issuer.

Each of our executive Directors and non-executive Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, either directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules. Each of our independent non-executive Directors has confirmed his/her independence with regards to each of the factors as set out in Rules 3.13(1) to (8) of the Listing Rules and that there are no other factors that may affect his/her independence at the time of his/her appointment.

SENIOR MANAGEMENT

Mr. Liu, Mr. Kong, Mr. Zhan and Ms. Yu Hong are our senior management members. See “— Board of Directors — Executive Directors” above for their biographies.

JOINT COMPANY SECRETARIES

Mr. Zhan Wanxing (詹萬幸) was appointed as a joint company secretary of our Company, which will take effect on the [REDACTED]. See “— Board of Directors — Executive Directors” above for his biography.

Ms. So Lai Shan (蘇麗珊) was appointed as a joint company secretary of our Company, which will take effect on the [REDACTED]. She is currently a manager of corporate services of Vistra Corporate Services (HK) Limited.

Ms. So has over ten years of experience in the corporate services industry. She acted or is currently acting as the company secretary or a joint company secretary of a few listed companies on the Stock Exchange. Currently, she is a joint company secretary of Beijing Airdoc Technology Co., Ltd, a company listed on the Stock Exchange (stock code: 2251) and the company secretary of Haichang Ocean Park Holdings Ltd., a company listed on the Stock Exchange (stock code: 2255). Ms. So is an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in United Kingdom.

BOARD COMMITTEES

We [have established] the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee under the Board in accordance with the relevant laws and regulations in the PRC, the Articles of Association and the Listing Rules, and delegated various responsibilities to these committees, which assist our Board in discharging its duties and overseeing particular aspects of our Group’s activities.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with code provision D.3 of Part 2 of the Corporate Governance Code on September 8, 2025. The Audit Committee consists of three members, namely Ms. Wang Mingkun, Dr. Gao Teng and Mr. Liu Kai. The chairlady of our Audit Committee is Ms. Wang Mingkun, who is our independent non-executive Director and has the appropriate professional qualifications or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

The primary duties of the Audit Committee include, but are not limited to, (i) reviewing and monitoring the external auditors’ audit process and giving guidance to our internal audit work; (ii) making recommendations to our Board on the appointment, reappointment and removal of the external auditor; (iii) overseeing the effectiveness of our financial reporting system, risk management and internal control systems; (iv) reviewing and providing advice and comments on our financial reports; (v) coordination among our management team, internal audit department and related departments and external auditors; (vi) performing our corporate governance functions; and (vii) performing other duties and responsibilities as assigned by our Board and/or required by the relevant laws and regulations.

Remuneration and Appraisal Committee

We [have established] the Remuneration and Appraisal Committee with written terms of reference in compliance with code provision E.1 of Part 2 of the Corporate Governance Code, which will take effect on the [REDACTED]. The Remuneration and Appraisal Committee consists of three members, namely Dr. Xing Xinpeng, Dr. Gao Teng and Ms. Yu Hong. Dr. Xing Xinpeng is the chairman of the Remuneration and Appraisal Committee.

The primary duties of the Remuneration and Appraisal Committee include, but are not limited to, (i) establishing, reviewing and providing advices to our Board on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determining the terms of the specific remuneration package of each Director and senior management; (iii) reviewing and approving the management team’s remuneration packages of each Director and senior management; (iv) making recommendations to our Board on the remuneration of independent non-executive Directors; and (v) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

Nomination Committee

We [have established] the Nomination Committee with written terms of reference in compliance with code provision B.3 of Part 2 of the Corporate Governance Code, which will take effect on the [REDACTED]. The Nomination Committee consists of three members, namely Mr. Liu Deheng, Dr. Xing Xinpeng and Ms. Wang Mingkun. Mr. Liu Deheng is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include, but not are limited to, (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and on a regular basis, assist the board in maintaining a board skills matrix and make recommendations to our Board regarding any proposed changes to the composition of our Board; (ii) identifying, selecting or making recommendations to our Board on the selection of individuals nominated for directorship, and ensure the diversity of our Board members; (iii) assessing the independence of our independent non-executive Directors; (iv) making recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors and succession planning for our Directors; and (v) supporting the regular evaluation of our Board’s performance.

BOARD DIVERSITY POLICY

Our Board has adopted a board diversity policy which sets out the approach to achieve and maintain diversity on our Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at our Board level as an essential element in supporting the attainment of our Company’s strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge. We will select potential Board candidates based on merit and

DIRECTORS AND SENIOR MANAGEMENT

his/her potential contribution to our Board while taking into account our board diversity policy and other factors. We will also take into account our own business model and specific needs from time-to-time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

Our Board has a balanced mix of genders, age, knowledge, skills and experience, including but not limited to overall management and project management, semiconductor investment and tech-product marketing, finance, economics and accounting. We have three independent non-executive Directors with economics and accounting, automatic control, engineering, electronic and communication engineering backgrounds and qualifications. Furthermore, our Directors are of a wide range of age, from 38 years old to 56 years old.

We will continue to take steps to promote and enhance gender diversity at all levels of our Group. After the [REDACTED], we will strive to achieve gender balance of the Board through certain measures to be implemented by our Nomination Committee in accordance with our board diversity policy. Two of our Directors are female upon the [REDACTED]. To further ensure gender diversity of our Board in the long run, our Group will also identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be reviewed by our Nomination Committee periodically in order to develop a pipeline of potential successors to our Board to promote gender diversity of our Board.

Our Nomination Committee is responsible for reviewing the diversity of the Board and assisting the Board in maintaining a board skills matrix. After [REDACTED], our Nomination Committee will continue to monitor and evaluate the implementation of the board diversity policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the board diversity policy, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives on an annual basis. We will also continue to take steps to promote gender diversity at all levels of our Group, including but without limitation at the Board level and in our workforce (including our senior management).

CORPORATE GOVERNANCE

Our Company aims to achieve high standards of corporate governance which are crucial to the development and safeguard the interests of our Shareholders. To accomplish this, our Company expects to comply with the Corporate Governance Code and the associated Listing Rules after the [REDACTED] save for the deviation as mentioned below. Any deviation from the code provisions shall be carefully considered, and the reasons for any deviation and explanation of how good corporate governance was achieved by means other than strict compliance with the code provisions shall be given in the interim report and the annual report in respect of relevant period.

According to code provision C.2.1 of Part 2 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Liu is currently the chairman of our Board and chief executive officer of our Company. In view of the fact that Mr. Liu has been assuming the responsibilities in the overall strategic planning, business direction and operational management of our Group since our establishment, our Board believes that it is in the best interest of our Group to have Mr. Liu taking up both roles for effective management and operations. Therefore, our Directors consider that the deviation from such code provision is appropriate. Notwithstanding such deviation, our Directors are of the view that our Board is able to work efficiently and perform its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions will be made in consultation with members of our Board and the relevant Board committees, and there are three independent non-executive Directors on our Board offering independent perspective, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient

DIRECTORS AND SENIOR MANAGEMENT

balance of powers within our Board. Our Board shall nevertheless review the structure and composition of our Board and senior management from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of our Company.

As Mr. Liu, the chairman of the Board, is not an independent non-executive Director, pursuant to paragraph C.1.8 of Part 2 of the Corporate Governance Code, our Company has designated Ms. Wang Mingkun as the lead independent non-executive Director. The role is not an executive position in our Company and does not have any management role in our Group. As a lead independent non-executive Director, Ms. Wang will (a) serve as an intermediary for the other Directors and Shareholders; and (b) be available to other Directors and Shareholders where normal communication channels with the chairman or management are inadequate.

COMPENSATION OF DIRECTORS

See “Appendix V — Statutory and General Information — C. Further Information about Directors and Substantial Shareholders.”

COMPLIANCE ADVISOR

We have appointed Altus Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Advisor will advise our Company in the following circumstances:

- before the publication of any regulatory announcement, circular and financial report;
- where a transaction, which might be notifiable or connected transaction, is contemplated including shares issues, sales or transfers of treasury shares and share repurchases;
- where our Company proposes to use the [REDACTED] from the [REDACTED] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and
- where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the [REDACTED] and end on the date on which our Company distribute our annual report in respect of our financial results for the first full financial year commencing after the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As of the Latest Practicable Date, our Company was directly owned as to 20.56% by Mr. Liu. In addition, Mr. Liu is the general partner of Juxinwei Enterprise, Zhihui Juxin, Zhike Juxin, Zhituo Juxin and Zhixin Enterprise (together, the “**Share Incentive Platforms**”), our share incentive platforms, which together held 21.38% of the total number of Shares.

Immediately upon completion of the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED]), Mr. Liu and our Share Incentive Platforms will be directly interested in an aggregate of [REDACTED]% of the total number of Shares. Accordingly, immediately upon completion of the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED]), Mr. Liu and our Share Incentive Platforms will be our Controlling Shareholders under the Listing Rules.

INTERESTS OF OUR CONTROLLING SHAREHOLDERS AND THEIR CLOSE ASSOCIATES IN OTHER BUSINESS

As of the Latest Practicable Date, none of our Controlling Shareholders and their close associates had any interest in a business, apart from our business, which competes or is likely to compete, either directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

We believe that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates (other than our Group) after the [REDACTED].

Management Independence

Our Board comprises four executive Directors, two non-executive Directors and three independent non-executive Directors. None of our Directors or members of our senior management team (other than members of our Controlling Shareholders themselves) holds any position in the businesses of our Controlling Shareholders or their respective close associates.

Our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group.

Each of our Directors is aware of his/her fiduciary duties as a Director, which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests. In the event that there is any potential conflict of interest arising out of any contract or arrangement or any other proposal in which our Directors or any of his/her close associates has any material interest, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings in respect of such transactions and shall abstain from voting on (nor shall be counted in the quorum in relation to) any resolutions approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates is materially interested in.

We have appointed three independent non-executive Directors with extensive experience in their respective areas of expertise to ensure that the decision of our Board are made after due consideration of independent and impartial opinions and in the best interests of our Company and our Shareholders as a whole. Matters including connected transactions are required to be referred to our independent non-executive Directors for review and approval. In addition, we have adopted

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

a series of corporate governance measures to manage conflicts of interests, if any, between our Group and our Controlling Shareholders which would support our independent management. See “— Corporate Governance Measures.”

Based on the reasons above, our Directors are of the view that our Board as a whole and our senior management members are capable of managing our business independently from our Controlling Shareholders following the completion of the [REDACTED].

Operational Independence

We have full rights to make all decisions on and to carry out our own business operations independently. Our Group holds the relevant licenses, approvals and permits from the relevant regulatory authorities that are material to our operations. We have sufficient capital, facilities and employees to operate our business independently from our Controlling Shareholders and their respective close associates. We also have independent access to our customers and suppliers and an independent management team to operate our business.

Based on the above, our Directors are of the view that our Group is capable to operate independently from our Controlling Shareholders and their respective close associates following the completion of the [REDACTED].

Financial Independence

We have our own internal control and accounting systems, accounting and finance department, independent treasury function for cash receipts and payment and independent access to third party financing. As of the Latest Practicable Date, our Group did not have any outstanding loans, advances or balances due to or from our Controlling Shareholders or their respective close associates.

Based on the above, our Directors are of the view that our Group is capable to maintain financial independence from our Controlling Shareholders and their respective close associates following the completion of the [REDACTED].

CORPORATE GOVERNANCE MEASURES

Each of our Controlling Shareholders has confirmed that it/he has fully comprehended its/his obligations to act in our Shareholders’ best interests as a whole. Our Directors recognize the importance of good corporate governance in protecting our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (a) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provided that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting;
- (b) we are committed that our Board should include a balanced composition with not less than one-third of independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Shareholders. For details of our independent non-executive Directors, see the section headed “Directors and Senior Management — Board of Directors — Independent non-executive Directors” in this document;

- (c) we have established internal control mechanisms to identify connected transactions. Upon and after the [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;
- (d) we have appointed Altus Capital Limited as our Compliance Advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors’ duties and corporate governance; and
- (e) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transaction annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from independent third parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, the following persons will, immediately prior to and following the completion of the [REDACTED] and conversion of Unlisted Shares into H Shares (without taking into account any H shares which may be issued pursuant to the exercise of the [REDACTED]), have interests or short positions in our Shares or underlying Shares, which would be required to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of nominal value of any types of our issued voting shares of our Company:

LONG POSITIONS IN SHARES OF OUR COMPANY¹

Name of Shareholder	Nature of interest	Type of Shares ⁽²⁾	Number of Shares	Percentage in relevant type of Shares	Percentage in total issued share capital
Mr. Liu ⁽³⁾	Beneficial owner	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%
	Interest in controlled corporations	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%
Juxinwei Enterprise ⁽³⁾	Beneficial owner	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Heli Guoxin	Beneficial owner	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Hexin Investment ⁽⁴⁾	Interest in controlled corporation	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Ningxin VC ⁽⁴⁾	Interest in controlled corporation	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
CTC Capital ⁽⁴⁾⁽⁵⁾	Interest in controlled corporation	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Ms. Wang Yuqing (王雨晴) ⁽⁴⁾⁽⁵⁾	Interest in controlled corporation	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
China Internet Investment Fund ⁽⁶⁾	Beneficial owner	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
China Internet Investment Fund Management Co., Ltd. (中國互聯網投資基金管理有限公司) ⁽⁶⁾	Interest in controlled corporation	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Zhongwang Xintong ⁽⁶⁾	Interest in controlled corporation	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Shenzhen Huaye Tiancheng ⁽⁷⁾	Interest in controlled corporation	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%
Mr. Sun Yelin ⁽⁷⁾	Interest in controlled corporation	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%
Mr. Yang Huajun ⁽⁷⁾	Interest in controlled corporation	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%
Wuxi Hushan ⁽⁸⁾	Interest in controlled corporation	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Shanghai Hushan ⁽⁸⁾	Interest in controlled corporation	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%

SUBSTANTIAL SHAREHOLDERS

Notes:

1. All interests stated are long positions. The percentage figures included in the table have been subject to rounding adjustments. Accordingly, figures shown as totals in the table may not be an arithmetic aggregation of the figures preceding them.
2. For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares.
3. Mr. Liu is the general partner of Juxinwei Enterprise, Zhihui Juxin, Zhike Juxin, Zhituo Juxin and Zhixin Enterprise, our Share Incentive Platforms. By virtue of the SFO, Mr. Liu is deemed to be interested in the Shares in which each of Juxinwei Enterprise, Zhihui Juxin, Zhike Juxin, Zhituo Juxin and Zhixin Enterprise is interested.
4. Hexin Investment, the general partner of Heli Guoxin, is controlled by its general partner, CTC Capital, and owned as to 75% by Ningxin VC. Ningxin VC is owned as to 50% by CTC Capital as its general partner and 35% by Ms. Wang Yuqing (王雨晴), who also holds 95% interest in CTC Capital. By virtue of the SFO, each of Hexin Investment, Ningxin VC, CTC Capital and Ms. Wang Yuqing is deemed to be interested in the Shares in which Heli Guoxin is interested.
5. The general partner of Nanjing Zhixinju is CTC Capital, which is owned as to 95% by Ms. Wang Yuqing. By virtue of the SFO, each of CTC Capital and Ms. Wang Yuqing is deemed to be interested in the Shares in which Nanjing Zhixinju is interested.
6. China Internet Investment Fund Management Co., Ltd., the general partner of China Internet Investment Fund, is owned as to 40% by Zhongwang Xintong as to 40%. By virtue of the SFO, each of China Internet Investment Fund Management Co., Ltd. and Zhongwang Xintong is deemed to be interested in the Shares in which China Internet Investment Fund is interested.
7. Shenzhen Huaye Tiancheng is the general partner of Henqing Huaye Tiancheng (the general partner of Huaye Qirong, Huaye Qicheng, Hengqin Huaye and Gongchuang Future), Gongchuang Huaye (the general partner of Huaye Xuchuang), Huaye Xinlian and Huaye Lanxin, and indirectly holds 70% equity interest in Hengqin Nuohua (the general partner of Wuyue Huanuo). It is owned as 65% by Mr. Sun Yelin and 35% by Mr. Yang Huajun. By virtue of the SFO, each of Shenzhen Huaye Tiancheng, Mr. Sun Yelin and Mr. Yang Huajun is deemed to be interested in the Shares in which each of Huaye Qirong, Wuyue Huanuo, Huaye Qicheng, Hengqin Huaye, Huaye Xuchuang, Gongchuang Future, Huaye Xinlian and Huaye Lanxin is interested.
8. Wuxi Hushan, which is controlled by Shanghai Hushan, is the general partner of Hushan Xinju, Hushan Mingxin and Hushan Xingxin. By virtue of the SFO, each of Wuxi Hushan and Shanghai Hushan is deemed to be interested in the Shares in which each of Hushan Xinju, Hushan Mingxin and Hushan Xingxin is interested.

Except as disclosed above, our Directors are not aware of any person who will, immediately prior to and following the completion of the [REDACTED] and conversion of Unlisted Shares into H Shares (without taking into account any H shares which may be issued pursuant to the exercise of the [REDACTED]), have interests or short positions in any Shares or underlying Shares, which would be required to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more of the nominal value of any types of our issued voting shares of our Company. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

SHARE CAPITAL

As of the Latest Practicable Date, the registered share capital of our Company was RMB30,000,000, divided into 30,000,000 Unlisted Shares, with a nominal value of RMB1.00 each.

Assuming the [REDACTED] is not exercised, the share capital of our Company immediately after the completion of the [REDACTED] and conversion of Unlisted Shares into H Shares will be as follows:

Number of Shares	Description of Shares	Percentage to total share capital
[REDACTED]	Unlisted Shares	[REDACTED]%
[REDACTED]	H Shares converted from Unlisted Shares	[REDACTED]%
[REDACTED]	H Shares to be issued under the [REDACTED]	[REDACTED]%
[REDACTED]	Total	100.00%

Assuming the [REDACTED] is exercised in full, the share capital of our Company immediately after the completion of the [REDACTED] and conversion of Unlisted Shares into H Shares will be as follows:

Number of Shares	Description of Shares	Percentage to total share capital
[REDACTED]	Unlisted Shares	[REDACTED]%
[REDACTED]	H Shares converted from Unlisted Shares	[REDACTED]%
[REDACTED]	H Shares to be issued under the [REDACTED]	[REDACTED]%
[REDACTED]	Total	100.00%

ASSUMPTIONS

The above table assumes that the [REDACTED] has become unconditional and the H Shares are issued pursuant to the [REDACTED].

RANKING

Upon the completion of the [REDACTED] and conversion of Unlisted Shares into H Shares, our Shares will consist of Unlisted Shares and H Shares. Both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company and are regarded as the same class of Shares under the Articles of Association.

Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and

SHARE CAPITAL

regulations or upon approvals of any competent authorities (such as our certain existing shareholders the Unlisted Shares held by whom will be converted into H Shares according to the filing with the CSRC), H Shares generally cannot be subscribed by or traded between legal or natural PRC persons.

Unlisted Shares and H Shares shall carry the same rights in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividend for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares or a combination of cash and shares.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Our Company will have only one class of Shares upon completion of the [REDACTED], namely ordinary shares, and each carries the same rights as with the other Shares.

For details of circumstances under which our Shareholders’ general meetings are required, see “Appendix IV — Articles of Association” to this document.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Pursuant to the regulations prescribed by the securities regulatory authorities of the State Council and the Articles of Association, the holders of Unlisted Shares may, at their own discretion, authorize the Company to file with the CSRC for conversion of their Unlisted Shares into overseas-listed Shares. Such converted Shares could be listed or traded as H Shares on the Stock Exchange, provided that prior to the conversion and trading of such H Shares, any requisite internal approval process has been duly completed and all the filing procedures with the relevant regulatory authorities, including CSRC which requires administrative filing procedures for the conversion and trading of such converted Shares, have been consummated. In addition, such conversion and trading shall comply with the regulations, requirements and procedures prescribed by the Stock Exchange.

Filing with the CSRC and Full Circulation Application

In accordance with the Overseas Listing Trial Measures and related guidelines announced by the CSRC, H-share listed companies which apply for the conversion of unlisted shares into H shares for listing and circulation on the Stock Exchange shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas Listing Trial Measures. An unlisted domestic joint stock company may apply for “Full Circulation” when applying for an overseas [REDACTED].

We [have filed] with the CSRC for the conversion of Unlisted Shares into H Shares in respect of the registration of the overseas listing and “Full Circulation”, pursuant to which (i) our Company is supposed to issue no more than [REDACTED] H Shares, which are all ordinary Shares, and upon such issuance our Company may be [REDACTED] on the Main Board of the Stock Exchange; (ii) a total of [REDACTED] Unlisted Shares held by certain Shareholders (the “**Participating Shareholders**”) are supposed to be converted into H Shares on a one-for-one basis after the [REDACTED], and the relevant Shares may be [REDACTED] on the Stock Exchange upon completion of the conversion.

[REDACTED] Approval by the Stock Exchange

We [have applied] to the Stock Exchange for the approval for the granting of [REDACTED] of, and permission to [REDACTED], our H Shares to be issued pursuant to the [REDACTED] and the H Shares to be converted from [REDACTED] Unlisted Shares on the Stock Exchange, which is subject to the approval by the Stock Exchange.

SHARE CAPITAL

We will perform the following procedures for the conversion of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (a) giving instructions to our [REDACTED] regarding relevant share certificates of the converted H Shares; and (b) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS.

TRANSFER OF SHARES ISSUED PRIOR TO [REDACTED]

The PRC Company Law provides that in relation to the [REDACTED] of a company, the shares issued prior to the [REDACTED] shall not be transferred within a period of one year from the date on which the publicly offered shares are listed on any stock exchange. Accordingly, Shares issued by our Company prior to the [REDACTED] shall be subject to such statutory restriction and not be transferred within a period of one year from the [REDACTED].

Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons hold in our Company cannot be transferred within one year from the [REDACTED], nor within half a year after they leave their positions as Directors or members of the senior management in our Company.

[REDACTED]

INCREASE IN SHARE CAPITAL

Pursuant to the Articles of Association and subject to the requirements of relevant PRC laws and regulations, our Company, upon the [REDACTED] of our H Shares, is eligible to enlarge its share capital by issuing either new H Shares or new Unlisted Shares on the condition that such proposed issuance shall be approved by a special resolution of Shareholders in general meeting conducted in accordance with the provisions of the Articles of Association and that such issuance complies with the Listing Rules and other relevant laws and regulations of Hong Kong. To adopt a special resolution of Shareholders in general meeting, more than the two thirds votes represented by the Shareholders (including proxies) present at the general meeting must be exercised in favor of the resolution. See “— Ranking” in this section.

REGISTRATION OF SHARES NOT LISTED ON THE OVERSEAS STOCK EXCHANGE

According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-Share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》) announced by the CSRC, the domestic shareholders of Unlisted Shares shall handle share transfer registration business in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the China Securities Depository and Clearing Corporation Limited of the Unlisted Shares involved in the application is completed.

SHAREHOLDERS’ APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for our Company to issue H Shares and seek the [REDACTED] of H Shares on the Stock Exchange. Our Company has obtained such approval at the Shareholders’ general meeting held on September 24, 2025.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial information included in the Accountants’ Report set out in Appendix I to this document, together with the accompanying notes. Our historical financial information and the consolidated financial statements of our Group have been prepared in accordance with the IFRSs, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions. You should read the whole Appendix I and not rely merely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. Our actual results could differ materially from those anticipated in the forward-looking statements due to various factors, including those discussed in the sections headed “Forward-Looking Statements,” “Risk Factors” and elsewhere in this document. Discrepancies between totals and sums of amounts listed in this section in any table or elsewhere in this document may be due to rounding.

OVERVIEW

We are a provider of intelligent sensing, machine vision, and imaging technology solutions integrating high-performance mixed-signal integrated circuits (ICs) and optimization algorithms, supporting smart devices to achieve precise sensing, superior imaging, and intelligent upgrades. Our solutions have been widely applied in consumer electronics sector, including smartphones, smart wearables, and tablets and are actively expanding into emerging growth areas including robotics, digital twins and automotive electronics, bringing intelligent sensing capabilities to a wider range of scenarios.

During the Track Record Period, we experienced significant growth, primarily driven by the broadening applications and greater market recognition of our intelligent sensing, machine vision and imaging technology products. Our revenue increased by 175.4% from RMB242.0 million in 2023 to RMB666.6 million in 2024, and further by 28.2% to RMB854.7 million in 2025. In addition, our gross profit increased from RMB57.0 million in 2023 to RMB156.2 million in 2024, and further to RMB208.0 million in 2025. In 2023, 2024 and 2025, our gross profit corresponded to the upward trend of our revenue while our gross profit margin remained relatively stable at 23.6%, 23.4%, and 24.3%, respectively. Our enhanced operational efficiency and the increased momentum derived from the commercialization of new products have enabled us to capitalize on the advantages of economies of scale. As the result of the foregoing, we began to generate profit of RMB9.7 million in 2024 and continued to record net profits of RMB26.5 million in 2025.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

We believe that our operational results and financial conditions are also subject to several company-specific factors, including the following:

Our Product and Solution Mix and Value Creation for Customers

Our revenue grew significantly during the Track Record Period primarily due to the expansion of our product and solution offerings. As of the Latest Practicable Date, our diversified product matrix comprised of a broad range of sensors and drivers, categorized into ten commercialized product lines, mainly attributable to our exerted efforts in diversifying our product and solution mix to cater to the growing demands of our customers. We typically review our product and solution portfolio and customer base regularly, taking into account our overall business strategies and

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potential market opportunities. Leveraging our consistent efforts to advance the sales of our various products and solutions and enhance our brand recognition, we have managed to develop and offer products and solutions with competitive capabilities in terms of product functions and customization for our customers.

Our revenue growth during the Track Record Period was also endorsed by the diversification of our product portfolio. With the launch of product lines featuring higher gross margins, the contribution of such products has led to an overall improvement in our gross profit margin and our financial performance.

Our Research and Development Capabilities

We operate in a sector that is witnessing rapid technological innovations with evolving demands for advanced and cutting-edge products and solutions. Our ability to expand and cement our market position, implement our growth strategies and pursue long-term profitability heavily depends on our research and development capabilities. We will empower high-growth emerging scenarios including robotics and digital twins with full-stack imaging IC capabilities.

We continue to enhance our research and development capabilities in a number of aspects, spanning the recruitment of research and development talents, building our independent research and development centers and the engagement in numerous research and development projects. During the Track Record Period, we strive to recruit diverse talents to foster our research and development capabilities to bolster our overall competitiveness in the market. Our R&D staff cost amounted to RMB40.5 million, RMB45.8 million and RMB50.5 million, respectively, in 2023, 2024 and 2025. In addition, we have and will continue to invest in our technology infrastructure to attract customers, aiming to expand our product and service offerings and scale.

Our research and development capabilities may be subject to the changes in several factors, including, among others, our decision and vision to timely and precisely capture the industry trend related to technology advancements, our ability to retain and further recruit talents with requisite expertise and the effectiveness and progress of our products and solutions upgrade. In addition, market reception of our products and solutions will also determine the return on our research and development investments. All of these factors will impact our financial performance and results of operations.

We intend to continue to invest in refining of our core technological capabilities, with the prime focus placed on strengthening our capacity in IC design and intelligent sensing products. We will also seek to improve our product offerings by leveraging advances in product development and design methodologies. In addition, we will carefully manage the headcounts of our staff and organizational structure of our R&D team to enhance design efficiency and maximize the return on our research and development expenditures. While we expect our research and development expenses to grow in the foreseeable future in line with the complexity of advanced IC design projects, we aim to achieve greater operating leverage as our revenue expands.

Our Ability to Manage Costs and Improve Operational Efficiency

Our results of operations are directly affected by our ability to enhance operating efficiency and leverage scale of business. Accordingly, the success of our business depends, in part, on our ability to reduce our operating costs and expenses and improving our operating efficiency.

Our ability to effectively manage costs and operating expenses forms a crucial part of our path toward profitability. During the Track Record Period, our revenue increased at a CAGR of 87.9%, our overall gross profit margin remained relatively stable, and we managed to achieve enhanced operating expenses efficiency throughout the Track Record Period. In 2023, 2024 and 2025, our operating expenses, which consisted primarily of selling and distribution expenses, general and

FINANCIAL INFORMATION

administrative expenses and research and development expenses, amounted to RMB150.5 million, RMB149.8 million, and RMB171.7 million, respectively, accounted for 62.2%, 22.5%, and 20.1%, respectively, of our revenue for the corresponding years.

Going forward, our operating expenses may continue to vary with changes in staff headcounts, compensation levels, and business activity requirements. Our ability to perform disciplined control over selling, administrative, and research and development expenses, while strategically optimizing adequate investment in high-potential growth products, will directly affect our operating results and profitability.

Supply Chain Management

Our supply chain management capabilities are critical to our business operations and financial performance. We rely on third-party suppliers for wafer foundry, packaging and testing services, and maintaining strong long-term partnerships with key suppliers is essential to securing stable manufacturing capacity and mitigating supply chain risks. During the periods of high industry demand, such relationships enable us to obtain prioritized capacity and ensure timely deliveries through accurate forecasting and effective communication of wafer demand. During the Track Record Period, we have maintained close collaboration with supply chain partners, which allows us to optimize production processes, shorten time cycle and improve time-to-market. In addition, by optimizing procurement lead times for critical materials and services, we have reduced inventory holding costs while maintaining production flexibility. Through disciplined supply chain management, we are managed to balance cost efficiency and operational resilience, which enables us to enhance product quality while optimizing our cost structure. This allows us to deliver high-performance, cost-effective products to our customers, thereby ensuring our ability to meet customer demand and capture growth opportunities in the competitive semiconductor market.

BASIS OF PREPARATION AND PRESENTATION

The Historical Financial Information has been prepared based on the accounting policies set out in Note 4 which conform with IFRS Accounting Standards issued by the IASB. No audited statutory financial statements of the Company have been prepared since its date of incorporation as it is incorporated in the jurisdictions where there are no statutory audit requirements of the Company. For the purpose of preparing and presenting our historical financial information for the Track Record Period, we have consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2025 throughout the Track Record Period.

MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The following paragraphs discuss, among others, our critical accounting policies, estimates and judgements applied in preparing our financial information:

Revenue

Revenue represents the amounts received and receivable from the sale of goods and provision of software development service, net of sales related taxes, during the Track Record Period.

Performance Obligations for Contracts with Customers and Revenue Recognition Policies

Sales of Sensor and Driver Products under Intelligent Sensing, Machine Vision and Imaging Technology

We sell the sensor and driver products under intelligent sensing, machine vision and imaging technology to the distributors and direct customers.

We recognise revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods underlying the particular performance obligation is transferred to the customer.

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Revenue from sales of goods to distributors and direct customers is recognised at a point in time when the goods are delivered to the specified location designated by or accepted by the distributors and direct customers since only by that time we pass control of the goods to the distributors and direct customers. Transportation and handling activities that occur before distributors and direct customers obtain control are considered as fulfilment activities. The credit term granted to distributors and direct customers is 0-90 days.

Under our standard contract terms, distributors and direct customers have a right to return/replace for products with quality issues within typically 12 or 24 months warranty period. Sales-related warranties associated with sensor and driver products cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, we accounts for warranties in accordance with IAS37.

Provision of Software Development Services

We provide software development services to the customers. The provision of solutions on software development services includes a comprehensive set of activities in the contract, such as project design, implementation, installation, trial launch and/or acceptance, which are highly interdependent and highly interrelated as a single performance obligation. As we do not meet the IFRS15.35, the performance obligation is satisfied at a point in time.

The transaction price received by us is recognised as a contract liability for provision of software development services in which revenue has yet been recognised.

Contracts with Multiple Performance Obligations (Including Allocation of Transaction Price)

For contracts that contain more than one performance obligations, we allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which we would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, we estimate it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which we expect to be entitled in exchange for transferring the promised goods or services to the customer.

Significant Accounting Judgments and Estimates

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Deferred Tax Assets

The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place. As of December 31, 2023, 2024 and 2025, we recognized deferred tax asset of nil, RMB40.7 million and RMB41.2 million, respectively.

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Allowance for Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non incremental costs which we must incur to make the sale.

We estimates the net realisable value of inventories and reviews the condition of its inventories at the end of each reporting period and makes provisions against the inventory items, which the estimated cost is below than net realisable values and obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use based on sales forecasts. Such sales forecasts are prepared based on agreements or orders on hand and estimated sales in the foreseeable future based on historical experiences with its customers and current market conditions of the semiconductor industry. We estimates the net realisable value for the inventories based primarily on the latest invoice prices and current market conditions. The estimation is reassessed at the end of each reporting period. The provision against the inventories requires the use of judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such difference will impact the carrying value of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed.

DESCRIPTION OF SELECTED ITEMS FROM CONSOLIDATED STATEMENTS OF PROFIT AND LOSS

The table below sets forth our selected consolidated statements of profit or loss for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue	242,048	666,580	854,704
Cost of sales.	(185,022)	(510,353)	(646,678)
Gross profit.	57,026	156,227	208,026
Other income	15,522	4,173	23,876
Other gains and losses.	9,593	2,280	1,314
Loss on fair value change of financial liabilities at fair value through profit or loss (“FVTPL”)	(41,290)	(40,468)	(16,498)
Impairment losses under expected credit loss (“ECL”) model, net of reversal	(336)	(2,633)	2,671
Selling and distribution expenses	(40,587)	(48,000)	(49,188)
General and administrative expenses	(28,445)	(24,672)	(32,082)
Research and development expenses.	(81,451)	(77,103)	(90,389)
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Finance costs	(162)	(747)	(1,261)
(Loss)/profit before tax	(110,130)	(30,943)	26,110
Income tax credit	–	40,677	380
(Loss)/profit for the year	(110,130)	9,734	26,490

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NON-IFRS MEASURE

To supplement our consolidated statements of profit or loss and other comprehensive income presented in accordance with IFRS, we also use adjusted net (loss)/profit (non-IFRS measure), as an additional financial measure, which is not required by, or presented in accordance with IFRSs. We believe that the presentation of such non-IFRS measure when shown in conjunction with the corresponding IFRS measures provides useful information to [REDACTED] and management in facilitating a comparison of our operating performance from period to period and company to company by eliminating potential impacts of certain items.

However, the use of non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS financial measure may be defined differently from similar terms used by other companies.

We define adjusted net (loss)/profit (non-IFRS measure), as (loss)/profit for the year adding back (i) share-based payment expenses related to our Pre-[REDACTED] share incentive plan, which are non-cash in nature, (ii) [REDACTED] expense are expense related to the [REDACTED], and (iii) loss on fair value change of financial liabilities at FVTPL relating to certain special rights granted to our Pre-[REDACTED] Investors, which is non-operating in nature and was reclassified to equity in 2025. The financial liabilities at FVTPL increased from RMB1,012.8 million as of December 31, 2023 to RMB1,053.3 million as of December 31, 2024, primarily attributable to the fair value change of such financial liabilities. The financial liabilities at FVTPL decreased to nil as of December 31, 2025, primarily attributable to the termination of certain special rights of our Pre-[REDACTED] Investors on July 31, 2025, resulting in a transfer of RMB1,579.4 million to other reserve. See Note 23 to the Accountants’ Report in Appendix I to this document for details.

The following table reconciles our adjusted net (loss)/profit (non-IFRS measure) for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss)/profit for the year	(110,130)	9,734	26,490
Add:			
Share-based payments expenses	43,384	20,870	8,031
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Loss on fair value change of financial liabilities at FVTPL	41,290	40,468	16,498
Adjusted net (loss)/ profit (non-IFRS measure)	(25,456)	71,072	71,378

Revenue

Revenue by Business Lines

During the Track Record Period, we primarily generated revenue from (i) the sales of sensor and driver products categorized by intelligent sensing products, machine vision products and imaging technology products; and (ii) others primarily comprise revenue from sales of our proprietary software. For details, see “— Business — Our Product Offerings.”

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The following table sets forth a breakdown of our revenue by business lines for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue
Intelligent sensing products	236,487	97.7	573,557	86.0	708,004	82.9
– Optical sensing	93,074	38.5	299,548	44.9	270,860	31.7
– Smart audio	143,374	59.2	244,631	36.7	382,675	44.8
– Haptics	39	—*	29,378	4.4	54,469	6.4
Machine vision products	751	0.3	46,434	7.0	70,724	8.3
Imaging technology products	11	—*	46,501	7.0	71,192	8.3
Others⁽¹⁾	4,799	2.0	88	—*	4,784	0.5
Total	242,048	100.0	666,580	100.0	854,704	100.0

* Less than 0.1%

(1) Others primarily comprise revenue from sales of our proprietary software, which is designed to enhance the performance of IC products.

Intelligent Sensing Products

We derive our revenue primarily from our intelligent sensing products, which comprise optical sensing, smart audio and haptics. In 2023, 2024 and 2025, we generated revenue of RMB236.5 million, RMB573.6 million, and RMB708.0 million, respectively, from our intelligent sensing products, which accounted for 97.7%, 86.0% and 82.9%, respectively, of our total revenue for each of the corresponding period.

We have witnessed a significant increase in revenue generated from our intelligent sensing products during the Track Record Period. The upward trend was mainly attributable to the continued increment in delivering our smart audio amplifier ICs and the wider adoption of our optical sensing products in smartphones and other smart devices.

Machine Vision Products

During the Track Record Period, we offer a wide range of machine vision products that equip smart devices with spatial awareness and visual understanding, thereby empowering smart devices with high-precision 3D modeling, material composition analysis, and dynamic environment understanding. In 2023, 2024 and 2025, the revenue from our machine vision products amounted to RMB0.8 million, RMB46.4 million, and RMB70.7 million, respectively, accounting for 0.3%, 7.0%, and 8.3% of our total revenue for each of the corresponding period.

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Imaging Technology Products

Our imaging technology products cover both foundational correction and advance imaging to optimize the full imaging chain from photo capture to image output, with the functionality to safeguard vivid and adaptive visuals. In 2023, 2024 and 2025, we derived revenue from our imaging technology products of RMB11.0 thousand, RMB46.5 million and RMB71.2 million, respectively, accounting for nil, 7.0% and 8.3%, respectively, of our total revenue for each of the corresponding period.

Other Business

During the Track Record Period, we also sell proprietary software to our customers. In 2023, 2024 and 2025, we derived revenue from other business of RMB4.8 million, RMB88.0 thousand and RMB4.8 million, respectively, accounting for 2.0%, nil and 0.5%, respectively, of our total revenue for the same periods. Given our primary focus is placed on our intelligent sensing products, machine vision products and imaging technology products, we only recorded insignificant proportion of revenue in connection with our other business in the Track Record Period.

Sales volume and ASP by Business Lines

In 2023, 2024 and 2025, we sold 211.8 million, 648.5 million and 827.9 million pieces of products, respectively. The table below sets forth our sales volume and average selling price (“ASP”) of our business lines for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP
	Pieces ('000)	RMB per piece	Pieces ('000)	RMB per piece	Pieces ('000)	RMB per piece
Intelligent sensing products . .	211,744	1.1	613,418	0.9	775,686	0.9
– Optical sensing	62,181	1.5	283,159	1.1	319,302	0.8
– Smart audio	149,536	1.0	309,522	0.8	413,235	0.9
– Haptics	27	1.5	20,737	1.4	43,149	1.3
Machine vision products	6	120.5	2,357	19.7	3,682	19.2
Imaging technology products .	6	1.8	32,757	1.4	48,579	1.5
Others⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A
Total	211,756		648,532		827,947	

Note:

- (1) Others primarily comprise revenue from sales of our proprietary software, which is designed to enhance the performance of integrated circuit.

During the Track Record Period, our revenue growth was primarily driven by significant volume expansion across our product portfolio, which took place against the backdrop of an ongoing domestic substitution trend. Domestic substitution is a trend in which customers in China increasingly procure products from domestic suppliers in place of overseas suppliers, driven by factors including cost advantages, geographic proximity, rapid local service responsiveness and the increasing demand among customers for diversified procurement channels. Specifically, Our customers used to source chips from leading global suppliers, particularly those based in the United

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States, Austria and other regions. Our success in capturing domestic substitution opportunities is primarily attributable to our strategic layout, anchored by our Wuhan headquarters and supported by our regional sales subsidiaries in Shanghai, Shenzhen, and Beijing. This geographical proximity allows us to provide rapid local service response, precision customer engagement, and responsive technical support. Furthermore, our products have a cost advantage over imported products as they are exempt from import tariffs and involve lower logistics expenses, allowing us to provide more competitive pricing to our domestic clients. For further details, see “Industry Overview — Overview of the Global Intelligent Sensing IC Market”.

To further accelerate market penetration and customer acquisition, we selectively adopted a competitive pricing strategy for certain established product lines, such as optical sensing products and smart audio products, both of which operate in highly competitive market segments. Notwithstanding we offer competitive pricing on existing products, our next-generation products are not subject to these reductions as their pricing is based on upgraded performance. For further details, see “Business — Pricing Strategy”. Such strategy is generally consistent with prevailing industry trends, where market participants offer competitive pricing to capture market share. According to CIC, the industry generally faces downward pricing pressure, and some manufacturers have adopted price reduction measures to attract customers. On the one hand, as our production scale increases and unit costs decline, we are able to pass on cost savings to our customers. This allows us to maintain stable profit margins while driving sales volume growth, thereby enhancing our overall revenue. On the other hand, the rapid technological iteration inherent in our industry makes price erosion inevitable, and it is standard industry practice to implement price adjustments for existing products. The aforementioned competitive pricing strategy is differentiated from our periodic price adjustments for key customers. For further details, see “Business — Pricing Strategy”.

While our competitive pricing strategy for optical sensing and smart audio products resulted in lower ASPs for these product lines, we are of the view that the downward pricing pressure experienced by certain established products is a proactive and rational business decision and consistent with the prevailing industry norm.

To mitigate the impact of downward pricing pressure, we have adopted the following proactive measures:

- (i) Product iteration: we continuously develop and launch next-generation products with enhanced functions for which we may charge higher prices, thereby creating a natural offset to price erosion on mature products. For instance, the ASP of our smart audio products increased from RMB0.8 in 2024 to RMB0.9 in 2025 primarily attributable to the optimized product mix toward next-generation products with higher ASPs compared to our then existing mature products. For instance, for optical sensing products, we rolled out a next-generation model in the fourth quarter of 2024 at an ASP of RMB3.6 per piece, representing a price premium over the RMB3.1 per piece of the preceding generation.
- (ii) Optimization of product mix towards higher-margin product lines: we have actively expanded the revenue contribution from higher-margin product lines, including haptics, machine vision and imaging technology products, which collectively accounted for increasing percentage of total revenue increasing from 0.3% in 2023 to 18.4% in 2024, and further to 23.0% in 2025; and
- (iii) Selective pricing strategy: the competitive pricing strategy was applied selectively to optical sensing and smart audio products to drive volume growth, and was not adopted across our full product portfolio. Our haptics, machine vision and imaging technology products are not subject to such competitive pricing reductions as the relevant markets are less competitive as compared with those for optical sensing and smart audio products.

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In addition to the above pricing control measures, we have implemented the following cost and expenses control initiatives:

- (i) Supply chain optimization: we leveraged our increasing procurement volume to negotiate more favorable pricing terms with our foundries, packaging and testing service providers, contributing to lower unit procurement costs. Furthermore, we actively diversified our supplier network to include more cost-advantageous partners and enhanced collaboration with existing suppliers; and
- (ii) Operating expenses efficiency enhancement: our total operating expenses as a percentage of revenue, which consisted primarily of selling and distribution expenses, general and administrative expenses and research and development expenses, decreased from 62.2% in 2023 to 22.5% in 2024 and further to 20.1% in 2025, demonstrating enhanced cost efficiency as our revenue base expanded.

We believe this was a proactive business decision to capture market share during a critical growth phase while we continued to benefit from the favorable macro trend of domestic substitution. In addition to leveraging our competitive pricing strategy for customer acquisition and business expansion, our growth was further propelled by our robust inhouse R&D capabilities, the continuous diversification of our product lines and application scenarios, as well as our geographic proximity to key customers. The following discussion analyzes the revenue drivers of each of our three product lines in further detail.

Intelligent Sensing Products – Optical Sensing

Sales volume: The sales volume increased from 62.2 million pieces in 2023 to 283.2 million pieces in 2024, and further to 319.3 million pieces in 2025 primarily attributable to our competitive pricing strategy, alongside the favorable industry trend of domestic substitution. Moreover, as we continuously enriched our product portfolio, our customer base grew from 23 in 2023 to 38 in 2025, further bolstering our overall sales volume.

ASP: The ASP of optical sensing products decreased from RMB1.5 in 2023 to RMB1.1 in 2024, and further to RMB0.8 in 2025. This downward trend was primarily driven by our proactive decision to implement a competitive pricing strategy, as our optical sensing products operate in highly competitive market segments, aiming at boosting product sales and maintaining our market position amid increasing domestic chip adoption. Additionally, the decrease reflected the broader industry development cycle, characterized by rapid product iteration where newly launched chips command a price premium that gradually declines as subsequent generations enter the market. According to CIC, such a pricing pattern is in line with the industry norm. To a lesser extent, the decrease also reflected periodic price adjustments for key customers, which are driven by specific commercial arrangements rather than broader market competition. For further details, see “Business — Pricing Strategy”.

Intelligent sensing products – Smart Audio

Sales volume: Amid the favorable industry trend of domestic substitution, the sales volume of our smart audio products increased from 149.5 million pieces in 2023 to 309.5 million pieces in 2024 primarily because (i) we consistently enhanced product competitiveness for acquiring orders from major clients and solidifying our market leadership; (ii) we actively diversified our product portfolio, which broadened our addressable markets and directly contributed to higher sales volume; (iii) we implemented a competitive pricing strategy, which enabled us to capture market share effectively and maintained a strong competitive position. The sales volume increased from 309.5 million pieces in 2024 to 413.2 million pieces in 2025 primarily attributable to the favorable market recognition of our newly launched products, which resulted in a continuous growth in shipments, coupled with our enhanced product competitiveness.

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ASP: The ASP of smart audio products decreased from RMB1.0 in 2023 to RMB0.8 in 2024, which was primarily due to (i) a competitive pricing strategy we implemented, as smart audio products, similar to optical sensing products, operate in a highly competitive market; and (ii) price erosion in line the industry development cycle. Our ASP of smart audio products slightly increased from RMB0.8 in 2024 to RMB0.9 in 2025 primarily driven by ongoing product iteration, as we progressively transitioned our product mix toward next-generation product which command higher ASP compared to our existing products.

Intelligent sensing products – Haptics

Sales volume: The sales volume of our haptics products increased from 27 thousand pieces in 2023 to 20.7 million pieces in 2024 primarily because our haptics products progressed from the trial production stage, primarily manufacturing and selling demos in 2023, to mass production and commercial sales in 2024. The sales volume increased from 20.7 million pieces in 2024 to 43.1 million pieces in 2025 primarily attributable to the successful ramp-up of large-scale production since the second half of 2024, coupled with rising demand from both new and existing customers. Furthermore, the expansion was bolstered by the broadening of product application scenarios, which significantly drove our overall sales volume.

ASP: The ASP of haptics products decreased from RMB1.5 in 2023 to RMB1.4 in 2024, and further to RMB1.3 in 2025, which was primarily due to the price erosion in line with industry development cycle.

Machine Vision Products

Sales volume: The sales volume increased from 6.2 thousand pieces in 2023 to 2.4 million pieces in 2024 primarily because our machine vision products progressed from the trial production stage in 2023 to mass production and commercial sales in 2024. The sales volume increased from 2.4 million pieces in 2024 to 3.7 million pieces in 2025 primarily driven by the rapid expansion of our machine vision product, characterized by successful new customer acquisition and increased demand from our existing client base. Furthermore, the continuous roll-out of new-generation product further accelerated our sales volume.

ASP: The ASP of machine vision products was RMB120.5 in 2023. The sales during such period consisted solely of demos with negligible volume, therefore the achieved ASP should not be considered commercially indicative. The ASP of machine vision products was RMB19.7 in 2024, which reflected a reasonable price upon commercialization. The ASP decreased from RMB19.7 in 2024 to RMB19.2 in 2025 primarily due to periodic price adjustments under specific commercial arrangements with a major customer to maintain long-term strategic partnership. This adjustment was customer-specific and did not reflect a competitive pricing strategy applied to the overall product line.

Imaging Technology Products

Sales volume: The sales volume of our imaging technology products increased from 6.0 thousand pieces in 2023 to 32.8 million pieces in 2024 primarily as a result of mass production and commercial sales in 2024. The sales volume increased from 32.8 million pieces in 2024 to 48.6 million pieces in 2025 primarily due to robust market adoption by clients and our role as a leader within the industry, which spurred sustained order growth across our new and existing customers.

ASP: The ASP of imaging technology products was RMB1.8 in 2023. The sales during this year consisted solely of demos with negligible volume, therefore the achieved ASP should not be considered commercially indicative. The ASP of imaging technology products slightly increased from RMB1.4 in 2024 to RMB1.5 in 2025, reflecting a favorable shift in our product portfolio as higher-ASP products accounted for an increased proportion of our total shipments.

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Revenue by Geographic Region

The following table sets forth a breakdown of the revenue by geographic region of our customers for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	<i>% of revenue</i>	<i>RMB'000</i>	<i>% of revenue</i>	<i>RMB'000</i>	<i>% of revenue</i>
China	141,902	58.6	428,194	64.2	632,309	74.0
Hong Kong	100,146	41.4	238,386	35.8	222,395	26.0
Total	<u>242,048</u>	<u>100.0</u>	<u>666,580</u>	<u>100.0</u>	<u>854,704</u>	<u>100.0</u>

Revenue generated from our customers located in China amounted to RMB141.9 million, RMB428.2 million and RMB632.3 million in 2023, 2024 and 2025, accounting for 58.6%, 64.2% 74.0%, respectively, of our revenue for the relevant periods. The increasing proportion of our revenue derived from China was primarily driven by the increasing number of customers we collaborated in China as of December 31, 2023, 2024 and 2025, along with the increasing sales volume and expansion of our business with them.

Revenue by Channel

The following table sets forth a breakdown of the revenue by channel of our customers for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	<i>% of revenue</i>	<i>RMB'000</i>	<i>% of revenue</i>	<i>RMB'000</i>	<i>% of revenue</i>
Direct sales	60,777	25.1	199,955	30.0	281,564	32.9
Distribution	181,271	74.9	466,625	70.0	573,140	67.1
Total	<u>242,048</u>	<u>100.0</u>	<u>666,580</u>	<u>100.0</u>	<u>854,704</u>	<u>100.0</u>

Revenue generated from our direct sales channels amounted to RMB60.8 million, RMB200.0 million and RMB281.6 million in 2023, 2024 and 2025, accounting for 25.1%, 30.0% and 32.9%, respectively, of our revenue for the same periods. The increase in the proportion of direct sales revenue was primarily attributable to our continuous effort to maintain stable relationship with direct sales customers, as well as the strategic shift requested by several of downstream customers, who were also seeking for gradual transition from distribution models to direct sales models among their domestic suppliers which can provide direct and customized service with more competitive prices. In alignment with such initiative, we gradually adopted the direct sales model. For details of our sales through direct sales channel and distribution, see “Business — Sales and Marketing — Our Sales Channels.”

Revenue generated from our distribution channels amounted to RMB181.3 million, RMB466.6 million and RMB573.1 million in 2023, 2024 and 2025, accounting for 74.9%, 70.0% and 67.1%, respectively, of our revenue for the corresponding periods.

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Cost of Sales

Cost of Sales by Nature

The following table sets forth a breakdown of our cost of sales by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>
Material costs	118,807	64.3	284,205	55.7	363,634	56.3
Processing fees ⁽¹⁾	43,875	23.7	195,021	38.2	244,693	37.8
Impairment loss of inventories	18,919	10.2	22,781	4.5	21,654	3.3
Other costs	3,421	1.8	8,346	1.6	16,697	2.6
Total	<u>185,022</u>	<u>100.0</u>	<u>510,353</u>	<u>100.0</u>	<u>646,678</u>	<u>100.0</u>

Note:

(1) Processing fees primarily consist of costs related to packaging, testing, and coating services.

During the Track Record Period, our cost of sales consisted primarily of (i) material costs, (ii) processing fees, (iii) impairment loss of inventories and (iv) other costs. Our cost of sales amounted to RMB185.0 million, RMB510.4 million and RMB646.7 million in 2023, 2024 and 2025, respectively, representing 76.4%, 76.6% and 75.7% of our revenue for the corresponding periods.

Material costs, our largest cost component, mainly representing our procurement of silicon wafers manufactured by foundries, accounted for 64.3%, 55.7% and 56.3% of our total cost of sales in 2023, 2024 and 2025. Our material costs increased significantly from RMB118.8 million in 2023 to RMB284.2 million in 2024, and further increased to RMB363.6 million in 2025. The growth in our material costs was primarily driven by the increased purchase orders of our intelligent sensing products, machine vision products and imaging technology products in the corresponding periods.

Cost of Sales by Business Lines

The following table sets forth a breakdown of the cost of sales by business lines for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>
Intelligent sensing						
products	178,939	96.7	441,690	86.6	557,349	86.3
– Optical sensing	62,789	33.9	221,618	43.4	206,696	32.0
– Smart audio	115,105	62.2	202,916	39.8	319,572	49.5
– Haptics	1,045	0.6	17,156	3.4	31,081	4.8
Machine vision						
products	1,616	0.9	40,881	8.0	52,633	8.1

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	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>
Imaging technology products	3,770	2.0	27,773	5.4	35,867	5.5
Others	697	0.4	9	—*	829	0.1
Total	185,022	100.0	510,353	100.0	646,678	100.0

* Less than 0.1

During the Track Record Period, we primarily generate revenue from three business lines, spanning intelligent sensing products, machine vision products and imaging technology products. See “Business — Our Product Offerings” for more details.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our overall profitability varies as a result of the mix of products across business lines and their considerable differences in profit contribution and gross margin level. In 2023, 2024 and 2025, our gross profit was RMB57.0 million, RMB156.2 million and RMB208.0 million, respectively.

Our gross profit margin represents our gross profit as a percentage of our revenue. In 2023, 2024 and 2025, our gross profit margin was 23.6%, 23.4% and 24.3%.

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

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit/ (loss)	Gross Profit/ (loss) Margin	Gross Profit/ (loss)	Gross Profit/ (loss) Margin	Gross Profit/ (loss)	Gross Profit/ (loss) Margin
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Intelligent sensing products . .	57,548	24.3	131,867	23.0	150,655	21.3
– <i>Optical sensing</i>	30,285	32.5	77,930	26.0	64,164	23.7
– <i>Smart audio</i>	28,269	19.7	41,715	17.1	63,103	16.5
– <i>Haptics</i>	(1,006)	(2,579.5)	12,222	41.6	23,388	42.9
Machine vision products	(865)	(115.2)	5,553	12.0	18,091	25.6
Imaging technology products	(3,759)	(34,172.7)	18,728	40.3	35,325	49.6
Others	4,102	85.5	79	89.8	3,955	82.7
Total	57,026	23.6	156,227	23.4	208,026	24.3

Overall, our gross profit increased generally in line with our revenue growth during the Track Record Period, and the fluctuations in gross margin primarily reflected the change in our product mix. Despite these fluctuations, our overall gross margin varied between 23.4% to 24.3%,

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demonstrating both the scalability of our intelligent sensing products and the high value contribution of imaging technology products. The combination of strong volume drivers in established categories and the successful commercialization of higher-margin new products highlights the strength of our business model and competitive positioning.

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

	2023		2024		2025	
	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
Distribution	52,726	29.1	122,539	26.3	154,865	27.0
Direct sales	23,219	38.2	56,469	28.2	74,815	26.6
Write-down of inventories	(18,919)	N/A	(22,781)	N/A	(21,654)	N/A
Total	<u>57,026</u>	<u>23.6</u>	<u>156,227</u>	<u>23.4</u>	<u>208,026</u>	<u>24.3</u>

Our gross profit margin of the direct sales decreased from 38.2% in 2023 to 28.2% in 2024, and further to 26.6% in 2025. The relative higher gross margin in 2023 for direct sales was mainly driven by (i) a high proportion of specific smart audio products with higher gross margins within the total sales to direct customers, and (ii) a non-recurring revenue from sales of our proprietary software which carried higher margins. While the decrease in our direct sales gross margin in 2024 and 2025 was primarily attributable to our efforts to maintain long term relationships with our key direct customers, given their high procurement volumes and significant bargaining power. These key customers are subject to periodic price adjustments under individual commercial arrangements, a practice that aligns with industry norms. Separately, the gross profit margin for direct sales was slightly lower than that of distribution channels in 2025, primarily because (i) certain distributor customers with higher gross margin contributed more revenue in 2025; and (ii) we acquired new downstream customers who also seek for cooperation with suppliers like us which are able to provide direct and customized service with more competitive prices as compared to that offered through distributors.

Other Income

During the Track Record Period, our other income primarily consists of (i) government grants, representing unconditional government grants received from the PRC authorities to support our operating activities; (ii) Value-added tax (VAT) additional deduction, also known as the VAT Super-deduction, related to a preferential tax policy in China that allows eligible taxpayers to reduce their tax payable by an additional percentage based on their creditable input VAT; and (iii) interest income, primarily representing the income on our term deposits and bank balances.

The following table sets forth a breakdown of our other income for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants	14,902	3,320	9,981
Value-added tax additional deduction . . .	—	—	12,494
Interest income	557	560	1,150
Others	63	293	251
Total	<u>15,522</u>	<u>4,173</u>	<u>23,876</u>

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Government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government financial incentives rewarding our support and contribution for the development of local economies. These government grants are one-off in nature and are unconditional.

Other Gains and Losses

During the Track Record Period, our other gains and losses consist primarily of (i) the fair value gains on our financial assets at FVTPL mainly representing the investment income generated from unlisted financial products; (ii) gains on disposal of property and equipment and early termination of lease; (iii) net foreign exchange gains and losses driven by the fluctuations in exchange rates of difference currencies; (iv) provision for litigation arising from ongoing intellectual property legal proceedings; and (v) others.

The following table sets forth a breakdown of our other gains and losses by nature for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net gain on fair value changes of financial assets measured at FVTPL . . .	8,584	1,576	4,177
Net gain/(losses) on disposal of property and equipment and early termination of lease	4	120	(28)
Net foreign exchange gain (losses).	1,014	606	1,411
Provision for litigation	—	—	(4,201)
Others	(9)	(22)	(45)
Total	<u>9,593</u>	<u>2,280</u>	<u>1,314</u>

Our net gain on fair value changes of financial assets measured at FVTPL mainly represents the net gain on fair value changes of wealth management product with low interest rate and low risk. The fluctuations of fair value changes during the Track Record Period were primarily in line with the average balance of our wealth management product driven by the our cash management plan.

In 2025, we recognized a provision for litigation of RMB4.2 million, representing the estimated compensation in connection with an ongoing intellectual property dispute. For details, see Business — Legal Proceedings and Compliance — Legal Proceeding C to this document.

Loss on fair value change of financial liabilities at FVTPL

Loss on fair value change of financial liabilities at FVTPL mainly represents the preferential right, historically conferred to our minority shareholders. In 2023, 2024 and 2025, our loss on fair value change of financial liabilities at FVTPL amounted to RMB41.3 million, RMB40.5 million and RMB16.5 million. The significant decrease from RMB40.5 million in 2024 to RMB16.5 million in 2025 was primarily attributable to the termination of the financial liabilities on July 31, 2025 pursuant to the shareholders’ agreements. For details, see Note 23 of the Accountants’ Report set out in Appendix I to this document.

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Impairment Losses under ECL Model

During the Track Record Period, our impairment losses on financial assets mainly stem from the allowance of ECLs on trade receivables in the ordinary court of business. We recorded impairment losses under ECL model, net of reversal, of RMB0.3 million, RMB2.6 million and a reversal of RMB2.7 million in 2023, 2024 and 2025, respectively, mainly reflecting the fluctuations in balance of our trade receivables as well as the ECL rates, and the individual assessment on impairment by the management. For details, see “— Discussion of Key Balance Sheet Items — Trade Receivables, Prepayments and Other Receivables.”

Selling and Distribution Expenses

During the Track Record Period, our selling and distribution expenses consisted mainly of (i) staff costs and benefits, representing salaries and wages, retirement benefits and staff welfare of our sales and marketing staff; (ii) share-based payment expenses; (iii) business development expenses; and (iv) other expenses.

The following table sets forth a breakdown of selling and distribution expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Staff cost	21,164	52.1	27,746	57.8	35,476	72.2
Share-based payment expenses. .	12,530	30.9	8,468	17.6	2,573	5.2
Business development expenses .	6,198	15.3	7,274	15.2	7,880	16.0
Other expenses	695	1.7	4,512	9.4	3,259	6.6
Total	40,587	100.0	48,000	100.0	49,188	100.0

In 2023, 2024 and 2025, our selling and distribution expenses accounted for 16.8%, 7.2% and 5.8% of our revenue in the same periods, respectively.

General and Administrative Expenses

During the Track Record Period, our general and administrative expenses consisted primarily of (i) staff costs, representing salaries and wages, retirement benefits and staff welfare of our management and supporting staff; (ii) share-based payment expenses; (iii) depreciation and amortisation; (iv) consulting fee; (v) management fee and utilities expenses; and (vi) other expenses.

The following table sets forth a breakdown of general and administrative expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	% of total	RMB'000	% of total	RMB'000	% of total
Staff costs	8,328	29.3	10,250	41.5	13,108	40.9
Share-based payment expenses. .	10,141	35.7	2,883	11.7	1,397	4.4
Depreciation and amortisation . .	3,398	11.9	4,297	17.4	5,907	18.4
Consulting fee	3,019	10.6	2,467	10.0	5,842	18.2

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	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>
Management fee and utilities expenses	2,430	8.5	2,992	12.1	3,922	12.2
Others	1,129	4.0	1,783	7.3	1,906	5.9
Total	<u>28,445</u>	<u>100.0</u>	<u>24,672</u>	<u>100.0</u>	<u>32,082</u>	<u>100.0</u>

In 2023, 2024 and 2025, our general and administrative expenses accounted for 11.8%, 3.7% and 3.8% of our revenue, respectively.

Research and Development Expenses

During the Track Record Period, our research and development expenses consisted mainly of (i) staff costs, representing the salaries, bonus and welfare paid for our R&D staff; (ii) share-based payment expenses; (iii) depreciation and amortisation; (iv) material consumed, representing our expenses incurred for wafer tape-out and testing; and (vi) other expenses.

The following table sets forth a breakdown of research and development expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>
Staff cost	40,506	49.7	45,751	59.3	50,510	56.0
Material Consumed	17,853	21.9	20,022	26.0	33,568	37.1
Share-based payment expenses . .	20,466	25.1	9,154	11.9	3,739	4.1
Depreciation and amortisation . .	1,390	1.7	1,040	1.3	848	0.9
Other expenses	1,236	1.6	1,136	1.5	1,724	1.9
Total	<u>81,451</u>	<u>100.0</u>	<u>77,103</u>	<u>100.0</u>	<u>90,389</u>	<u>100.0</u>

In 2023, 2024 and 2025, our research and development expenses accounted for 33.7%, 11.6% and 10.6% of our revenue, respectively.

Finance Costs

During the Track Record Period, our finance costs consisted mainly of interest on bank borrowings and lease liabilities. The following table sets forth a breakdown of our finance costs for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank borrowings	20	475	1,006
Interest on lease liabilities	142	272	255
Total	<u>162</u>	<u>747</u>	<u>1,261</u>

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Income Tax Expense

Our income tax expense primarily consists of income tax payable by us at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction in which we operate or are domiciled. In China, our taxable income is generally subject to a statutory income tax rate of 25%, except for our Company and certain PRC subsidiaries that enjoy preferential tax rates. The Hong Kong Profits Tax of our qualifying entity is calculated at 8.25% on the first HK\$2.0 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2.0 million.

(Loss)/Profit for the Year

Our loss for the year of RMB110.1 million in 2023 were primarily due to (i) recognition of equity-settled share-based payments expenses of RMB43.4 million, and (ii) loss on fair value change of financial liabilities at FVTPL of RMB41.3 million. We recorded profit of RMB9.7 million and RMB26.5 million in 2024 and 2025, respectively, primarily attributable to the decrease of in equity share-based payment expenses and the decrease in the loss on fair value change of financial liabilities at FVTPL, partially offset by the increase in the [REDACTED] expenses related to our [REDACTED] in 2025. Concurrently, our revenue increased from RMB242.0 million in 2023 to RMB666.6 million in 2024 and further increased to RMB854.7 million in 2025, which in turn supported our overall profitability.

YEAR-ON-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 28.2% from RMB666.6 million in 2024 to RMB854.7 million in 2025, mainly driven by an increase in revenue contributed by our intelligent sensing products as a result of the sustained customer demand and an extended product portfolio.

Intelligent Sensing Products — Optical Sensing: Our revenue generated from sales of optical sensing products decreased from RMB299.5 million in 2024 to RMB270.9 million in 2025, primarily because our ASP of optical sensing products decreased from RMB1.1 to RMB0.8 driven by the competitive pricing strategy and price erosion in line with the industry norm, alongside the periodic price adjustments for key customers which offset the increase in our sales volume.

Intelligent Sensing Products — Smart Audio: Our revenue generated from sales of smart audio products increased from RMB244.6 million in 2024 to RMB382.7 million in 2025 primarily as a result of the increased sales volume and increased ASP of our smart audio products. Such sales volume increases were driven by our enhanced product competitiveness and diversified product portfolio, underpinned by the continuous roll-out of next-generation products.

Intelligent Sensing Products — Haptics: Our revenue generated from sales of haptics products increased from RMB29.4 million in 2024 to RMB54.5 million in 2025, in line with the growth in sales volume from 20.7 million pieces to 43.1 million pieces, primarily attributable to the successful ramp-up of large-scale production since the second half of 2024, coupled with rising demand from both new and existing customers, and the broadened product application scenarios.

Machine Vision Products: The revenue increased from RMB46.4 million in 2024 to RMB70.7 million in 2025 primarily driven by successful new customer acquisition, increased demand from our existing client base and the launch of our new-generation product.

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Imaging Technology Products: The revenue increased from RMB46.5 million in 2024 to RMB71.2 million in 2025, in line with the growth in sales volume from 32.8 million pieces to 48.6 million pieces, primarily attributable to the heightened demand from both our newly acquired and existing clients, as we had driven industry trends following the robust market adoption by clients in 2025.

Other business: Revenue from our other business increased from RMB88 thousand in 2024 to RMB4.8 million in 2025.

Cost of Sales

Our cost of sales increased by 26.7% from RMB510.4 million in 2024 to RMB646.7 million in 2025, primarily as a result of the increased procurement volume of raw materials in line with the revenue growth of intelligent sensing products, machine vision products and imaging technology products.

Intelligent sensing products: Our costs of sales for intelligent sensing products increased to RMB557.3 million in 2025, primarily due to the continued demand for our smart audio amplifier ICs, optical sensing products and haptics products.

Machine vision products: Our costs of sales for machine vision products further increased to RMB52.6 million in 2025, reflecting larger sales volume.

Imaging technology products: Our cost of sales for imaging technology products increased to RMB35.9 million in 2025, mainly due to the increase in sales volume of our imaging technology products in parallel with our business expansion.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased from RMB156.2 million in 2024 to RMB208.0 million in 2025. Our gross profit margin increased slightly from 23.4% to 24.3%, primarily due to (i) the increase in gross profit margin for our machine vision products and imaging technology products, and (ii) the increase in portion of revenue generated by these two kind of products in 2025.

Intelligent Sensing Products — Optical Sensing: The gross profit of optical sensing products decreased from RMB77.9 million in 2024 to RMB64.2 million in 2025, primarily because our ASP of optical sensing products decreased from RMB1.1 to RMB0.8 driven by the competitive pricing strategy and price erosion in line with the industry norm, alongside the periodic price adjustments for key customers. And the gross profit margin decreased from 26.0% in 2024 to 23.7% in 2025 primarily reflecting the downward adjustment in the ASP of our optical sensing products, as discussed above.

Intelligent Sensing Products — Smart Audio: The gross profit of smart audio products increased from RMB41.7 million in 2024 to RMB63.1 million in 2025, primarily due to the increase of sales volume as a result of our enhanced product competitiveness and diversified product portfolio, underpinned by the continuous roll-out of next-generation products. While the gross profit margin decreased from 17.1% in 2024 to 16.5% in 2025 primarily due to an increase in write-down of inventories for smart audio products, reflecting the decline in the net realizable value of the certain legacy smart audio products.

Intelligent Sensing Products — Haptics: The gross profit of haptics products increased from RMB12.2 million in 2024 to RMB23.4 million in 2025, primarily because our revenue derived from these product increased significantly driven by the rising demand from customers and broadened product application scenarios. The gross profit margin slightly increased from 41.6% in 2024 to 42.9% in 2025, primarily due to the reduction in unit costs as we secured more favorable pricing

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terms from our manufacturing partners upon achieving mass production scale. However, our ability to sustain a robust gross margin above 40% despite this industry-wide trend is attributable to the economic moat we have established. As one of the only two major suppliers in the domestic market capable of mass production for these products, we benefit from a favorable position with pricing resilience, allowing us to maintain a premium pricing level relative to the broader market.

Machine Vision Products: The gross profit of machine vision products increased from RMB5.6 million in 2024 to RMB18.1 million in 2025, primarily driven by the increasing sales volume as our machine vision product entered into a rapid scaling phase, characterized by accelerated market penetration and robust demand growth. While the gross profit margin increased from 12.0% in 2024 to 25.6% in 2025, primarily attributable to supply chain optimization, specifically, (i) the active diversification of our supplier network to include more cost-advantageous partners to reduce procurement costs; and (ii) enhanced collaboration with suppliers to maintain stable relationship to better manage the quality and cost control, such as product yield rates, improvement and on-time delivery, thereby further lowering our unit costs.

Imaging Technology Products: The gross profit of imaging technology products increased from RMB18.7 million in 2024 to RMB35.3 million in 2025, primarily attributable to the increasing sales volume driven by the robust market adoption by clients, and the increasing ASP resulting from an optimized product mix characterized by an increased sales contribution from products with higher ASP. The gross profit margin increased from 40.3% in 2024 to 49.6% in 2025 primarily driven by supply chain optimization which lowered our overall production costs, coupled with a favorable shift in our product mix characterized by an increased sales contribution from products with higher gross margin.

Other Income

Our other income increased significantly from RMB4.2 million in 2024 to RMB23.9 million in 2025, primarily due to (i) an increase of RMB12.5 million in the additional deduction of value-added tax, consistent with our substantial revenue expansion during the year, and (ii) the increase in government grants in connection with our research and development.

Other Gains and Losses

Our other gains decreased by 42.4% from RMB2.3 million in 2024 to RMB1.3 million in 2025, primarily driven by provision for litigation of RMB4.2 million reflecting the estimated compensation in connection with an ongoing intellectual property dispute as aforementioned, (For details, see Business — Legal Proceedings and Compliance — Legal Proceeding C to this document.) partially offset by an increase of RMB2.6 million in the fair value of financial assets at FVTPL.

Selling and Distribution Expenses

Our selling and distribution expenses remained relatively stable from RMB48.0 million in 2024 to RMB49.2 million in 2025.

General and Administrative Expenses

Our general and administrative expenses increased from RMB24.7 million in 2024 to RMB32.1 million in 2025 primarily attributable to (i) the increase of RMB2.9 million in staff costs driven by the expansion of our management team to support our continuous business growth, and (ii) the increase of RMB3.4 million in consulting fee, primarily consisting legal costs arising from intellectual property-related legal proceedings, as well as advisory fees incurred in connection with our financing activities.

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Research and Development Expenses

Our research and development expenses increased by 17.2% from RMB77.1 million in 2024 to RMB90.4 million in 2025, primarily attributable to (i) the increase of RMB4.8 million in staff costs as a result of increased investment in R&D talent driven by our business expansion, and (ii) the increase of RMB13.5 million in material consumed driven by the expansion of R&D activities, particularly for the development of new products, partially offset by a decrease of RMB5.4 million in share based payment expenses, reflecting the fact that several equity grants were fully amortized before 2025.

Impairment Losses under ECL Model

We recorded a reversal of impairment losses of RMB2.7 million in 2025, as compared to impairment losses of RMB2.6 million recognized under the ECL model in 2024, primarily due to a significant decrease in allowance for impairment of trade receivables in line with the decrease of balance of trade receivables and ECL rate.

Finance Costs

Our finance costs increased significantly from RMB0.7 million in 2024 to RMB1.3 million in 2025, primarily driven by increase of RMB0.5 million in interest on borrowings.

Income Tax Credit/(Expense)

We recorded income tax credit of RMB40.7 million in 2024, primarily due to the first time recognition of deferred tax assets arising from the deductible temporary differences of the Company that is probable to be utilised with sufficient taxable profits of the Company in the foreseeable future. We recorded income tax credit of RMB0.4 million in 2025, primarily because we enjoyed a super deduction of 100% on qualified research and development expenditures in 2025 pursuant to the relevant laws and regulations in PRC.

Profit for the Year

As a result of (i) continuous revenue growth resulting from an expansion in sales volume, which was underpinned by enhanced market adoption of our products, and (ii) the substantial decrease in loss on fair value change of financial liabilities at FVTPL from RMB40.5 million in 2024 to RMB16.5 million in 2025, our profit for the year increased from RMB9.7 million in 2024 to RMB26.5 million in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 2023

Revenue

Our revenue increased significantly by 175.4% from RMB242.0 million in 2023 to RMB666.6 million in 2024, primarily due to the increases in revenue across all of our major business segments, including intelligent sensing products, machine vision products, and imaging technology products, demonstrating both the scale-up of our established categories and the commercialization of new product lines.

Intelligent Sensing Products — Optical Sensing: Our revenue generated from sales of optical sensing products increased significantly from RMB93.1 million in 2023 to RMB299.5 million in 2024, primarily driven by a substantial increase in sales volume, attributable to the competitive pricing strategy and a rising industry trend of domestic substitution of chips. We successfully capitalized on this trend by leveraging our cost competitiveness and responsive service capabilities to secure orders from domestic clients due to geographic proximity.

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Intelligent Sensing Products — Smart Audio: Our revenue generated from sales of smart audio products increased significantly from RMB143.4 million in 2023 to RMB244.6 million in 2024 primarily as a result of increasing sales volume of our smart audio products driven by our enhanced product competitiveness, diversified product portfolio and competitive pricing strategy.

Intelligent Sensing Products — Haptics: Our revenue generated from sales of haptics products increased significantly from RMB39.0 thousand in 2023 to RMB29.4 million in 2024, primarily because our haptics products progressed from the trial production stage in 2023 to mass production and commercial sales in 2024.

Machine Vision Products: Our revenue generated from sales of machine vision products increased to from RMB0.8 million in 2023 to RMB46.4 million in 2024 primarily because our machine vision products progressed to mass production and commercial sales in 2024.

Imaging Technology Products: Our revenue generated from sales of imaging technology products increased significantly from RMB11.0 thousand in 2023 to RMB46.5 million in 2024, primarily due to massive production and commercial sales in 2024.

Other business: Revenue from our other business decreased from RMB4.8 million in 2023 to RMB88.0 thousand in 2024, mainly attributable to settlement of our project-based contracts in 2024.

Cost of Sales

Our cost of sales increased by 175.8% from RMB185.0 million in 2023 to RMB510.4 million in 2024, primarily driven by the growth in our cost of sales in intelligent sensing products and machine visions products in line with the expansion of our business lines.

Intelligent sensing products: Our cost of sales for intelligent sensing products increased to RMB441.7 million in 2024 compared with RMB178.9 million in 2023, reflecting the growth in sales volume in both smart audio amplifier ICs and optical sensing products.

Machine vision products: Our cost of sales for machine vision products grew significantly from RMB1.6 million in 2023 to RMB40.9 million in 2024, attributable to the increased delivery of 3D iToF image sensors in the corresponding periods.

Imaging technology products: Our cost of sales for imaging technology products increased from RMB3.8 million in 2023 to RMB27.8 million in 2024, primarily due to the increased sales volume of our imaging technology products.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit rose significantly from RMB57.0 million in 2023 to RMB156.2 million in 2024, driven by revenue expansion across all three major product categories. Our gross profit margin remained relatively stable at 23.4% in 2024, compared with 23.6% in 2023.

Intelligent Sensing Products — Optical Sensing: The gross profit of optical sensing products increased from RMB30.3 million in 2023 to RMB77.9 million in 2024, primarily due to the increase of sales volume as a result of domestic substitution of chips. While the gross profit margin decreased from 32.5% in 2023 to 26.0% in 2024 primarily because our ASP of optical sensing products decreased from RMB1.5 to RMB1.1 due to the competitive pricing strategy, price erosion in line with the industry norm and periodic price adjustments for key customers..

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Intelligent Sensing Products — Smart Audio: The gross profit of smart audio products increased from RMB28.3 million in 2023 to RMB41.7 million in 2024, primarily due to the increase of sales volume as a result of our enhanced product competitiveness, diversified product portfolio and the competitive pricing strategy which was effectively demonstrated for that period. While the gross profit margin decreased from 19.7% in 2023 to 17.1% in 2024 primarily because our ASP of smart audio products decreased from RMB1.0 to RMB0.8 due to the competitive pricing strategy and price erosion in line the industry norm.

Intelligent Sensing Products — Haptics: The gross loss of haptics products was RMB1.0 million with a gross loss margin of 2,579.5% in 2023 primarily because revenue was limited to demo sales during the trial production stage, with costs significantly outpacing revenue, leading to a gross loss in 2023. As the transition to mass production and commercial sales in 2024, coupled with cost reductions driven by economies of scale, we generated a gross profit of RMB12.2 million and a gross profit margin of 41.6% in 2024.

Machine Vision Products: We turned from a gross loss of RMB0.9 million in 2023 to gross profit of RMB5.6 million in 2024 because our machine vision products progressed from the trial production stage in 2023 to mass production and commercial sales in 2024. Following our successful transition to mass production and commercial sales in the second half of 2024, the gross profit margin for this product stabilized at approximately 12.0%. We consider this level to be representative of the normalized profitability profile for this product, reflecting our strategy to facilitate rapid market penetration and foster long-term, stable collaborations with strategic customers in this newly commercialized segment.

Imaging Technology Products: The gross loss of imaging technology products was RMB3.8 million with a gross loss margin of 34,172.7% in 2023 primarily because we recognized a write-down of inventories of RMB3.8 million for imaging technology products driven by product iteration, as we launched new products as substitutions for the existing products. As the transition to mass production and commercial sales, coupled with cost reductions driven by economies of scale, we generated a gross profit of RMB18.7 million and a gross profit margin of 40.3% in 2024.

Other Income

Our other income decreased by 73.1% from RMB15.5 million in 2023 to RMB4.2 million in 2024, primarily due to a decrease of RMB11.6 million in government grants.

Other Gains and Losses

Our other gains and losses decreased significantly by 76.2% from RMB9.6 million in 2023 to RMB2.3 million in 2024, primarily due to a decline of RMB7.0 million in fair value gains of financial assets at FVTPL as a result of our reduced purchase in wealth management products in 2024. We recorded foreign exchange gains of RMB0.6 million in 2024, as compared to RMB1.0 million in 2023, mainly due to the fluctuations of foreign currencies.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 18.3% from RMB40.6 million in 2023 to RMB48.0 million in 2024, primarily attributable to (i) an increase of RMB6.6 million in staff costs (excluding share-based payments); and (ii) an increase of RMB1.1 million in business development expenses.

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General and Administrative Expenses

Our general and administrative expenses decreased by 13.3% from RMB28.4 million in 2023 to RMB24.7 million in 2024, primarily due to the decrease in share-based payment in 2024 partly offset by the increase in our staff costs (excluding share-based payment expenses) in line with the growth of our business.

Research and Development Expenses

Our research and development expenses decreased by 5.3% from RMB81.5 million in 2023 to RMB77.1 million in 2024, mainly due to a decrease of RMB11.3 million in share-based payment expenses recognized in 2024, partially offset by the increase of RMB5.2 million in staff cost in 2024 driven by the expansion of our business.

Impairment Losses under ECL Model

Our impairment losses under ECL model, net of reversal, increased significantly from RMB0.3 million in 2023 to RMB2.6 million in 2024, primarily due to the significant increase in our trade receivables and other receivables, in the corresponding periods in parallel with our business expansion.

Finance Costs

Our finance costs increased from RMB0.2 million in 2023 to RMB0.7 million in 2024, primarily attributable to higher interest expenses arising from the amount of new bank loan raise.

Income Tax Credit

We recorded nil and RMB40.7 million in income tax credit in 2023 and 2024, primarily due to the recognition of deductible temporary difference and tax losses in 2024.

(Loss)/Profit for the Year

As a result of (i) revenue growth driven by the transition of our new products from trial production to large-scale mass production, and (ii) deferred tax assets (“DTA”) generated from accumulated losses related to prior years, we achieved a turnaround from a net loss of RMB110.1 million in 2023 to a net profit of RMB9.7 million in 2024.

DISCUSSION OF SELECTED ITEMS FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current assets				
Inventories	113,317	283,920	206,265	228,554
Trade receivables, prepayments and other receivables	185,947	313,542	154,009	175,297
Financial assets at FVTPL	—	—	—	540,000
Cash and cash equivalents	186,582	33,899	717,257	107,612
Total current assets	485,846	631,361	1,077,531	1,051,463

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	As of December 31,			As of
	2023	2024	2025	February 28,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000 (unaudited)
Current liabilities				
Trade and other payables	61,877	124,548	89,469	72,134
Contract liabilities	3,005	3,047	3,480	3,824
Borrowing	–	70,000	–	–
Tax payable	64	71	26	25
Financial liabilities at FVTPL	1,012,806	1,053,274	–	–
Lease liabilities	849	2,222	3,147	3,088
Total current liabilities	1,078,601	1,253,162	96,122	79,071
Net current				
(liabilities)/assets	(592,755)	(621,801)	981,409	972,392

Our net current liabilities increased from RMB592.8 million as of December 31, 2023 to RMB621.8 million as of December 31, 2024, primary due to (i) an increase of RMB70.0 million in borrowings from nil; (ii) an increase of RMB62.7 million in trade and other payables from RMB61.9 million in parallel with our business expansion; and (iii) a decrease of RMB152.7 million in cash and cash equivalents primarily as a result of our utilization of cash in connection with our operating activities, partially offset by an increase of RMB170.6 million in inventories.

Our financial position improved to net current assets of RMB981.4 million as of December 31, 2025, compared to net current liabilities of RMB621.8 million as of December 31, 2024, primarily due to (i) a decrease of RMB1,053.3 million in financial liabilities at FVTPL as a result of the derecognition of this account pursuant to the shareholders’ agreements as aforementioned reason; (ii) a decrease of RMB70.0 million in borrowings since we fully repaid all outstanding borrowings in 2025; and (iii) an increase of RMB683.4 million in cash and cash equivalents as a result of capital contributions from shareholders and net cash generated from operating activities, driven by the improved operational performance.

Our net current assets slightly decreased from RMB981.4 million as of December 31, 2025 to RMB972.4 million as of February 28, 2026, primarily due to a decrease of RMB609.6 million in cash and cash equivalents as we allocated idle funds to purchase wealth management products and settled year-end bonuses, partial offset by (i) an increase of RMB540.0 million in financial assets at FVTPL driven by investments in wealth management products with idle funds, (ii) an increase of RMB22.3 million in inventories as our shipment volume slightly decreased due to the Chinese New Year holiday in February 2026, (iii) an increase of RMB21.3 million in trade receivables, prepayments and other receivable as we granted credit terms of 30 days to certain customers who previously settled on a cash basis, and (iv) a decrease of RMB17.3 million in trade and other payable as we settled the full-year bonuses accrued as of December 31, 2025.

We had net liabilities of RMB548.6 million and RMB518.6 million as of December 31, 2023 and 2024 and net assets of RMB1,095.8 million as of December 31, 2025, which were resulted from the net movement of the profit/(loss) and total comprehensive (expense)/income for the year, equity-settled share-based transactions, preferential rights cancelled and termination of Company’s obligations arising from preferential rights granted to the investors.

Our net liabilities decreased from RMB548.6 million as of December 31, 2023 to RMB518.6 million as of December 31, 2024 due to the recognition of net profit of RMB9.7 million in 2024, and equity-settled share-based transactions amounting to RMB20.9 million.

Our net liabilities of RMB518.6 million as of December 31, 2024 turned into net assets of RMB1,095.8 million as of December 31, 2025 due to termination of the Company’s obligations arising from preferential rights granted to the investors amounting to RMB1,579.4 million, the recognition of net profit of RMB26.5 million in 2025 and equity-settled share-based transactions amounting to RMB8.0 million.

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Property, Plant and Equipment

Our property, plant and equipment consist mainly of (i) machinery and equipment, (ii) electronic devices, (iii) motor vehicles and (iv) leasehold improvements. The following table sets forth the net carrying amount of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Machinery and equipment	28,271	46,481	43,190
Electronic devices	5,388	4,684	7,293
Motor vehicles	11	221	380
Leasehold improvements	633	503	2,275
Total	<u>34,303</u>	<u>51,889</u>	<u>53,138</u>

Our property, plant and equipment increased from RMB34.3 million as of December 31, 2023 to RMB51.9 million as of December 31, 2024, and further increased to RMB53.1 million as of December 31, 2025, primarily due to (i) the increased needs of machinery and equipment and electronic devices to cater to our testing demands in light of our sustained business growth and (ii) an increase of RMB1.8 million in leasehold improvements as a result of the renovation and enhancement of our office premises in 2025.

Right-of-use Assets

Our right-of-use assets represent our long-term leased properties and spaces in connection with our operations. Right-of-use assets increased from RMB2.2 million as of December 31, 2023 to RMB5.5 million as of December 31, 2024, and further increased to RMB9.6 million, primarily due to an addition to leased properties of meet the growing needs of our operations.

Intangible Assets

Our intangible assets mainly include our ERP system and Electronic Design Automation (EDA) software. Our intangible assets decreased from RMB0.4 million as of December 31, 2023 to RMB0.2 million as of December 31, 2024 primarily due to the amortization of ERP system. Our intangible assets increased from RMB0.2 million as of December 31, 2024 to RMB9.0 million as of December 31, 2025, primarily attributable to the procurement of EDA software to enhance our R&D capabilities and streamline our integrated circuit design processes.

Equity Instrument at FVTOCI

Our equity instrument at FVTOCI represent our equity investment in a private entity. The following table sets forth the fair value of our equity instrument as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Unlisted equity investment	<u>6,441</u>	<u>5,999</u>	<u>6,129</u>

Our unlisted equity investment remain relatively stable at RMB6.4 million, RMB6.0 million and RMB6.1 million as of December 31, 2023, 2024 and 2025, respectively. Our equity instrument at FVTOCI decreased slightly from RMB6.4 million as of December 31, 2023 to RMB6.0 million as of December 31, 2024, mainly as a result of the decline in fair value of the equity investments in the private entity in the corresponding periods. For details, see Note 17 of the Accountants' Report in Appendix I to this document.

FINANCIAL INFORMATION

Trade Receivables, Prepayment and Other Receivables

Our trade and receivables, prepayment and other receivables comprise mainly of (i) trade receivables, represent receivables from our customers in connection with our products; (ii) prepayment to suppliers; (iii) prepayment for the utilities and others; (iv) value-added tax recoverable; (v) rental deposits; (vi) other receivables from the independent customs brokers; (vii) other receivables from Share Incentive Platform; and (viii) others. The following table sets forth the trade and receivables, prepayment and other receivables, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables (i)	47,311	159,738	88,707
Less: loss allowance for trade receivables	(847)	(2,820)	(852)
	<u>46,464</u>	<u>156,918</u>	<u>87,855</u>
Prepayment to suppliers	70,812	33,266	32,587
Prepayment for the utilities and others	468	394	837
Prepaid income tax	—	2,123	—
Value-added tax recoverable	10,568	17,140	145
Rental deposits	520	631	867
Others receivables from Share Incentive Platform (ii)	31,226	31,226	—
Other receivables – deferred issue costs (iv)	—	—	8,871
Amounts due from a related party	—	—	858
Others	1,849	1,874	1,829
Other receivables from the independent customs brokers (iii)	26,670	73,497	22,843
Less: loss allowance for other receivables	(362)	(1,047)	(312)
Total prepayment and other receivables	<u>141,751</u>	<u>159,104</u>	<u>68,525</u>
	<u>188,215</u>	<u>316,022</u>	<u>156,380</u>

Notes:

- (i) As at January 1, 2023, our trade receivables from contracts with customers amounted to RMB22,805,000 and RMB27,139,000 (net of loss allowance of RMB490,000 and RMB367,000), respectively.
- (ii) The amount represents the outstanding receivables from Share Incentive Platform related to respective shareholdings paid-in capital. Such amounts were settled in July 2025.
- (iii) We entered into various sales and purchase agreements with independent customs brokers, pursuant to which the independent customs brokers would provide export custom services to us.
- (iv) Deferred issue costs represent the qualifying portion of issue costs incurred up to December 31, 2025, which will be debited to equity as share issue costs in respect of the issue of new shares upon the [REDACTED] of the H shares on The Main Board of the Stock Exchange of Hong Kong Limited (the “[REDACTED]”).

Our trade receivables, prepayment and other receivables increased by 67.9% from December 31, 2023 to December 31, 2024, mainly as a result of an increase of RMB110.5 million in trade receivables. The increases in our trade receivables, prepayment and other receivables were generally in line with our revenue growth in the corresponding periods. Our other receivables from the independent customs brokers amounted to RMB26.7 million and RMB73.5 million as of December 31, 2023 and 2024. The changes mainly reflect the growth in our revenue in the respective period. Our trade receivables, prepayment and other receivables decreased by RMB159.6 million from December 31, 2024 to December 31, 2025, primarily attributable to (i) the decrease of RMB71.0 million in trade receivables and a decrease of RMB50.7 million in other receivables from the independent customs brokers as a result of our intensified and effective collection efforts in 2025, coupled with an optimized aging profile of our customer base, characterized by a higher proportion of clients with shorter credit terms, (ii) a decrease of RMB31.2 million in other receivables from share incentive platform due to the settlement of such amounts in July 2025; and (iii) a decrease of RMB 17.0 million in value-added tax recoverable as we generate sufficient output value-added tax arising from our revenue to offset the value-added tax recoverable recognized in prior years.

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The following table sets forth an aging analysis of our trade receivables, prepayment and other receivables, at the end of each year of the Track Record Period:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	46,464	156,918	87,855

We typically set forth the trading terms with our customers in the relevant sales contracts. During the Track Record Period, we believe that we have implemented effective credit management system and policies. We normally provide our customers with a credit term of 0 to 90 days subject to the creditworthiness of the relevant customers according to our customer credit management system. We seek to maintain strict control over our outstanding receivables and have a designated credit control department to minimize the credit risk.

The following table sets forth the number of our trade receivables turnover days for the periods indicated:

	As of December 31,		
	2023	2024	2025
Trade receivables turnover days	52.5	55.9	52.3

Note: Trade receivables turnover days for each year equals the average of the beginning and ending balances of trade receivables for that year divided by revenue for that year and multiplied by 360 days for 2023, 2024 and 2025.

The turnover days of our trade receivables remained relatively stable at 52.5 days in 2023 and 55.9 days in 2024. The turnover days of our trade receivables decreased from 55.9 days to 52.3 days primarily attributable to enhanced collection efficiency and an optimized customer mix featuring a higher proportion of clients with shorter credit terms.

We determine the ECL based on the historical credit loss experience to reflect current conditions and estimates of future economic conditions. As of the December 31, 2023, 2024 and 2025, we recorded loss allowance for trade receivables of RMB0.8 million, RMB2.8 million, and RMB0.9 million, respectively.

We keep monitoring the collection of long-term and/or overdue receivables. In addition, we have taken further actions in line with our management measures to improve the collection of trade receivables and the turnover days, such as strengthening the communication with customers.

We do not anticipate to have any material recoverability issue with outstanding trade receivables given (i) we regularly and closely assess our customers' credit quality and our trade receivables are mainly owed by selected group of customers with good credit profiles and no history of material defaults on their payment obligations in the past; (ii) we have not experienced any material recoverability issues for our trade receivables throughout the Track Record Period; and (iii) we also closely monitor the recoverability status of trade receivables, and enhance our collection efforts, including but not limited to sending demand letters, as appropriate.

As of February 28, 2026, RMB49.0 million or 55.2% of our trade receivables as of December 31, 2025 had been subsequently settled.

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Inventories

Our inventories consist primarily of (i) raw materials; (ii) work in progress; and (iii) finished goods. The following table sets forth the inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	26,993	24,902	38,480
Work in progress	72,563	152,218	95,242
Finished goods	12,965	106,004	68,336
Contract cost	796	796	4,207
Total	113,317	283,920	206,265

Inventories increased from RMB113.3 million as of December 31, 2023 to RMB283.9 million as of December 31, 2024, primarily due to the increases in work in progress and finished goods, mainly as a result of (i) increased sales volume and purchase orders placed by our customers and (ii) our exerted efforts in diversifying our product offerings. Inventories decreased to RMB206.3 million as of December 31, 2025, primarily due to the fulfillment of our customers’ orders in the respective year.

The following table sets forth the aging analysis of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within six months			
Intelligent sensing products	91,024	199,832	104,394
Machine vision products	14,347	47,609	14,314
Imaging technology products	14,706	33,219	19,438
Others*	2,206	2,069	4,316
Subtotal	122,283	282,729	142,462
Over six months but within one year			
Intelligent sensing products	10,272	28,661	51,234
Machine vision products	851	2,433	8,721
Imaging technology products	474	6,148	2,631
Others*	97	411	1,242
Subtotal	11,694	37,653	63,828
Over one year			
Intelligent sensing products	5,483	2,707	32,437
Machine vision products	—	2,070	5,881
Imaging technology products	—	2,320	3,944
Others*	—	874	1,722
Subtotal	5,483	7,971	43,984
Total	139,460	328,353	250,274

* Others comprise primarily low-value consumables that are utilized across our diverse product portfolio.

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As of December 31, 2023, 2024 and 2025, we had inventories aged over six months of RMB17.2 million, RMB45.6 million and RMB107.8 million, respectively. The significant increase in inventories aged over six months during the Track Record Period was primarily attributable to our rapid business expansion, during which we strategically accumulated inventory in the second half of each year for newly launched products, particularly finished goods and work-in-progress (WIP) for intelligent sensing products, to ensure supply stability for rapid sales expansion and new product ramps. Our WIP inventory mainly consists of consigned materials that are under manufacturing by our third-party providers but yet to complete the full production cycle. As these providers schedule processing based on our manufacturing instructions and their capacity availability, and given that the fabless production process involves several stages encompassing fabrication, coating, chip probing, packaging, and final testing, certain consigned materials may have an aging profile exceeding six months.

We performed prudent assessments of our inventory and recognized write-down of inventories where certain items were deemed obsolete or their net realizable value fell below their carrying value. As of December 31, 2023, 2024 and 2025, the balance of our impairment provisions for inventories amounted to RMB26.9 million, RMB45.2 million and RMB48.2 million, respectively, the majority of which were attributable to inventory provisions for our intelligent sensing products. Going forward, we intend to continually strengthen our inventory management to mitigate potential obsolescence risks.

The following table sets forth a breakdown of our impairment provision of inventories by product category as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Intelligent sensing products	21,782	37,014	44,405
Machine vision products	3,709	3,266	1,988
Imaging technology products	1,448	4,940	1,814
Others	—	9	9
Subtotal.	<u>26,939</u>	<u>45,229</u>	<u>48,216</u>

The following table sets forth the number of our inventory turnover days for the periods indicated:

	As of December 31,		
	2023	2024	2025
Inventory turnover days.	140.9	140.1	136.4

Note: Inventory turnover days for each year/period equals the average of the beginning and ending balances of inventory for that year/period divided by cost of sales for that year/period and multiplied by 360 days for 2023, 2024 and 2025.

As of February 28, 2026, RMB80.2 million, or 31.5% of our inventories as of December 31, 2025 had been subsequently utilized or sold.

Our inventory turnover days remained relatively stable as of December 31, 2023 and 2024. Our inventory turnover days decreased to 136.4 days as of December 31, 2025, mainly as a result of strong market demand for our product and the rapid sales of our newly launched products, which led to more efficient inventory management and a faster turn over rate.

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Measures to strengthening our inventory management and mitigate impairment risk of our inventories

In order to better manage our inventory level and mitigate further write-down on our inventories, we plan to implement the following measures:

- (1) We will prioritize to utilize our existing inventories as much as we can to reduce our holding of long-aged inventories. Our procurement team would hold regular meetings monthly with our sales team to obtain information regarding confirmed sales orders placed by our downstream customers. Our procurement team will go through our existing inventories monthly with a view to prioritize utilization of our existing inventories, and only make new purchases if the existing inventories could not fulfil our customers’ requirements;
- (2) During the Track Record Period, in light of the strong demand of our products, we had placed our orders based on the forecast sales to ensure that we have sufficient raw materials for production monthly. Going forward, our procurement team plans to place orders with our suppliers when the sales orders are confirmed by our customers, and at a prevailing market price of raw materials at the time of placing orders with our suppliers on an as-needed basis. We will communicate with suppliers continuously to ensure that they have sufficient inventories to meet our requirements monthly; and
- (3) Our procurement team and sales team will share current market information of raw materials and our products on the cross-team meetings to enable us to take any actions to the changing market conditions monthly.

We believe the above inventory management measures provide agility to us in navigating the inherently cyclical semiconductor industry and to minimize future substantial inventory write-down.

Cash and Cash Equivalents

Our cash and cash equivalents amounted to RMB186.6 million, RMB33.9 million and RMB717.3 million as of December 31, 2023, 2024 and 2025. See “— Liquidity and Capital Resources — Cash Flows” for details.

Trade and Other Payables

Our trade and other payables comprise mainly of (i) trade payables, representing payments due to suppliers for packaging and testing services; (ii) other payable to the independent customs brokers; (iii) accrued payroll and welfares; (iv) payables for acquisition of property and equipment; (v) deposits received from customers, (vi) other tax payables; and (vii) others payables. We are typically given a credit period ranging from 0 to 30 days by our suppliers. The following table sets forth the trade and other payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade payables	12,688	41,240	40,016
Other payable to the independent customs brokers ⁽¹⁾	21,898	57,961	5,580
Accrued payroll and welfares	14,857	17,543	21,719
Accrued issue costs	—	—	3,588
Accrued [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]

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	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payables for acquisition of property and equipment	9,993	75	225
Deposits received from customers	—	5,683	—
Other tax payables	306	379	3,216
Other payables	2,135	1,667	6,074
	<u>49,189</u>	<u>83,308</u>	<u>49,453</u>
	<u>61,877</u>	<u>124,548</u>	<u>89,469</u>

Note:

- (1) During the Track Record Period, we have engaged third-party customs brokers to facilitate the execution of our sales to overseas customers. See “Business — Procurement and Supply — Use of Customs Brokers” for details.

Our trade and other payables increased from RMB61.9 million as of December 31, 2023 to RMB124.5 million as of December 31, 2024, primarily due to an increase in trade payables as a result of our growing procurement from suppliers in the corresponding periods. Our other payable to the independent customs brokers amounted to RMB21.9 million and RMB58.0 million as of December 31, 2023 and 2024. The increases primarily reflect our revenue growth in the same periods. Our trade and other payables decreased from RMB124.5 million to RMB89.5 million from December 31, 2024 to December 31, 2025, primarily due to (i) a decrease of RMB52.4 million in other payable to the independent customs brokers due to the timely settlement of such obligations upon receiving fund transfers from the customers in Hong Kong, and (ii) the full settlement of RMB5.7 million in deposits received from customers which were offset against transactions in 2025, partially offset by an increase of RMB12.6 million in accrued issue costs and accrued [REDACTED] expenses reflecting the unpaid professional fees in connection with the [REDACTED].

The following table sets forth an aging analysis of our at the end of each year of the Track Record Period:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	12,688	41,240	40,016

The following table sets forth the number of our trade payables turnover days for the years indicated:

	As of December 31,		
	2023	2024	2025
Trade payables turnover days.	13.4	19.0	22.6

Note: Trade payables turnover days for each year equals the average of the beginning and ending balances of trade payables for that year divided by cost of sales for that year and multiplied by 360 days for 2023, 2024 and 2025.

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Our trade payables turnover days increased from 13.4 days in 2023 to 19.0 days in 2024 and further increased to 22.6 days in 2025 primarily reflecting our enhanced market standing and strengthened bargaining power with suppliers, which enabled us to transition from prepayments to credit-based settlement terms, resulting in a higher average trade payables balance and a corresponding increase in turnover days.

As of February 28, 2026, RMB38.4 million or 95.8% of our trade payables as of December 31, 2025 had been subsequently settled.

Financial Assets at FVTPL

During the Track Record Period, our financial assets at FVTPL consist mainly of wealth management products with reputable banks in the PRC. The financial assets at FVTPL remained at nil as of December 31, 2023, 2024 and 2025, primarily due to the balance of our wealth management products as we utilized the funds for our daily operations. The wealth management products are managed by related banks in the PRC to invest principally in certain financial assets with variable interest rates. As of December 31, 2025, the expected return rate stated in the contracts varies from 1.63% to 3.75% per annum, respectively.

We have implemented a series of internal control policies and protocols in connection with the investment in wealth management products historically to ensure the purpose of the investment is to preserve capital and liquidity until cash is used to fund our primary business and operation. The internal control policies and protocols are set as the following:

- Our Board of Directors reviews and approves the annual cap of our investments in wealth management products;
- Our senior management team is authorized to make investment decisions based on their financial expertise;
- Our financial department are responsible for the analysis and research of investments in wealth management products, as well as the long-term management of such investments;
- Our independent non-executive Directors will also monitor the status of our investments and are competent to report any issues they discovered to our Board; and
- Investments in wealth management products could be made when we have surplus cash that is not required for our short-term working capital purposes and in no event beyond the amount authorized.

To control our risk exposure, we have in the past sought, and may continue in the future to seek for other low-risk financial products with short maturity term. In addition, we primarily invest in financial products offered by reputable commercial banks. Once the investment has been made, we will closely monitor its performance and fair value on a regular basis. We will continue to apply the same approach and keep our risk exposure low while utilizing our temporary unused cash. Our investments in these assets will be subject to compliance with Chapter 14 of the Listing Rules after the [REDACTED].

Financial Liabilities at FVTPL

Our financial liabilities at FVTPL mainly represent fair value of our financial liabilities and changes, which include (i) issuance of the new shares with preferential rights and (ii) the cancellation of preferential rights during the year. For further information regarding the financial liabilities at FVTPL including the redemption features, see Note 24 to the Accountants' Report in Appendix I to this document for details.

The financial liabilities at FVTPL increased from RMB1,012.8 million as of December 31, 2023 to RMB1,053.3 million as of December 31, 2024 due to the fair value change of such financial liabilities. Our financial liabilities FVTPL decreased to nil as certain special rights of our Pre-[REDACTED] Investors were terminated on July 31, 2025.

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LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following table sets forth a summary of our cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash (used in)/from operating activities . . .	(190,146)	(184,838)	270,173
Net cash (used in)/from investing activities . . .	279,088	(35,504)	(17,778)
Net cash from/(used in) financing activities . . .	(1,983)	67,515	430,720
Net increase/(decrease) in cash and cash equivalents	86,959	(152,827)	683,115
Cash and cash equivalents at the beginning of the year/period	99,473	186,582	33,899
Effect of foreign exchange rate changes	150	144	243
Total cash and cash equivalents at end of the year	<u>186,582</u>	<u>33,899</u>	<u>717,257</u>

Operating Activities

In 2025, we had net cash generated from operating activities of RMB270.2 million, primarily consisting of our profit before tax of RMB26.1 million, as adjusted by (i) non-cash and non-operating items, which mainly consisted of share-based payment expenses of RMB8.0 million, allowance for inventories of RMB21.7 million, loss on fair value change of financial liabilities at FVTPL of RMB16.5 million, and depreciation and amortization of RMB7.1 million, partially offset by net foreign exchange gain of RMB1.0 million; and (ii) changes in working capital, which mainly reflected a decrease in inventories of RMB63.5 million, a decrease in trade receivables of RMB71.2 million, and (iii) a decrease in prepayments and other receivables of RMB101.7 million, partially offset by a decrease in trade and other payables of RMB39.4 million.

In 2024, we had net cash used in operating activities of RMB184.8 million, primarily consisting of our loss before tax of RMB30.9 million, as adjusted by (i) non-cash and non-operating items, which mainly consisted of allowance for inventories of RMB22.8 million driven by factors including long-aged, obsolete, and slow-moving inventories, alongside ongoing technological updates and product iteration, share-based payment expenses of RMB20.9 million, loss on fair value change of financial liabilities at FVTPL of RMB40.5 million, and depreciation and amortization of RMB5.6 million, partially offset by net gain on fair value changes of financial assets at FVTPL of RMB1.6 million; and (ii) changes in working capital, which mainly reflected an increase in inventories of RMB187.2 million and an increase in trade receivables RMB113.1 million, partially offset by an increase in trade and other payables of RMB73.2 million.

In 2023, we had net cash used in operating activities of RMB190.1 million, primarily consisting of our loss before tax of RMB110.1 million, as adjusted by (i) non-cash and non-operating items, which mainly consisted of share-based payment expenses of RMB43.4 million, allowance for inventories of RMB18.9 million driven by factors including long-aged, obsolete, and slow-moving inventories, alongside ongoing technological updates and product iteration, loss on fair value change of financial liabilities at FVTPL of RMB41.3 million, and depreciation and amortization of RMB5.0 million, partially offset by net gain on fair value changes of financial assets at FVTPL of RMB8.6 million; and (ii) changes in working capital, which mainly reflected an increase in inventories of RMB100.1 million and an increase in prepayments and other receivables of RMB72.8 million, partially offset by an increase in trade and other payables of RMB14.7 million.

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Investing Activities

In 2025, net cash used in investing activities was RMB17.8 million, primarily attributable to purchase of financial assets at FVTPL of RMB682.0 million, purchase of property and equipment of RMB12.4 million and purchase of intangible assets of RMB10.0 million, partially offset by proceeds on the disposal of financial assets at FVTPL of RMB686.2 million and proceeds on the disposal of property and equipment of RMB0.7 million.

In 2024, net cash used in investing activities was RMB35.5 million, primarily attributable to purchase of property and equipment of RMB37.0 million and purchase of financial assets at FVTPL of RMB452.0 million, partially offset by proceeds on the disposal of financial assets at FVTPL of RMB453.6 million and proceeds on the disposal of property and equipment of RMB0.1 million.

In 2023, net cash generated from investing activities was RMB279.1 million, primarily attributable to proceeds on the disposal of financial assets at FVTPL of RMB1,285.7 million, partially offset by purchase of financial assets at FVTPL of RMB986.0 million, purchase of property and equipment of RMB13.0 million and prepayment for the acquisition of property and equipment of RMB7.2 million.

Financing Activities

In 2025, net cash generated from financing activities was RMB430.7 million, primarily attributable to (i) the capital contribution from new shareholders of RMB509.6 million and (ii) new bank borrowings raised of RMB50.0 million, partially offset by repayment of bank borrowings of RMB120.0 million.

In 2024, net cash generated from financing activities was RMB67.5 million, primarily attributable to the new bank borrowings raised of RMB110.0 million, partially offset by (i) repayment of bank borrowings of RMB40.0 million and (ii) payments of lease liabilities of RMB2.0 million.

In 2023, net cash used in financing activities was RMB2.0 million, primarily attributable to (i) repayment of bank borrowings of RMB8.0 million and (ii) payments of lease liabilities of RMB2.0 million, partially offset by the new bank borrowings raised of RMB8.0 million.

Working Capital Sufficiency

Our Directors are of the opinion that, taking into account the estimated net [REDACTED] from the [REDACTED] and the financial resources available to us, including expected cash generated from operating activities, we have sufficient working capital to cover our costs, including research and development expenses, selling expenses, general and administrative expenses and other operating costs, for the next 12 months from the date of this document.

As of December 31, 2025, we had RMB717.3 million in cash and cash equivalents. As of December 31, 2025, we had committed unutilized banking facilities of RMB100.0 million, and we may seek further banking facilities depending on our financing needs. In addition, we expect to receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, based on the low-end [REDACTED] of HK\$[REDACTED] per Share.

During the Track Record Period, we have implemented stringent cash management measures to regularly review our cash position and optimize allocation to support our operations.

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CAPITAL EXPENDITURE

We regularly incur capital expenditures to expand our operations and enhance our operational efficiency. Our capital expenditures principally comprise expenditures for purchases of property, plant, and equipment as well as intangible assets related to our production and R&D activities. We have funded, and expect to continue to fund, our capital expenditures mainly from cash from operations and from financing activities. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate. In 2023, 2024 and 2025, we recorded capital expenditures of RMB13.3 million, RMB37.0 million, and RMB22.4 million, respectively.

INDEBTEDNESS

During the Track Record Period, our indebtedness consisted mainly of financial liabilities at FVTPL, bank borrowings and lease liabilities. As of December 31, 2025, being the latest practicable date for the purpose of the indebtedness statement, except as disclosed in this document, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities. As of December 31, 2025, the preferential special rights granted to certain Pre-[REDACTED] Investors had been terminated. Our Directors confirm that there has been no material change in our indebtedness position since December 31, 2025 and up to the Latest Practicable Date.

The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	(RMB'000)			(unaudited)
Current				
Lease liabilities	849	2,222	3,147	3,088
Bank borrowings	—	70,000	—	—
Non-current				
Lease Liabilities	1,494	3,649	7,058	6,528
Financial liabilities at FVTPL .	1,012,806	1,053,274	—	—
Total	<u>1,015,149</u>	<u>1,129,145</u>	<u>10,205</u>	<u>9,616</u>

Our borrowings increased from nil as of December 31, 2023 to RMB70.0 million as of December 31, 2024, and decreased to nil as of December 31, 2025. As of December 31, 2025, all of our borrowings had been duly repaid in full. As of December 31, 2025, we had committed unutilized banking facilities of RMB100.0 million. Our lease liabilities amounted to RMB2.3 million, RMB5.9 million and RMB10.2 million as of December 31, 2023, 2024 and 2025, respectively. The fluctuations in our lease liabilities reflect adjustments in our leasing arrangements over time, including termination or renewal of certain leases, addition of new leased properties, or payments in accordance with lease terms.

CONTINGENT LIABILITIES

As of December 31, 2023 and 2024 and 2025, we did not have any material contingent liabilities. As of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

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OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into, nor do we expect to enter into, any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS AND BALANCES

During the Track Record Period, we entered into certain related party transactions from time to time, primarily related to the compensation of our key management personnel. See Note 32 to the Accountants’ Report in Appendix I to this document for more details. Our Directors believe that our transactions with related parties during the Track Record Period were conducted in the ordinary and usual course of business and on an arm’s length basis, and they did not distinct our results of operations or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIOS

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

	Year ended December 31,		
	2023	2024	2025
Gross margin	23.6%	23.4%	24.3%
Net margin	(45.5)%	1.5%	3.1%
Current ratio	0.5	0.5	11.2
Quick ratio	0.3	0.3	9.1

Notes:

- (1) Gross margin is calculated based on gross profit divided by revenue and multiplied by 100%.
- (2) Net margin is calculated based on (loss) profit and total comprehensive (expense) income for the year/period divided by revenue and multiplied by 100%.
- (3) Current ratio is calculated based on total current assets divided by total current liabilities.
- (4) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.

Gross Margin

See “— Period to Period Comparison of Results of Operations” for a discussion of the factors affecting our gross profit margin during the Track Record Period.

Net Margin

Our net loss margin was negative 45.5% in 2023, turning into a net profit margin of 1.5% in 2024. Our net margin increased to 3.1% in 2025. Such increases were primarily due to steady improvement of our overall business operations.

Current Ratio

Our current ratio remained relatively stable at 0.5 as of December 31, 2023 and 2024. Our current ratio increased to 11.2 as of December 31, 2025 primarily attributable to (i) a decrease of RMB1,053.3 million in financial liabilities at FVTPL as a result of the derecognition of this account pursuant to the shareholders’ agreements; (ii) a decrease of RMB70.0 million in borrowings since we fully repaid all outstanding borrowings in 2025; and (iii) an increase of RMB683.4 million in cash and cash equivalents as a result of capital contributions from shareholders and net cash generated from operating activities, driven by the improved operational performance.

FINANCIAL INFORMATION

Quick Ratio

Our quick ratio remained relatively stable at 0.3 as of December 31, 2023 and 2024. Our quick ratio increased to 9.1 as of December 31, 2025 primarily attributable to the aforementioned reasons including derecognition of financial liabilities, repayment on borrowings and improved operational performance.

FINANCIAL RISKS MANAGEMENT

We are exposed to a variety of financial risks, including interest rate risk, credit risk and liquidity risk, as set out below. We regularly monitor our exposure to these risks and as of the Latest Practicable Date, did not hedge or consider necessary to hedge any of these risks.

Interest Rate Risk

We are exposed to fair value interest rate risk in relation to bank borrowings and lease liabilities. We currently do not have formal interest rate hedging policies. Our management monitors our exposures on an on-going basis and will consider hedging interest rate risk should the need arises. We are also exposed to cash flow interest rate risk in relation to cash and cash equivalents. No sensitivity analysis is presented since our management consider the exposure of cash flow interest rate risk arising from cash and cash equivalents is insignificant.

Credit Risk

Credit risk refers to the risk that our counterparties default on their contractual obligations resulting in financial losses to us. Our credit risk exposures are primarily attributable to our trade and other receivables and bank balance.

In order to minimize the credit risk, our management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, we review the recoverable amount of each individual receivables at the end of each reporting period to ensure that adequate impairment losses allowance are made for irrecoverable amounts. In this regard, the our management considers that our credit risk is significantly reduced.

Liquidity Risk

The directors of our Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance our operations and mitigate the effects of fluctuations in cash flows. See Note 30 to the Accountants’ Report set forth in Appendix I of this document for details.

DIVIDEND

No dividend was paid or declared by our Company since its date of incorporation and up to the end of the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy. The determination of whether to pay a dividend and in which amount is based on factors the Board may deem relevant. Any dividend distribution will also be subject to the approval of the Shareholders in a Shareholders’ meeting. Under PRC law and the Articles of Association, the general reserve requires annual appropriations of 10% of after-tax profits at each year-end until the balance reaches 50% of the relevant PRC entity’s registered capital. In view of our accumulated losses, as advised by our PRC Legal Advisors, according to the relevant PRC laws and regulations and the Articles of Association, we shall not declare or pay dividend until the accumulated losses are covered by our after-tax profits and sufficient statutory common reserve are drawn in accordance with the relevant laws and regulations.

FINANCIAL INFORMATION

DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

[REDACTED] EXPENSES

Based on the mid-point of the indicative [REDACTED] of HK\$[REDACTED] per Share, the total estimated [REDACTED] expenses in relation to the [REDACTED] are RMB[REDACTED] million (HK\$[REDACTED] million), assuming the [REDACTED] is not exercised, which constitute approximately [REDACTED]% of the gross [REDACTED]. Our total estimated [REDACTED] expenses consist of (i) [REDACTED] related expenses of RMB[REDACTED] million (HK\$[REDACTED] million), and (ii) non-[REDACTED]-related expenses of RMB[REDACTED] million (HK\$[REDACTED] million), including (a) fees payable to our legal advisors and Reporting Accountants of RMB[REDACTED] million (HK\$[REDACTED] million) and (b) other fees and expenses, including fees payable to other professional parties such as financial printers, industry consultant, background search agent and share registrar, of RMB[REDACTED] million (HK\$[REDACTED] million). During the Track Record Period, we incurred [REDACTED] expenses of RMB[REDACTED] million (HK\$[REDACTED] million), of which RMB[REDACTED] million (HK\$[REDACTED] million) was recognized as expenses in our consolidated statements of profit or loss, and of which RMB[REDACTED] million (HK\$[REDACTED] million) was attributable to the issue of Shares and will be deducted from equity. Subsequent to the Track Record Period, RMB[REDACTED] million (HK\$[REDACTED] million) is expected to be recognized as expenses in our consolidated statements of profit or loss, and RMB[REDACTED] million (HK\$[REDACTED] million) is expected to be accounted for as a deduction from equity upon the [REDACTED]. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] ADJUSTED COMBINED NET TANGIBLE ASSETS

See Appendix II to this document for details.

SUBSEQUENT EVENT

In February 2026, we entered into share purchase agreements with three independent third parties (the “Sellers”), pursuant to which, we would acquire about 20.07% equity interests in a company, which is principally engaged in the R&D and production of micro-electromechanical system oscillators, for a total cash consideration of RMB6,021,000 (the “Equity Transfer”). The Equity Transfer was completed in February 2026. For this acquisition occurring after the Track Record Period, we have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in relation to the preparation of financial statements in respect of the Target Company. See “Waivers from Strict Compliance with the Requirements Under the Listing Rules — Acquisition after the Track Record Period.”

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the Latest Practicable Date there had been no material adverse change in our financial, operational or prospects since December 31, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants’ Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER LISTING RULES

Except as otherwise disclosed in this document, our Directors confirmed that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS AND PROSPECTS

See “Business — Our Strategies” for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED], after deducting the [REDACTED] and other estimated expenses payable by us in connection with the [REDACTED], assuming that the [REDACTED] is not exercised and an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range in this document. We intend to use the net [REDACTED] from the [REDACTED] for the following purpose:

- approximately [REDACTED]% (or HK\$[REDACTED] million) will be used to research and development of key technologies in the fields of intelligent sensing machine vision and imaging to strengthen our leadership position and accelerate commercialization of our pipeline products, including:
 - approximately [REDACTED]% (or HK\$[REDACTED] million) will be used to (i) expand our existing R&D centers in Wuhan and Suzhou in China, and the R&D center in Netherlands, (ii) establish a new R&D center in Shenzhen in China, and (iii) to a lesser extent, recruit a number of engineers in Singapore and South Korea.

Our R&D initiatives primarily include further strengthening our capabilities in the three core areas of intelligent sensing, machine vision, and imaging technology, continuously improve the performance and scenario adaptability on various smart devices, and solidify our technological position. We will systematically improve our product lines to provide one-stop solutions covering a wider range of needs, with a focus on products and continuous launching of new-generation high-performance sensors to integrate technologies to accelerate the commercialization of diversified and high-performance products. We plan to develop new products and technologies to expand our market reach and strengthen our competitive position. We are developing bio-sensor solutions for health monitoring in smartphones and wearables, optical navigation sensors for user interface controls in mobile devices and laptops, and magnetic sensors for camera stabilization in smartphones. These products are expected to meet growing demand for advanced sensing in consumer electronics. We plan to develop imaging co-processors and camera power management ICs to improve photography features in smartphones, drones, and professional cameras, such as night mode and AI-powered image processing. In addition, we will develop technologies that support our core capabilities, including improvements in sensor elements and manufacturing processes, mixed-signal IC design, and intelligent sensing algorithms. These technology improvements are expected to improve product performance, reduce costs, and enable faster product launches across our target applications. For details, see “Business — Our Strategies — Increasing investment in R&D to maintain technological leadership” and “Business — Our Strategies — Continuous development of products, enrichment of our solution portfolio and expansion of our advantages.” Substantial upfront R&D investments is common in the chip industry. Therefore, we expect to make substantial R&D investments in the next few years to realize our growth strategy and business expansion.

We manage our R&D centers in an integrated manner, that is, each R&D center functions as an integral component of one R&D team and may participate in any R&D program with other R&D centers as needed. As a result, we generally tend to establish R&D centers where sufficient suitable talent candidates are accessible. Historically, we have established our Wuhan, Suzhou and Netherlands R&D centers leveraging our local connections and benefiting from local policies encouraging development of chip industry, each serving distinct functions to

FUTURE PLANS AND USE OF [REDACTED]

support our technology development and business growth, and we hence intend to further expand our existing R&D centers taking advantage of our local presence and reputation. Our Wuhan R&D center is our headquarters and main research facility, focusing on core technology development in intelligent sensing, machine vision, and imaging. The center conducts fundamental research in sensor elements, algorithms, and system design. We plan to expand this center to support development of new products including bio-sensors, hyper-spectral sensors, and photon counting imaging sensors, which require specialized facilities and equipment. Our Suzhou R&D center focuses on R&D technical support and specializes in optical R&D. We plan to expand this center to further enhance our optical and system-level R&D capabilities. Our Netherlands R&D center provides access to European talent and research networks. We plan to expand this center to enhance our R&D capabilities and support potential business development in Europe. We plan to establish a new R&D center in Shenzhen leveraging our existing local sales and technical support operations. As one of China’s leading technology hubs, Shenzhen provides access to a concentrated pool of experienced semiconductor and electronics talent, proximity to major smart device manufacturers and suppliers in the Greater Bay Area, and a supportive innovation ecosystem.

In addition to establishing the above R&D centers, we also plan to recruit a number of engineers primarily to support our product engineering team in Singapore to better manage our product quality and manufacturing from global supply chain, and to support our sales team in South Korea, in terms of better understanding the demand and technical specifications requested by local potential customers in BD activities, as well as providing after-sales technical supports more efficiently.

By the end of 2030, we expect to recruit approximately 450 R&D personnel to support our expansion plan, by using the net [REDACTED] from the [REDACTED]. The recruitment of these new personnel will be funded primarily by the net [REDACTED], with any shortfalls to be covered by our own funds. The potential candidates for our R&D centers include (i) analog IC design engineers with extensive experience in semiconductor devices and process flows, (ii) IC design engineers with extensive experience in DSP, (iii) signal and system analysis and digital IC design processes, (iv) algorithm engineers with strong proficiency in programming tools, (v) chip quality engineers with strong experience in quality management in semiconductor design or manufacturing. The average salary for R&D personnel located in the PRC in 2026 is expected to range from approximately RMB250,000 to RMB650,000 per annum, and for those located outside the PRC, approximately US\$60,000 to US\$110,000 per annum, depending on their background and seniority. The average salary levels for subsequent years will be adjusted according to market conditions.

- approximately [REDACTED]% (or HK\$[REDACTED] million) will be used to procure tape-out services, raw materials and non-recurring engineering services. We expect the total number of R&D projects for new products or new iterations of existing products which are expected to enter into tape-out stage between the second half of 2026 and 2030 will be over 180, and we expect to apply the net [REDACTED] from the [REDACTED] to approximately 90 projects. The expected tape-out costs for each of such projects range from a few hundreds of thousands RMB to tens of millions RMB depending on the nature and complexity of products as well as the scale of tape-out.
- approximately [REDACTED]% (or HK\$[REDACTED] million) will be used to upgrade our R&D technology and purchase advanced R&D equipment, including chip reliability testing systems, laboratory testing equipment, computing servers, simulation software and other supporting infrastructure, to further enhance our in-house development capabilities and shorten time-to-market.

FUTURE PLANS AND USE OF [REDACTED]

- approximately [REDACTED]% (or HK\$[REDACTED] million) will be used to expand our global sales and service network, promote our products worldwide and strengthen our relationship with customers, including:
 - establish regional sales and technical support teams in China, Singapore, South Korea and Europe to directly engage with global customers; and
 - invest in international marketing and promotional activities, including joint marketing initiatives with local distributors, participation in leading industry exhibitions and technology forums, and targeted campaigns to strengthen our brand visibility and market penetration.
- approximately [REDACTED]% (or HK\$[REDACTED] million) will be used for strategic investments and/or acquisitions to achieve our long-term growth strategies. In general, we expect to invest as a minority shareholder in several target companies which are small-and-medium enterprises with mature commercialized products and a market valuation not exceeding RMB350 million, to ensure our target companies will prioritize or ensure supply of their products to us for our integrated modules; and we may consider to further acquire controlling stakes in the target companies to expand our product portfolio if that is more cost effective than our in-house development. We intend to explore potential investment and acquisition opportunities in both domestic and international markets. We also seek potential investment and acquisition opportunities on select potential targets based on the following general selection criteria:
 - businesses or technologies that generate synergies with our existing product portfolio, which would enable us to gain access to complementary intellectual property, broaden our product offerings, diversify our customer base and strengthen our long-term growth prospects; and
 - opportunities that support our expansion into emerging markets, allowing us to extend our product portfolio and accelerate our market penetration into these additional industries.

Particularly, we expect potential targets to: (i) be leading market players in their respective fields, which have commercialized products to expand our product portfolio or being important components to complete our solutions; (ii) focus on high-barrier application segments, including consumer electronics, and rank among the top five players in their niche markets; (iii) possess a solid customer base or established distribution networks; (iv) have a stable and competent research and development team; and (v) maintain steady profitability or demonstrate a clear pathway to synergistic profitability following integration. By effectively consolidating industry resources, we aim to strengthen our competitive position and support long-term sustainable value creation.

As of the Latest Practicable Date, we had not identified any specific acquisition target and had not entered into, or participated in, any commercial negotiation, memorandum of understanding or letter of intent with respect to any potential target.

- approximately [REDACTED]% (or HK\$[REDACTED] million) will be used for working capital and general corporate purposes.

The following table demonstrates the timeframe for implementing each of the above expansion plans with a detailed breakdown on the net [REDACTED] allocated to each plan:

	2H2026	2027	2028	2029	2030	Total approximate % of the net [REDACTED]
Research and development of key technologies	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%

FUTURE PLANS AND USE OF [REDACTED]

	2H2026	2027	2028	2029	2030	Total approximate % of the net [REDACTED]
Expand our global sales and service network . . .	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%
Strategic investments and/or acquisitions. . . .	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%
Working capital and general corporate.	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%
Total	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%

The above allocation of the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the indicative [REDACTED] range. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the high end of the indicative [REDACTED] range, the net [REDACTED] from the [REDACTED] will increase by approximately HK\$[REDACTED] million. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the low end of the indicative [REDACTED] range, the net [REDACTED] from the [REDACTED] will decrease by approximately HK\$[REDACTED] million.

If the net [REDACTED] are not immediately applied to the above purposes, we will only deposit those net [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the above proposed use of [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[●] received from the Company’s reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF WUHAN SILICON INTEGRATED CO., LTD., HAITONG INTERNATIONAL CAPITAL LIMITED AND CITIC SECURITIES (HONGKONG) LIMITED

Introduction

We report on the historical financial information of Wuhan Silicon Integrated Co., Ltd.* (武漢聚芯微電子股份有限公司) (previously known as Wuhan Silicon Integrated Co., Ltd.* (武漢市聚芯微電子有限責任公司)) (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages I-4 to I-63, which comprises the consolidated statements of financial position of the Group as at December 31, 2023, 2024 and 2025, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended December 31, 2025 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-4 to I-63 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “Document”) in connection with the [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

* English name is for identification purpose only

APPENDIX I

ACCOUNTANTS’ REPORT

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Group’s and the Company’s financial positions as at December 31, 2023, 2024 and 2025, and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

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ACCOUNTANTS’ REPORT

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 13 to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]

Certified Public Accountants

Hong Kong

[●]

APPENDIX I

ACCOUNTANTS’ REPORT

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (the “IASB”) and were audited by us in accordance with International Standards on Auditing issued by the IAASB (“Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended December 31,		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Revenue	6	242,048	666,580	854,704
Cost of sales		(185,022)	(510,353)	(646,678)
Gross profit		57,026	156,227	208,026
Other income	7	15,522	4,173	23,876
Other gains and losses	8	9,593	2,280	1,314
Loss on fair value change of financial liabilities at fair value through profit or loss (“FVTPL”)	23	(41,290)	(40,468)	(16,498)
Impairment losses under expected credit loss (“ECL”) model, net of reversal		(336)	(2,633)	2,671
Selling and distribution expenses		(40,587)	(48,000)	(49,188)
General and administrative expenses		(28,445)	(24,672)	(32,082)
Research and development expenses	10	(81,451)	(77,103)	(90,389)
[REDACTED] expenses		[REDACTED]	[REDACTED]	[REDACTED]
Finance costs	9	(162)	(747)	(1,261)
(Loss) profit before tax		(110,130)	(30,943)	26,110
Income tax credit	11	–	40,677	380
(Loss) profit for the year		(110,130)	9,734	26,490
Other comprehensive income (expense)				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of foreign operations		14	(222)	415
<i>Item that will not be reclassified to profit or loss</i>				
Fair value (loss) gain on investment in the equity instrument at fair value through other comprehensive income (“FVTOCI”), net of income tax		–	(376)	111
Other comprehensive income (expense) for the year		14	(598)	526
Total comprehensive (expense) income for the year		(110,116)	9,136	27,016
(Loss) earnings per share	14			
– Basic (RMB)		(5.58)	0.49	1.10
– Diluted (RMB)		(5.58)	0.49	1.10

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Notes</i>	As at December 31,		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Non-current assets				
Property and equipment	15	34,303	51,889	53,138
Right-of-use assets	16	2,173	5,494	9,649
Intangible assets		416	199	8,979
Equity instrument at FVTOCI	17	6,441	5,999	6,129
Prepayment and other receivables	20	2,268	2,480	2,371
Deferred tax assets	19	–	40,747	41,160
		<u>45,601</u>	<u>106,808</u>	<u>121,426</u>
Current assets				
Inventories	18	113,317	283,920	206,265
Trade receivables, prepayments and other receivables	20	185,947	313,542	154,009
Cash and cash equivalents	21	186,582	33,899	717,257
		<u>485,846</u>	<u>631,361</u>	<u>1,077,531</u>
Current liabilities				
Trade and other payables	22	61,877	124,548	89,469
Contract liabilities		3,005	3,047	3,480
Borrowings	24	–	70,000	–
Tax payable		64	71	26
Financial liabilities at FVTPL	23	1,012,806	1,053,274	–
Lease liabilities	25	849	2,222	3,147
		<u>1,078,601</u>	<u>1,253,162</u>	<u>96,122</u>
Net current (liabilities) assets		<u>(592,755)</u>	<u>(621,801)</u>	<u>981,409</u>
Total assets less current liabilities. . .		<u>(547,154)</u>	<u>(514,993)</u>	<u>1,102,835</u>
Non-current liability				
Lease liabilities	25	1,494	3,649	7,058
Net (liabilities) assets.		<u>(548,648)</u>	<u>(518,642)</u>	<u>1,095,777</u>
Capital and reserves				
Paid-in capital	26	8,247	8,247	–
Share capital	26	–	–	30,000
Reserves		<u>(556,895)</u>	<u>(526,889)</u>	<u>1,065,777</u>
Total (deficits) equity.		<u>(548,648)</u>	<u>(518,642)</u>	<u>1,095,777</u>

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	As at December 31,		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Non-current assets				
Property and equipment	15	33,135	50,874	52,356
Right-of-use assets		19	692	5,169
Intangible assets		416	199	8,979
Equity instrument at FVTOCI	17	6,441	5,999	6,129
Investments in subsidiaries	34A	3,526	5,466	41,672
Prepayment and other receivables	20	1,947	2,128	2,026
Deferred tax assets	19	–	40,747	41,160
		<u>45,484</u>	<u>106,105</u>	<u>157,491</u>
Current assets				
Inventories	18	113,317	283,693	206,143
Trade receivables, prepayments and other receivables	20	168,534	265,072	145,026
Cash and cash equivalents	21	<u>177,930</u>	<u>15,076</u>	<u>709,105</u>
		<u>459,781</u>	<u>563,841</u>	<u>1,060,274</u>
Current liabilities				
Trade and other payables	22	34,888	56,906	112,467
Contract liabilities		3,005	3,047	3,480
Borrowings	24	–	70,000	–
Financial liabilities at FVTPL	23	1,012,806	1,053,274	–
Lease liabilities		<u>20</u>	<u>818</u>	<u>1,626</u>
		<u>1,050,719</u>	<u>1,184,045</u>	<u>117,573</u>
Net current (liabilities) assets		<u>(590,938)</u>	<u>(620,204)</u>	<u>942,701</u>
Total assets less current liabilities. . .		<u>(545,454)</u>	<u>(514,099)</u>	<u>1,100,192</u>
Non-current liability				
Lease liabilities		<u>–</u>	<u>–</u>	<u>3,851</u>
Net (liabilities) assets		<u>(545,454)</u>	<u>(514,099)</u>	<u>1,096,341</u>
Capital and reserves				
Paid-in capital	26	8,247	8,247	–
Share capital	26	–	–	30,000
Reserves	34B	<u>(553,701)</u>	<u>(522,346)</u>	<u>1,066,341</u>
Total (deficits) equity		<u>(545,454)</u>	<u>(514,099)</u>	<u>1,096,341</u>

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Paid-in capital	Share capital	Share premium	Other reserve	Capital reserve	Translation reserve	Share-based payments reserve	(Accumulated losses) retained earnings	Total (deficits) equity
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
	(Note a)								
As at January 1, 2023	8,247	–	–	(341,182)	636,132	1,152	45,594	(831,859)	(481,916)
Loss for the year . .	–	–	–	–	–	–	–	(110,130)	(110,130)
Other comprehensive income for the year	–	–	–	–	–	14	–	–	14
Profit (loss) and total comprehensive income (expense) for the year . . .	–	–	–	–	–	14	–	(110,130)	(110,116)
Recognition of equity-settled share-based payments (Note 27)	–	–	–	–	–	–	43,384	–	43,384
Restricted shares units vested . . .	–	–	–	44,029	–	–	(44,029)	–	–
As at December 31, 2023	8,247	–	–	(297,153)	636,132	1,166	44,949	(941,989)	(548,648)
Profit for the year . .	–	–	–	–	–	–	–	9,734	9,734
Other comprehensive expense for the year	–	–	–	(376)	–	(222)	–	–	(598)
(Loss) profit and total comprehensive (expense) income for the year . . .	–	–	–	(376)	–	(222)	–	9,734	9,136
Recognition of equity-settled share-based payments (Note 27)	–	–	–	–	–	–	20,870	–	20,870
Restricted shares units vested . . .	–	–	–	26,460	–	–	(26,460)	–	–

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	Paid-in capital	Share capital	Share premium	Other reserve	Capital reserve	Translation reserve	Share-based payments reserve	Accumulated losses	Total (deficits) equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note a)								
As at December 31, 2024	8,247	–	–	(271,069)	636,132	944	39,359	(932,255)	(518,642)
Profit for the year	–	–	–	–	–	–	–	26,490	26,490
Other comprehensive income for the year	–	–	–	111	–	415	–	–	526
Profit and total comprehensive income for the year	–	–	–	111	–	415	–	26,490	27,016
Capital injection from investors with preferential rights (Note 23)	875	–	–	(509,600)	508,725	–	–	–	–
Termination of the Company's obligations arising from preferential rights granted to the Investors (Note 23)	–	–	–	1,579,372	–	–	–	–	1,579,372
Recognition of equity-settled share-based payments (Note 27)	–	–	–	–	–	–	8,031	–	8,031
Restricted shares units vested	–	–	–	9,895	–	–	(9,895)	–	–
Conversion into a joint stock company (Note 26)	(9,122)	30,000	1,063,406	(808,598)	(1,144,857)	–	(35,101)	904,272	–
As at December 31, 2025	<u>–</u>	<u>30,000</u>	<u>1,063,406</u>	<u>111</u>	<u>–</u>	<u>1,359</u>	<u>2,394</u>	<u>(1,493)</u>	<u>1,095,777</u>

Note:

- (a) Other reserve represented (i) net changes on investment in the equity instrument at FVTOCI; (ii) the Company's obligation arising from the preferential rights granted to the investors, and (iii) transfer from share-based payment reserve as a result of vesting of restricted shares units granted to employees.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
OPERATING ACTIVITIES			
(Loss) profit before tax	(110,130)	(30,943)	26,110
Adjustments for:			
Finance costs	162	747	1,261
Interest income	(557)	(560)	(1,150)
Shared-based payment expenses	43,384	20,870	8,031
Allowance for inventories	18,919	22,781	21,654
Depreciation of property and equipment. . .	2,989	3,281	3,250
Depreciation of right-of-use assets	1,820	2,110	2,566
Amortisation of intangible assets	185	217	1,265
Impairment losses under ECL model, net of reversal	336	2,633	(2,671)
Net gain on fair value change of financial assets at FVTPL	(8,584)	(1,576)	(4,177)
Loss on fair value change of financial liabilities measured at FVTPL	41,290	40,468	16,498
Net foreign exchange gain	(1,072)	(925)	(980)
Net (gain) loss on disposal of property and equipment and early termination of leases	(4)	(120)	28
Operating cash flows before movements in working capital.	(11,262)	58,983	71,685
(Increase) decrease in inventories	(100,078)	(187,163)	63,479
(Increase) decrease in trade receivables	(24,291)	(113,126)	71,200
(Increase) decrease in prepayments and other receivables	(72,758)	(15,185)	101,746
Increase (decrease) in trade and other payables	14,681	73,174	(39,423)
Increase in contract liabilities	3,005	42	433
Cash used in operations	(190,703)	(183,275)	269,120
Tax paid	–	(2,123)	(97)
Interest received	557	560	1,150
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(190,146)	(184,838)	270,173

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	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
INVESTING ACTIVITIES			
Purchase of property and equipment	(13,048)	(36,998)	(12,354)
Purchase of intangible assets	(288)	–	(10,045)
Proceeds on the disposal of property and equipment	–	104	680
Rental deposits received	21	87	84
Payments for rental deposits	(80)	(198)	(320)
Purchase of financial assets at FVTPL	(986,000)	(452,000)	(681,990)
Proceeds on the disposal of financial assets at FVTPL	1,285,730	453,576	686,167
Prepayment for the acquisition of property and equipment	(7,247)	(75)	–
NET CASH FROM (USED IN) INVESTING ACTIVITIES	279,088	(35,504)	(17,778)
FINANCING ACTIVITIES			
Interest paid	(20)	(475)	(1,006)
Payments of lease liabilities	(1,963)	(2,010)	(2,591)
New bank borrowings raised	8,000	110,000	50,000
Repayment of bank borrowings	(8,000)	(40,000)	(120,000)
Issue cost paid	–	–	(5,283)
Capital contribution from new shareholders	–	–	509,600
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(1,983)	67,515	430,720
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	86,959	(152,827)	683,115
Cash and cash equivalents at beginning of the year	99,473	186,582	33,899
Effect of foreign exchange rate changes	150	144	243
Total cash and cash equivalents at end of the year	186,582	33,899	717,257

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated and registered in the PRC on January 22, 2016 as a limited liability company and previously known as Wuhan Silicon Integrated Co., Ltd.* (武漢市聚芯微電子有限責任公司). On September 18, 2025, the Company was converted into a joint stock company with limited liability under the Company Laws of the PRC and change the name to Wuhan Silicon Integrated Co., Ltd.* (武漢聚芯微電子股份有限公司) (the “Conversion”). The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate Information” in the Document. Mr. Liu Deheng (“Mr. Liu”)* (劉德珩) directly held shareholdings of the Company and Mr. Liu is the general partner of the Share Incentive Platforms (defined in Note 27). Mr. Liu and Share Incentive Platforms are the controlling shareholders under the Hong Kong listing rules.

The Group is principally engaged in the research, development and sales of intelligent sensing, machine vision and imaging technology that involve high-performance chips and driver products and deep optimization algorithm software.

The presentation currency of the Historical Financial Information is Renminbi (“RMB”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies set out in Note 4 which conform with IFRS Accounting Standards issued by the IASB.

The statutory financial statements of the Company for each of the year ended December 31, 2023 and 2024 were prepared in accordance with Chinese Accounting Standards for Business Enterprises (“CASBE”) issued by the Ministry of Finance of the People’s Republic of China and were audited by Wuhan Jing Hia Certified Public Accountants LLP*(“武漢京華會計師事務所”), certified public accountants registered in the PRC. No audited statutory financial statements of the Company have been prepared for the year ended December 31, 2025.

The directors of the Company have a reasonable expectation that the Group will have adequate resources to continue in operational existence at least the twelve months from the date of the Historical Financial Information. The Historical Financial Information has been prepared on a going concern basis.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with the IFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2025 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the following new and amendments to IFRS Accounting Standards have been issued which are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³

* English name is for identification purpose only.

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¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after January 1, 2026.

³ Effective for annual periods beginning on or after January 1, 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all the amendments to IFRS Accounting Standards will have no material impact on the Group’s consolidated financial statements in foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with IFRS Accounting Standards. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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Investments in subsidiaries

Investments in subsidiaries are included in the statements of financial position of the Company at cost less accumulated impairment losses, if any.

Revenue from contracts with customers

Information about the Group’s accounting policies relating to revenue from contracts with customers is provided in Note 6.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes the amounts of the initial measurement of the lease liabilities and any lease payments made at or before the commencement date.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate, a country-specific risk adjustment, a credit risk adjustment, and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group.

The lease payments include fixed payments (including in-substance fixed payments).

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

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The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group’s operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

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Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans including state-managed retirement benefit schemes in the PRC are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Restricted share units (“RSUs”) granted to employees.

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For RSUs that vest immediately at the date of grant, the fair value of RSUs granted is expensed immediately to profit or loss.

When RSUs granted are vested, the amount previously recognised in share-based payments reserve will be transferred to other reserve.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from (loss) profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

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- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Impairment on property and equipment, right-of-use assets, contract costs and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets, contract costs and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit (“CGU”) to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units (“CGUs”) for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Before the Group recognises an impairment loss for assets capitalised as contract costs under IFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the CGU to which they belong for the purpose of evaluating impairment of that CGU.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in business combination to which IFRS 3 *Business Combination* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in other reserve; and are not subject to impairment assessment. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, and is transferred to retained profits/accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the “other income” line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and other receivables and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables.

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For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables are assessed on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the other reserve is not reclassified to profit or loss, but is transferred to retained profits/accumulated losses.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is designated as at FVTPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group’s documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value is recognised in profit or loss. Changes in fair value attributable to a financial liability’s credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings/accumulated losses upon derecognition of the financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Deferred tax assets

The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

At December 31, 2023, 2024 and 2025, the carrying amounts of deferred tax asset is nil, RMB40,747,000 and RMB41,160,000, respectively. Details of recognition of deferred tax assets are disclosed in Note 19.

Allowance for inventories

The Group estimates the net realisable value of inventories and reviews the condition of its inventories at the end of each reporting period and makes provisions against the inventory items of which the estimated cost is higher than net realisable values, and obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use based on sales forecasts. Such sales forecasts are prepared based on agreements or orders on hand and estimated sales in the foreseeable future based on historical experiences with its customers and current market conditions of the semiconductor industry. Management estimates the net realisable value for the inventories based primarily on the latest invoice prices and current market conditions. The estimation is reassessed at the end of each reporting period. The provision against the inventories requires the use of judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed. As at December 31, 2023, 2024 and 2025, the carrying amounts of inventories is RMB113,317,000, RMB283,920,000 and RMB206,265,000, after taking into account the allowance for inventories of RMB26,939,000, RMB45,229,000 and RMB48,216,000.

6. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contract with customers

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Types of goods or service			
Intelligent sensing products	236,487	573,557	708,004
Machine vision products	751	46,434	70,724
Imaging technology products	11	46,501	71,192
Others*	4,799	88	4,784
	<u>242,048</u>	<u>666,580</u>	<u>854,704</u>

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	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Timing of revenue recognition			
A point in time.	242,048	666,580	854,704

* Others primarily include provision of software development services.

(ii) Performance obligations for contracts with customers and revenue recognition policies

Revenue represents the amounts received and receivable from the sale of sensor and driver products under intelligent sensing, machine vision and imaging technology and provision of software development service net of sales related taxes, during the Track Record Period.

Sales of sensor and driver products under intelligent sensing, machine vision and imaging technology

The Group sells the sensor and driver products under intelligent sensing, machine vision and imaging technology to the distributors and direct customers.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods underlying the particular performance obligation is transferred to the customer.

Revenue from sales of goods to distributors and direct customers is recognised at a point in time when the goods are delivered to the specified location designated by or accepted by the distributors and direct customers since only by that time the Group passes control of the goods to the distributors and direct customers. Transportation and handling activities that occur before distributors and direct customers obtain control are considered as fulfilment activities. The credit term granted to distributors and direct customers is 0-90 days.

Under the Group’s standard contract terms, distributors and direct customers have a right to return/replace for products with quality issues within typically 12 or 24 months warranty period. Sales-related warranties associated with sensor and driver products cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS37.

Provision of software development services

The Group provides software development services to the customers. The provision of solutions on software development services includes a comprehensive set of activities in the contract, such as project design, implementation, installation, trial launch and/or acceptance, which are highly interdependent and highly interrelated as a single performance obligation. As the Group does not meet the IFRS15.35, the performance obligation is satisfied at a point in time.

The transaction price received by the Group is recognised as a contract liability for provision of software development services in which revenue has yet been recognised.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

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(iii) Transaction price allocated to the remaining performance obligations for contracts with customers

The amount of performance obligation that is not satisfied or partially satisfied is not disclosed as the Group’s contract for the sales of sensor and driver has an original expected duration of less than one year.

(iv) Segment information

For the purpose of resource allocation and assessment of segment performance, the chief operating decision maker of the Company, who is also identified as the chief executive officer of the Group, focuses and reviews on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies set out above. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Entity-wide disclosures

Geographical information

As at December 31, 2023, 2024 and 2025, substantially all of the Group’s non-current assets were located in the PRC. The geographical information of the Group’s revenue, determined based on geographical location of the distributors and direct customers, during the Track Record Period is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Chinese Mainland	141,902	428,194	632,309
Hong Kong	100,146	238,386	222,395
	<u>242,048</u>	<u>666,580</u>	<u>854,704</u>

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group during the Track Record Period is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Customer A	*	68,767	96,398
Customer B	—	*	93,462
Customer C	33,761	*	—
Customer D	41,723	175,740	*
Customer E	59,033	119,039	131,852
Customer F	60,482	*	—
Customer G	—	119,105	316,151

* The corresponding revenue contributed to the total revenue of the Group is less than 10%.

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7. OTHER INCOME

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants (<i>note</i>)	14,902	3,320	9,981
Value-added tax additional deduction	—	—	12,494
Interest income.	557	560	1,150
Others	63	293	251
	<u>15,522</u>	<u>4,173</u>	<u>23,876</u>

Note: The amount represents the incentives provided by local government authorities in the PRC, including various forms of government financial incentives rewarding the Group’s support and contribution for the development of local economies.

8. OTHER GAINS AND LOSSES

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net gain on fair value changes of financial assets measured at FVTPL.	8,584	1,576	4,177
Net gain (loss) on disposal of property and equipment and early termination of leases. . . .	4	120	(28)
Net foreign exchange gain.	1,014	606	1,411
Provision for litigation (<i>Note 22</i>)	—	—	(4,201)
Others	(9)	(22)	(45)
	<u>9,593</u>	<u>2,280</u>	<u>1,314</u>

9. FINANCE COSTS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on bank borrowings.	20	475	1,006
Interest on lease liabilities.	142	272	255
	<u>162</u>	<u>747</u>	<u>1,261</u>

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10. (LOSS) PROFIT FOR THE YEAR

(Loss) profit for the year has been arrived at after charging (crediting):

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Depreciation of property and equipment	3,588	9,502	10,728
Depreciation of right-of-use assets	1,820	2,110	2,566
Amortisation of intangible assets	185	217	1,265
	<u>5,593</u>	<u>11,829</u>	<u>14,559</u>
Capitalise in inventories	<u>(599)</u>	<u>(6,221)</u>	<u>(7,478)</u>
Total depreciation and amortisation charge to profit or loss	<u>4,994</u>	<u>5,608</u>	<u>7,081</u>
Directors’ remuneration (<i>Note 12</i>)	4,050	5,154	2,904
Other staff costs:			
– salaries and other benefits	62,541	74,828	88,624
– retirement benefit scheme contributions	7,178	9,838	12,168
– share-based payment expenses	41,399	17,822	7,689
	<u>115,168</u>	<u>107,642</u>	<u>111,385</u>
Capitalise in inventories	<u>(2,033)</u>	<u>(3,390)</u>	<u>(4,582)</u>
Total staff costs charge to profit or loss	<u>113,135</u>	<u>104,252</u>	<u>106,803</u>
Analysed as:			
– charged in general and administrative expenses	18,469	13,133	14,505
– charged in selling and distribution expenses	33,694	36,214	38,049
– charged in research and development expenses	60,972	54,905	54,249
	<u>113,135</u>	<u>104,252</u>	<u>106,803</u>
Write-down of inventories (include in cost of sales)	18,919	22,781	21,654
Cost of inventories recognised in cost of sales	118,807	284,205	363,634
Research and development expenses			
– Staff costs	60,972	54,905	54,249
– Depreciation and amortisation	1,390	1,040	848
– Materials consumed	17,853	20,022	33,568
– Others	1,236	1,136	1,724
	<u>81,451</u>	<u>77,103</u>	<u>90,389</u>
[REDACTED] expenses	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

11. INCOME TAX (CREDIT) EXPENSE

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Hong Kong Income Tax	–	4	52
Deferred tax credit	–	(40,681)	(432)
	–	<u>(40,677)</u>	<u>(380)</u>
	–	<u>–</u>	<u>–</u>

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Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the PRC Law on Enterprise Income Tax (“EIT Law”) and Implementation Regulation of the EIT Law, the tax rate for PRC subsidiaries is 25% unless they are subject to preferential tax as set out below during the Track Record Period.

Certain subsidiaries qualify as small and low-profit enterprises under the tax regulations of the PRC. Under the preferential tax policy effective from 2022 to 2027, for annual taxable income not exceeding RMB3,000,000, 25% of such income is included in the taxable base, which is then subject to enterprise income tax (EIT) at a reduced rate of 20%, resulting in an effective tax rate of 5%. This preferential tax rate has been applied to the years ended December 31, 2023, 2024 and 2025.

The Company has been accredited as a “High and New Technology Enterprise” by the Science and Technology Bureau of Hubei Province and relevant authorities, and has been registered with the local tax authorities for enjoying the reduced 15% EIT rate of 3 years from 2021 to 2023 while such entitlement is renewed in December 2024 of 3 years from 2024 to 2026.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Income tax (credit) expenses for the year can be reconciled to (loss) profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss) profit before tax	(110,130)	(30,943)	26,110
Tax at the applicable PRC tax rate of 25%.	(27,533)	(7,736)	6,528
Tax effect of expenses not deductible for tax purposes	21,815	21,559	15,914
Tax effect of tax losses not recognised	15,895	6,170	–
Utilisation of tax losses previously not recognised	–	(136)	(2,032)
Utilisation of deductible temporary differences previously not recognised	(63)	(7)	(226)
Tax effect of the recognition of deductible temporary differences and tax losses previously not recognised	–	(42,374)	–
Tax effect of deductible temporary differences not recognised	4,839	148	14
Tax effect attributable to the additional qualified tax deduction relating to research and development expenses (<i>note</i>)	(14,953)	(17,164)	(20,760)
Effect of preferential tax rate	–	(1,130)	289
Effect of different tax rates of subsidiaries operating in other jurisdictions	–	(7)	(107)
Income tax credit	–	(40,677)	(380)

Note: Pursuant to the relevant laws and regulations in the PRC, the Company enjoyed a super deduction of 100% on qualified research and development expenditures for the years ended December 31, 2023, 2024 and 2025.

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12. DIRECTORS’, SUPERVISOR’S AND CHIEF EXECUTIVE OFFICER’S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

Directors’, supervisor’s and chief executive officer’s emoluments

Details of the emoluments paid or payable to the individuals who were appointed as the directors, supervisor and chief executive officer of the Company, during the Track Record Period, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

Year ended December 31, 2023

	Date of appointment	Fee	Salaries and other benefits	Performance-based bonuses	Retirement benefit scheme contributions	Share-based payments	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:							
Mr. Liu (chief executive officer)	January 27, 2016	–	413	196	33	1,103	1,745
Mr. Kong Fanxiao (孔繁曉)	January 27, 2016	–	492	126	97	882	1,597
Mr. Zhan Wanxing (詹萬幸)	January 27, 2016	–	354	331	23	–	708
		–	1,259	653	153	1,985	4,050
Supervisor:							
Mr. Yu Feng Gao (於奉高)	April 2, 2019	–	–	–	–	–	–
		–	1,259	653	153	1,985	4,050
		–	–	–	–	–	–

Year ended December 31, 2024

	Date of appointment	Fee	Salaries and other benefits	Performance-based bonuses	Retirement benefit scheme contributions	Share-based payments	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:							
Mr. Liu (chief executive officer)	January 27, 2016	–	531	300	36	3,048	3,915
Mr. Kong Fanxiao (孔繁曉)	January 27, 2016	–	534	144	95	–	773
Mr. Zhan Wanxing (詹萬幸)	January 27, 2016	–	354	89	23	–	466
		–	1,419	533	154	3,048	5,154
Supervisor:							
Mr. Yu Feng Gao (於奉高)	April 2, 2019	–	–	–	–	–	–
		–	1,419	533	154	3,048	5,154
		–	–	–	–	–	–

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Year ended December 31, 2025

	Date of appointment	Directors’ fee	Salaries and other benefits	Performance-based bonuses	Retirement benefit scheme contributions	Share-based payments	Total
		RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors:							
Mr. Liu (chief executive officer)	January 27, 2016	–	569	300	66	152	1,087
Mr. Kong Fanxiao (孔繁曉)	January 27, 2016	–	660	144	118	–	922
Mr. Zhan Wanxing (詹萬幸)	January 27, 2016	–	372	144	29	76	621
Ms. Yu Hong (余虹) (note i)	September 8, 2025	–	94	48	8	124	274
		–	–	–	–	–	–
		–	1,695	636	221	352	2,904
		–	–	–	–	–	–
Non-executive directors:							
Mr. Liu Kai (劉凱) (note i)	September 8, 2025	–	–	–	–	–	–
Mr. Wang Fuyu (王馥宇) (note i)	September 8, 2025	–	–	–	–	–	–
		–	–	–	–	–	–
		–	–	–	–	–	–
		–	–	–	–	–	–
Independent Non-executive Directors:							
Ms. Wang Mingkun (王明坤) (note i)	September 8, 2025	–	–	–	–	–	–
Dr. Gao Teng (高騰) (note i)	September 8, 2025	–	–	–	–	–	–
Dr. Xing Xinpeng (辛新鵬) (note i)	September 8, 2025	–	–	–	–	–	–
		–	–	–	–	–	–
		–	–	–	–	–	–
		–	–	–	–	–	–
Supervisor:							
Mr. Yu Feng Gao (於奉高) (note ii)	April 2, 2019	–	–	–	–	–	–
		–	–	–	–	–	–
		–	1,695	636	221	352	2,904
		–	–	–	–	–	–

Notes:

- (i) The respective emoluments of Ms. Yu Hong (余虹), Mr. Liu Kai (劉凱), Mr. Wang Fuyu (王馥宇), Dr. Gao Teng (高騰), Ms. Wang Mingkun (王明坤) and Dr. Xing Xinpeng* (辛新鵬) represented the emoluments after their appointment as directors of the Company on September 8, 2025.
- (ii) Mr. Yu Feng Guo (於奉高) was resigned as supervisor of the Company on September 8, 2025.

The executive directors’ emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group during the Track Record Period.

The supervisor’s emoluments were for his services as supervisor of the Company during the Track Record Period.

There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities.

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There are no significant transactions, arrangements and contracts in relation to the Group’s business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of each of the years ended December 31, 2023, 2024 and 2025 or at any time during the Track Record Period.

During the years ended December 31, 2023, 2024 and 2025, certain directors were granted restricted shares units, in respect of their services to the Pre-[REDACTED] RSUs Plans (defined in Note 27) Group under the Share Incentive Scheme of the Company. Details of the Pre-[REDACTED] RSUs Plans are set out in Note 27 to the Historical Financial Information.

Performance-based bonuses are determined based on their duties and responsibilities of the relevant individuals within the Group and the Group’s performance.

Five highest paid employees

The five highest paid employees of the Group included 1, 1 and nil director of the Company, details of whose emoluments are set out above for Track Record Period. Details of the remuneration of the remaining 4, 4 and 5 individuals, respectively, for the years ended December 31, 2023, 2024 and 2025, respectively, are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Salaries and other benefits	2,244	2,765	5,577
Performance-related bonuses (<i>note</i>)	590	890	439
Retirement benefit scheme contributions	139	143	360
Share-based payment expenses	16,222	8,063	2,619
	<u>19,195</u>	<u>11,861</u>	<u>8,995</u>

Note: Performance-based bonuses are determined based on their duties and responsibilities of the relevant individuals within the Group and the Group’s performance.

The numbers of the five highest paid individuals (including directors of the Company) are within the following bands (presented in Hong Kong Dollar (“HK\$”)):

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
HK\$1,500,001 to HK\$2,000,000	1	2	3
HK\$2,000,001 to HK\$2,500,000	1	1	2
HK\$2,500,001 to HK\$3,000,000	–	1	–
HK\$3,000,001 to HK\$3,500,000	1	–	–
HK\$4,000,001 to HK\$4,500,000	1	1	–
HK\$9,500,001 to HK\$10,000,000	<u>1</u>	<u>–</u>	<u>–</u>
	<u>5</u>	<u>5</u>	<u>5</u>

During the Track Record Period, no emoluments were paid by the Group to the directors of the Company or the five highest paid employees of the Group as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company or the five highest paid employees of the Group has waived or agreed to waive any emoluments during the Track Record Period.

During the years ended December 31, 2023, 2024 and 2025, certain non-director and non-chief executive highest paid employees were granted restricted shares units, in respect of their services to the Group under the Pre-[REDACTED] RSUs Plans. Details of the Pre-[REDACTED] RSUs Plans are set out in Note 27 to the Historical Financial Information.

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13. DIVIDENDS

No dividend was paid or declared by the Company during the Track Record Period.

14. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss) earnings (RMB'000):			
(Loss) earnings for the purpose of basic and diluted (loss) earnings per share	(110,130)	9,734	26,490
Number of shares ('000):			
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	19,725	19,725	24,074

The Company converted from a limited liability company into a joint stock company with limited liability on September 18, 2025. The Company converted net assets value of RMB1,090,147,000 as at July 31, 2025 into 30,000,000 ordinary shares with a par value of RMB1 each. For the purpose of determining basic (loss) earnings per share, the number of shares in issue before the Company’s conversion into a joint stock limited liability company were deemed to be the weighted average number of ordinary shares as if the above conversion had occurred on January 1, 2023 at the conversion ratio according to the resolutions of the shareholders on September 8, 2025.

The shareholders with preferential rights, which are recorded as financial liabilities at FVTPL in Note 23, are not treated as outstanding shares and thus are excluded in the calculation of basic (loss) earnings per share until the preferential rights were legally terminated on July 31, 2025.

Diluted (loss) earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume incremental shares that would have to be issued to satisfy the obligations arising from preferential rights based on the average fair value of the shares over the period. For the years ended December 31, 2023, 2024 and 2025, the Company had the shares of the Investors (as defined and detailed under Note 23) which are potential ordinary shares. The potential ordinary shares were not included in the calculation of diluted (loss) earnings per share as their inclusion would be anti-dilutive for each of three years ended December 31, 2025. Accordingly, diluted (loss) earnings per share for each of three years ended December 31, 2025 is the same as basic (loss) earnings per share for the year.

15. PROPERTY AND EQUIPMENT

The Group

	Machinery equipment	Electronic devices, furniture and office equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST					
As at January 1, 2023 . . .	1,389	10,253	368	2,558	14,568
Additions	27,472	3,656	—	77	31,205
Exchange realignment . . .	—	46	—	—	46

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	Machinery equipment	Electronic devices, furniture and office equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2023 .	28,861	13,955	368	2,635	45,819
Additions	24,443	1,992	265	419	27,119
Disposals	–	–	(368)	–	(368)
Exchange realignment . . .	–	(42)	–	–	(42)
As at December 31, 2024 .	53,304	15,905	265	3,054	72,528
Additions	4,285	5,144	882	2,313	12,624
Disposals	(774)	–	(742)	–	(1,516)
Exchange realignment . . .	–	100	–	–	100
As at December 31, 2025 .	56,815	21,149	405	5,367	83,736
ACCUMULATED DEPRECIATION					
As at January 1, 2023 . . .	110	6,138	357	1,303	7,908
Provided for the year . . .	480	2,409	–	699	3,588
Exchange realignment . . .	–	20	–	–	20
As at December 31, 2023 .	590	8,567	357	2,002	11,516
Provided for the year . . .	6,233	2,677	43	549	9,502
Eliminated on disposals . .	–	–	(356)	–	(356)
Exchange realignment . . .	–	(23)	–	–	(23)
As at December 31, 2024 .	6,823	11,221	44	2,551	20,639
Provided for the year . . .	7,523	2,570	94	541	10,728
Eliminated on disposals . .	(721)	–	(113)	–	(834)
Exchange realignment . . .	–	65	–	–	65
As at December 31, 2025 .	13,625	13,856	25	3,092	30,598
CARRYING VALUES					
As at December 31, 2023 .	28,271	5,388	11	633	34,303
As at December 31, 2024 .	46,481	4,684	221	503	51,889
As at December 31, 2025 .	43,190	7,293	380	2,275	53,138

The Company

	Machinery equipment	Electronic devices, furniture and office equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST					
As at January 1 ,2023 . . .	1,389	8,673	368	2,418	12,848
Additions	27,472	3,140	–	77	30,689
As at December 31, 2023 .	28,861	11,813	368	2,495	43,537
Additions	24,303	1,687	265	419	26,674
Disposals	–	–	(368)	–	(368)
As at December 31, 2024 .	53,164	13,500	265	2,914	69,843
Additions	4,285	4,923	882	2,313	12,403
Disposals	(774)	–	(742)	–	(1,516)
As at December 31, 2025 .	56,675	18,423	405	5,227	80,730

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	Machinery equipment	Electronic devices, furniture and office equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
ACCUMULATED DEPRECIATION					
As at January 1, 2023 . . .	110	5,626	357	1,257	7,350
Provided for the year . . .	480	1,919	—	653	3,052
As at December 31, 2023 .	590	7,545	357	1,910	10,402
Provided for the year . . .	6,221	2,149	43	510	8,923
Eliminated on disposals . .	—	—	(356)	—	(356)
As at December 31, 2024 .	6,811	9,694	44	2,420	18,969
Provided for the year . . .	7,478	2,134	94	533	10,239
Eliminated on disposals . .	(721)	—	(113)	—	(834)
As at December 31, 2025 .	13,568	11,828	25	2,953	28,374
CARRYING VALUES					
As at December 31, 2023 .	28,271	4,268	11	585	33,135
As at December 31, 2024 .	46,353	3,806	221	494	50,874
As at December 31, 2025 .	43,107	6,595	380	2,274	52,356

The above items of property and equipment are depreciated on a straight-line basis over the following estimated useful lives after taking into account their estimated residual values:

	Useful lives
Machinery equipment	3-10 years
Electronic devices, furniture and office equipment	3-5 years
Motor vehicles	4 years
Leasehold improvements	Over the shorter of the term of the lease, or 3 years

16. RIGHT-OF-USE ASSETS

The Group

	Office premises
	RMB'000
COST	
As at January 1, 2023	5,264
Additions	614
Derecognition	(1,137)
Early termination of lease	(718)
Exchange realignment	133
As at December 31, 2023	4,156
Additions	5,682
Derecognition	(327)
Early termination of lease	(579)
Exchange realignment	(134)

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	Office premises
	RMB'000
As at December 31, 2024	8,798
Additions and lease modifications	6,475
Derecognition	(32)
Exchange realignment	368
As at December 31, 2025	15,609
ACCUMULATED DEPRECIATION	
As at January 1, 2023	1,826
Depreciation charge	1,820
Eliminated on derecognition	(1,137)
Eliminated on the early termination of lease	(556)
Exchange realignment	30
As at December 31, 2023	1,983
Depreciation charge	2,110
Eliminated on derecognition	(327)
Eliminated on the early termination of lease	(427)
Exchange realignment	(35)
As at December 31, 2024	3,304
Depreciation charge	2,566
Derecognition	(32)
Exchange realignment	122
As at December 31, 2025	5,960
CARRYING VALUES	
As at December 31, 2023	2,173
As at December 31, 2024	5,494
As at December 31, 2025	9,649

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Expenses relating to short-term leases	310	57	205
Total cash outflow for leases	2,353	2,265	3,116

During the Track Record Period, the Group leases office premises for its operations. Lease contracts are entered into for fixed term of 1 to 5.8 years for the years ended December 31, 2023, 2024 and 2025. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for staff quarters. As at December 31, 2023, 2024 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Restrictions or covenants on leases

In addition, the lease liabilities of RMB2,343,000, RMB5,871,000 and RMB10,205,000 are recognised with related right-of-use assets of RMB2,173,000, RMB5,494,000 and RMB9,649,000 as at December 31, 2023, 2024 and 2025, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased office premises may not be used as security for borrowing purposes.

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17. EQUITY INSTRUMENT AT FVTOCI

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Unlisted equity investment	6,441	5,999	6,129

The amount represented the Group’s equity interests in a private entity. The investment was not held for trading purposes. The directors of the Company had elected to designate the investment in equity instrument at FVTOCI as they believed that recognising short-term fluctuations in the investment’s fair value in profit or loss would not be consistent with the Group’s strategy of holding the investment for long-term purposes and realising its performance potential in the long run.

18. INVENTORIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	26,993	24,902	38,480
Work in progress	72,563	152,218	95,242
Finished goods	12,965	106,004	68,336
Contract cost	796	796	4,207
	<u>113,317</u>	<u>283,920</u>	<u>206,265</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	26,993	24,902	38,480
Work in progress	72,563	152,218	95,242
Finished goods	12,965	105,777	68,214
Contract cost	796	796	4,207
	<u>113,317</u>	<u>283,693</u>	<u>206,143</u>

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19. DEFERRED TAX ASSETS/LIABILITIES

The Group

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following are the deferred tax balances recognised and movements thereon during the Track Record Period:

	Accelerated depreciation	Allowance for ECL provision	Changes in fair value of equity instrument at FVOCI	Right-of- use assets	Lease liabilities	Provision for inventories	Tax losses	Accrued expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023 . . .	-	-	(216)	(635)	635	-	216	-	-
Credit (charge) to profit or loss	-	-	-	224	(224)	-	-	-	-
As at December 31, 2023 .	-	-	(216)	(411)	411	-	216	-	-
Credit (charge) to profit or loss	293	428	(-)	(643)	662	6,784	33,157	-	40,681
Charge to other comprehensive income . .	-	-	66	-	-	-	-	-	66
As at December 31, 2024 .	293	428	(150)	(1,054)	1,073	6,784	33,373	-	40,747
Credit (charge) to profit or loss	47	(278)	-	(596)	624	447	(920)	1,108	432
Credit to other comprehensive income . .	-	-	(19)	-	-	-	-	-	(19)
As at December 31, 2025 .	340	150	(169)	(1,650)	1,697	7,231	32,453	1,108	41,160

As at December 31, 2023, 2024 and 2025, the Group has unused tax losses of approximately RMB335,351,000, RMB327,349,000, and RMB306,745,000, respectively, available for offset against future profits. The deferred tax asset has been recognised in respect of approximately RMB1,440,000, RMB222,488,000 and RMB216,352,000 of such tax losses. No deferred tax asset has been recognised in respect of the remaining tax losses of RMB333,911,000, RMB104,861,000 and RMB90,393,000 either due to the unpredictability of future profit streams or it is not probable that taxable profit will be available against which the tax losses can be utilised.

At 31 December 2023, 2024 and 2025, the Group has deductible temporary differences, except for the unused tax losses, of RMB30,491,000, RMB56,913,000 and RMB69,242,000, respectively. At 31 December 2023, 2024 and 2025, deferred tax assets have been recognised in respect of RMB2,173,000, RMB55,899,000 and RMB69,075,000, of such deductible temporary differences respectively. No deferred tax asset has been recognised in relation to the remaining deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The expiry dates of the unrecognised tax losses are disclosed in the following table. Remaining losses may be carried forward indefinitely.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
2024	2,854	-	-
2025	11,864	11,864	-
2026	11,346	10,841	9,751
2027	23,708	14,129	14,102
2028	32,324	22,843	22,214
2029	48,490	30,612	29,754
2030	20,625	3,894	3,894

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	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
2031	56,799	3,370	3,370
2032	86,364	4,498	4,498
2033	38,994	2,810	2,810
Indefinite	543	—	—
	<u>333,911</u>	<u>104,861</u>	<u>90,393</u>

The Company

For the purpose of presentation in the statements of financial position, certain deferred tax assets and liabilities have been offset. The following are the deferred tax balances recognised and movements thereon during the Track Record Period:

	Accelerated depreciation	Allowance for ECL provision	Changes in fair value of equity instrument at FVOCI	Right-of-use assets	Lease liabilities	Provision for inventories	Tax losses	Accrued expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023	—	—	(216)	(88)	88	—	216	—	—
Credit (charge) to profit or loss	—	—	—	85	(85)	—	—	—	—
As at December 31, 2023	—	—	(216)	(3)	3	—	216	—	—
Credit (charge) to profit or loss	293	428	—	(101)	120	6,784	33,157	—	40,681
Charge to other comprehensive income	—	—	66	—	—	—	—	—	66
As at December 31, 2024	293	428	(150)	(104)	123	6,784	33,373	—	40,747
(Charge) credit to profit or loss	47	(278)	—	(671)	699	447	(920)	1,108	432
Credit to other comprehensive income	—	—	(19)	—	—	—	—	—	(19)
As at December 31, 2025	<u>340</u>	<u>(150)</u>	<u>(169)</u>	<u>(775)</u>	<u>822</u>	<u>7,231</u>	<u>32,453</u>	<u>1,108</u>	<u>41,160</u>

20. TRADE RECEIVABLES, PREPAYMENT AND OTHER RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables (<i>note i</i>)	47,311	159,738	88,707
Less: loss allowance for trade receivables	(847)	(2,820)	(852)
	<u>46,464</u>	<u>156,918</u>	<u>87,855</u>
Prepayment to suppliers	70,812	33,266	32,587
Prepayment for the utilities and others	468	394	837
Prepaid income tax	—	2,123	—
Value-added tax recoverable	10,568	17,140	145
Rental deposits	520	631	867
Others receivables from Share Incentive Platform (defined in Note 27) (<i>Note 31</i>) (<i>note ii</i>)	31,226	31,226	—
Deferred issue costs (<i>note iv</i>)	—	—	8,871
Amounts due from a related party (<i>Note 31</i>)	—	—	858

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	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Others	1,849	1,874	1,829
Other receivables from the independent customs brokers (<i>note iii</i>)	26,670	73,497	22,843
Less: loss allowance for other receivables from the independent customs brokers	(362)	(1,047)	(312)
Total prepayment and other receivables	141,751	159,104	68,525
	188,215	316,022	156,380
Analysed as:			
Current	185,947	313,542	154,009
Non-current	2,268	2,480	2,371
	188,215	316,022	156,380

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables (<i>note i</i>)	56,486	183,970	102,696
Less: loss allowance for trade receivables	(928)	(2,854)	(997)
	55,558	181,116	101,699
Prepayment to suppliers	70,812	33,266	32,588
Prepayment for the utilities and others	372	295	716
Prepaid income tax	–	2,123	–
Value-added tax recoverable	10,480	17,041	–
Rental deposits	198	279	523
Others receivables from Share Incentive Platform (defined in Note 27) (<i>Note 31</i>) (<i>note ii</i>)	31,226	31,226	–
Deferred issue costs (<i>note iv</i>)	–	–	8,871
Amounts due from a related party (<i>Note 31</i>)	–	–	858
Others	1,835	1,854	1,797
Total prepayment and other receivables	114,923	86,084	45,353
	170,481	267,200	147,052
Analysed as:			
Current	168,534	265,072	145,026
Non-current	1,947	2,128	2,026
	170,481	267,200	147,052

Notes:

- (i) As at January 1, 2023, the Group’s and Company’s trade receivables from contracts with customers amounted to RMB22,805,000 and RMB27,139,000 (net of loss allowance of RMB490,000 and RMB367,000), respectively.
- (ii) The amount represents the outstanding receivables from Share Incentive Platform related to respective shareholdings paid-in capital of the Company in the amount of RMB31,226,000. Such amounts were settled in July 2025.

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- (iii) The Group entered into various sales and purchase agreements with independent customs brokers, pursuant to which the independent customs brokers would provide export custom services (including export customs clearance, tax declarations, and the storage of the goods) to the Group, assisting the Group in exporting goods from Chinese Mainland to Hong Kong. At Group level, as the independent customs brokers were assessed only as agents to the Group, apart from the necessary transaction costs and handling charges, the Group entities’ sales to and purchases from the independent customs brokers would be fully eliminated, while balances of the transactions would be gross settled according to credit terms as stipulated in the separate sales and purchase agreements with the independent customs brokers. Accordingly, any unsettled balances would result in other receivables from and other payables to the independent customs brokers at Group level.
- (iv) Deferred issue costs represent the qualifying portion of issue costs incurred up to December 31, 2025, which will be debited to equity of the Group as share issue costs in respect of the issue of new shares upon the [REDACTED] of the H shares of the Company on The Main Board of the Stock Exchange of Hong Kong Limited (the “[REDACTED]”).

The Group allows a credit period of 0-90 days to its customers. The following is an aged analysis of trade receivables, net of loss allowance, presented based on the revenue recognition date at the end of each reporting period.

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year.	46,464	156,918	87,855

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year.	55,558	181,116	101,699

As at December 31, 2023, 2024 and 2025, none of the Group’s and Company’s trade receivables balance are past due.

Details of impairment assessment of trade and other receivables are set out in Note 29.

The carrying amount of Group’s trade receivables that were denominated in currency other than the functional currency of the relevant group entities are set out below:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Denominated in United States dollar (“USD”). . .	17,213	48,251	8,854

21. CASH AND CASH EQUIVALENTS

The Group

The Group’s bank balances carry interest at market rates ranging from 0.0001% to 0.2%, 0.0001% to 0.1% and 0.0001% to 0.05% per annum as at December 31, 2023, 2024 and 2025, respectively.

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The Group’s cash and cash equivalents that were denominated in currencies other than functional currency of the relevant group entities are set at below:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Denominated in USD	6,250	17,163	837
Denominated in HK\$	—	—	91
	<u> </u>	<u> </u>	<u> </u>

The Company

The Company’s bank balances carry interest at market rates 0.0001% to 0.2%, 0.0001% to 0.1% and 0.0001% to 0.05% per annum as at December 31, 2023, 2024 and 2025, respectively.

The Company’s cash and cash equivalent were mainly denominated in its functional currency.

22. TRADE AND OTHER PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	12,688	41,240	40,016
Other payable to the independent customs brokers (<i>note ii</i>)	21,898	57,961	5,580
Accrued payroll and welfares	14,857	17,543	21,719
Accrued issue costs	—	—	3,588
Accrued [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Payables for acquisition of property and equipment	9,993	75	225
Deposits received from a customer (<i>note i</i>)	—	5,683	—
Other tax payables	306	379	3,216
Provision for litigation (<i>note iii</i>)	—	—	4,201
Other payables	2,135	1,667	1,873
	<u>49,189</u>	<u>83,308</u>	<u>49,453</u>
	<u>61,877</u>	<u>124,548</u>	<u>89,469</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables			
– to the subsidiaries	—	2,302	36,048
– to independent third parties	12,688	41,240	40,016
	<u>12,688</u>	<u>43,542</u>	<u>76,064</u>
Accrued payroll and welfare	10,964	12,262	14,891
Accrued issue costs	—	—	3,588
Accrued [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Payables for acquisition of property and equipment	9,993	75	225
Other tax payables	295	377	3,216
Provision for litigation (<i>note iii</i>)	—	—	4,201
Other payables	948	650	1,231
	<u>22,200</u>	<u>13,364</u>	<u>36,403</u>
	<u>34,888</u>	<u>56,906</u>	<u>112,467</u>

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Notes:

- (i) The amount represents deposits received with no specific purchase orders placed which will either be offset with future purchase order transaction price or released to the customers upon maturity of the framework agreement. Such amounts are fully settled during the year ended December 31, 2025.
- (ii) Details of other payable to the independent customs brokers is disclosed in Note 20.
- (iii) As disclosed in the section headed “Business — Legal proceedings and compliance”, the Company were involved in three ongoing legal proceedings as a defendant concerning the Company’s three products. These three legal proceedings were filed by a same independent third party, including two in 2025 (Legal Proceeding A and Legal Proceeding B) and one in 2024 (Legal Proceeding C). No provision related to Legal Proceeding C as at December 31, 2024 or Legal Proceeding A and Legal Proceeding B as at December 31, 2025 were recognised, as the management of the Group assessed that the related obligation would not probably require an outflow of resources as at the respective year end date based on the relevant legal opinion prepared by external legal advisors to the Company. In December 2025, the Company received the court’s judgment of first instance for Legal Proceeding C, pursuant to which the Company were ordered to compensate the plaintiff company for its economic losses totaled RMB4,201,000. Provision was recognised for Legal Proceeding C accordingly during the year ended December 31, 2025.

The suppliers generally allow the credit period ranged from 0 to 30 days to the Group.

The following is an aged analysis of the trade payables, presented based on the invoice date, at the end of each reporting period:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	12,688	41,240	40,016

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	12,688	43,542	76,064

23. FINANCIAL LIABILITIES AT FVTPL

The Company entered into several investment agreements with independent investors (the “Investors”), pursuant to which the Company issued shares with preferential rights to the Investors as follows:

	Date of subscription	Total registered capital issued	Subscription price per registered capital	Total subscription price
		In '000	RMB	RMB'000
Series A+	April 12, 2019	398	71.81	28,546
Series B	May 7, 2020	634	157.79	100,000
Series B+	May 29, 2020	145	171.83	25,000
Series C	July 15, 2021	557	222.60	123,990
Series D	January 26, 2022	515	582.05	300,000
Series D+	June 30, 2025	875	582.05	509,600

The below preferential rights were granted to the Investors according to these shareholders agreements, under which the obligations of the Company were subsequently terminated on July 31, 2025. The management represented that the Company did not provide any guarantee related to the redemption rights granted by the Controlling

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Shareholders, in which the Company is not a party to the relevant agreements during the Track Record Period. Further details of the special rights and termination agreement were set out in the section headed “History, Development and Corporate Structure — Pre-[REDACTED] Investments — Rights of the Pre-[REDACTED] Investors” to this Documents.

Upon termination of obligations arising from preferential rights, all financial liabilities were derecognised and credited to other reserve.

(a) Liquidation preferences

In the event of any liquidation including deemed liquidation, whether voluntary or involuntary, the Investors shall be entitled to receive the liquidation preference amount, calculated as 108% of the original investment from the Investors, in the following order: (1) Series D+ Investors and Series D Investors; (2) Series C Investors; (3) Series B+ Investors and Series B Investors. All of the remaining proceeds available for distribution to shareholders shall be distributed pro rata among all shareholders of the Company.

(b) Redemption rights

The shareholding hold by the Investors shall be redeemed jointly by the founders of the Company and the Company at the option of the Investors, upon the occurrence of certain contingent events, mainly including:

- material integrity issues of the founders of the Company and/or senior management of the Company, which cause significant negative impact to the Company;
- the CEO’s resignation from the Company or substantially termination of serving the Company, or engaging in other business which has competition with the Company;
- failure to complete filing process for historical equity changes and obtain necessary approvals from the relevant regulatory authorities;
- material violations of laws by the Group, which have material negative impact to the business operation of the Group;
- the Company’s failure to complete a qualified [REDACTED] before December 31, 2028. A qualified [REDACTED] refers to the [REDACTED] in the stock exchange agreed by majority of the Investors and the founders of the Company;
- failure to complete the [REDACTED] due to lack of cooperation from the management of the Company, despite that the Company meet all required quantitative indicators required for a qualified [REDACTED] and the board of the Company has approved the plan for the [REDACTED];
- change of the controlling shareholder of the Company prior to the completion of a qualified [REDACTED] due to the reduction of equity interests by the Controlling Shareholder on his own decision, which cause significant negative impact to the business operation of the Company or the [REDACTED] of the Company.

The repurchase price will be the higher of:

- (i) 110% of the original investment from the Investors plus any accrued but unpaid dividends; and
- (ii) the fair value of the equity interests of the Company hold by the Investors as determined by external valuers designated by both the Investors and the founders.

The Group designated these shares with preferential rights as financial liabilities at FVTPL on initial recognition, and revalued prior to the cease of the preferential rights with fair value changes recognised in “loss on fair value changes of financial liabilities at FVTPL” in profit or loss.

The fair value of the abovementioned financial liabilities were assessed by the management of the Group with reference to an independent valuation carried out by Avista Business Consulting (Shanghai) Co., Ltd with registered address of Unit C, 23/F, Phase II, Sino-Ocean Tower, No. 618 East Yan An Road, Huangpu District, Shanghai, PRC, 200001, which has appropriate qualifications and experiences in valuation of similar instruments.

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The Company used the discounted cash flow model (“DCF Model”) to determine the underlying equity value of the Company as at December 31, 2023, 2024 and performed an equity allocation based on an option pricing method (“OPM Model”) to arrive at the fair value of the financial liabilities as at December 31, 2023, 2024.

Key valuation assumptions are set out as follows:

	As at December 31,	
	2023	2024
Volatility	52.8%	49.3%
Discount rate	14.9%	14.6%
Discount for lack of marketability	22.0%	20.0%
Possibility under stock conversion scenario	25.0%	25.0%
Possibility under redemption scenario	37.5%	37.5%
Possibility under liquidation scenario	37.5%	37.5%
Time to expiration	4.0	3.0

Volatility was determined by reference to the comparable companies in the industry.

The movements of the Group’s and the Company’s redeemable shares with preferential rights are set out below:

The Group and the Company

	RMB’000
As at January 1, 2023	971,516
Changes in fair value	41,290
As at December 31, 2023	1,012,806
Changes in fair value	40,468
As at December 31, 2024	1,053,274
Capital injection from investors with preferential rights	509,600
Changes in fair value	16,498
Termination of the Company’s obligations arising from preferential rights granted to the Investors	(1,579,372)
As at December 31, 2025	—

24. BORROWINGS

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Unsecured and unguaranteed (note)	—	70,000	—
	—	—	—

Note: The borrowings are originally due within one year. The loans carried interests at fixed market rates at 2.75% per annum for the year ended December 31, 2024.

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25. LEASE LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Lease liabilities payable:			
Within one year	849	2,222	3,147
Within a period of more than one year but not exceeding two years	379	1,304	2,549
Within a period of more than two years but not exceeding five years	1,115	2,345	4,509
	2,343	5,871	10,205
Less: Amount due for settlement within one year shown under current liabilities	849	2,222	3,147
Amount shown under non-current liabilities	1,494	3,649	7,058

The Group’s incremental borrowing rates applied to lease liabilities is at 2.40% to 4.75%, 2.55% to 4.45% and 3.00% to 4.20% per annum for the years ended December 31, 2023, 2024 and 2025.

26. PAID-IN/SHARE CAPITAL

As disclosed in Note 1, the Company converted into a joint stock limited liability company on September 18, 2025. The balance as at January 1, 2023, December 31, 2023, 2024 represented the paid-in capital of the Company prior to the conversion of the Company. The balance as at December 31, 2025 represented the issued share capital of the Company. The summary of movements in the Company’s pain-in capital and share capital are set out as below:

Paid-in capital

	Shown in Historical Financial Information as
	RMB'000
As at January 1, 2023 and December 31, 2023 and 2024	8,247

Share capital

	Number of shares	Nominal value of shares
		RMB'000
Ordinary shares of RMB1 each		
Authorised and issued		
As at January 1, 2023, December 31, 2023 and 2024	NA	NA
Issue of ordinary shares upon conversion into a joint stock company	30,000,000	30,000
As at December 31, 2025	30,000,000	30,000

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27. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share scheme of the Company

The Company’s Pre-[REDACTED] share incentive plan (“Pre-[REDACTED] RSUs Plans”) were adopted pursuant to resolutions passed in July 2017 and November 2021, respectively. Wuhan Silicon Integrated Enterprise Management Consultancy Partnership (Limited Partnership) (“Juxinwei Enterprise”)* (武漢聚芯微企業管理諮詢合夥企業(有限合夥)), Wuhan Zhike Silicon Integrated Enterprise Management Consultancy Partnership (Limited Partnership) (“Zhike Juxin”)* (武漢致科聚芯企業管理諮詢合夥企業(有限合夥)), Wuhan Zhituo Silicon Integrated Enterprise Management Consultancy Partnership (Limited Partnership) (“Zhituo Juxin”)* (武漢致拓聚芯企業管理諮詢合夥企業(有限合夥)), Wuhan Zhihui Silicon Integrated Enterprise Management Consultancy Partnership (Limited Partnership) (“Zhihui Juxin”)* (武漢致匯聚芯企業管理諮詢合夥企業(有限合夥)) and Wuhan Zhixin Enterprise Management Consultancy Partnership (Limited Partnership) (“Zhixin Enterprise”)* (武漢致芯企業管理諮詢合夥企業(有限合夥)) (collectively, the “Share Incentive Platforms”) were established as the share incentive platforms. The primary purpose of these incentive plans is to promote the success of the Company and the interests of its shareholders by providing a mean through which equity-based incentives may be granted to attract, motivate, retain and reward employees and directors and to further link the eligible persons’ interests with those of the Company’s shareholders generally. The underlying registered paid-in capital held by Share Incentive Platforms is approximately RMB2,110,000 (equivalent to 6,939,090 shares after adjustment for the effect of the Conversion). Pursuant to the Pre-[REDACTED] RSU Plans, the general partner of the Share Incentive Platforms, who is Mr Liu, has a right to repurchase the underlying restricted shares from the directors and/or employees at the original subscription price plus interests calculated at an interest rate of 7% per annum if the directors and/or employees resigned from the Group before the restricted shares are vested.

The vesting of the RSUs granted is subject to the eligible person remaining at all time from the date of granting to the end of the vesting period. The vesting schedules for RSUs are 100% immediately vested on the grant date or third to ninth anniversary of grant date.

The grantees may not have any interest or right in the RSUs granted until such RSUs have been vested. The RSUs granted to the eligible person under the Pre-[REDACTED] RSUs Plan shall be restricted to eligible person only and shall not be assignable to other person. No eligible person may in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to the award.

The following table summarised the Group’s RSUs and movement during the Track Record Period:

For the year ended December 31, 2023

Employees

RSU Granted	Date of Grant	Fair value of RSU granted (note i)	Subscription price (note i)	Outstanding at January 1, 2023	Granted during the year	Vested during the year	Forfeited during the year	Outstanding at December 31, 2023
		RMB	RMB					
Batch A . . .	March 1, 2018	37.44 – 40.24	2.0 – 4.8	57,600	–	(43,600)	–	14,000
Batch B . . .	June 30, 2018	37.44 – 39.04	3.2 – 4.8	98,800	–	(9,000)	–	89,800
Batch C . . .	January 1, 2019	67.01 – 68.61	3.2 – 4.8	131,500	–	(2,000)	–	129,500
Batch D . . .	March 1, 2019	67.01 – 68.61	3.2 – 4.8	18,250	–	–	–	18,250
Batch E . . .	October 24, 2019	68.61	3.2	116,250	–	–	–	116,250
Batch F . . .	September 30, 2020	66.15 – 73.75	3.2 – 10.8	190,250	–	(86,500)	–	103,750
Batch G . . .	June 1, 2021	109.17 – 120.57	4.8 – 16.2	98,500	–	–	–	98,500
Batch H . . .	December 1, 2021	300.77 – 312.17	4.8 – 16.2	34,750	–	–	–	34,750
Batch I . . .	September 30, 2022	289.42 – 313.22	7.2 – 31.0	38,410	–	–	–	38,410
Batch J . . .	December 1, 2023	294.01	31.0	–	144,306	(107,896)	–	36,410
				<u>784,310</u>	<u>144,306</u>	<u>(248,996)</u>	<u>–</u>	<u>679,620</u>

* English name is for identification purpose only.

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Directors

RSU Granted	Date of Grant	Fair value of RSU granted (note i)	Subscription price (note i)	Outstanding at January 1, 2023	Granted during the year	Vested during the year	Forfeited during the year	Outstanding at December 31, 2023
		RMB	RMB					
Batch J	December 1, 2023	294.01	31.0	–	3,753	(3,753)	–	–
				=	=	=	=	=

For the year ended December 31, 2024

Employees

RSU Granted	Date of Grant	Fair value of RSU granted (note i)	Subscription price (note i)	Outstanding at January 1, 2024	Granted during the year	Vested during the year	Forfeited during the year	Outstanding at December 31, 2024
		RMB	RMB					
Batch A	March 1, 2018	37.44 – 40.24	2.0 – 4.8	14,000	–	(6,000)	–	8,000
Batch B	June 30, 2018	37.44 – 39.04	3.2 – 4.8	89,800	–	(9,000)	–	80,800
Batch C	January 1, 2019	67.01 – 68.61	3.2 – 4.8	129,500	–	(2,000)	–	127,500
Batch D	March 1, 2019	67.01 – 68.61	3.2 – 4.8	18,250	–	–	(7,000)	11,250
Batch E	October 24, 2019	68.61	3.2	116,250	–	–	–	116,250
Batch F	September 30, 2020	66.15 – 73.75	3.2 – 10.8	103,750	–	(26,576)	–	77,174
Batch G	June 1, 2021	109.17 – 120.57	4.8 – 16.2	98,500	–	(13,625)	(9,250)	75,625
Batch H	December 1, 2021	300.77 – 312.17	4.8 – 16.2	34,750	–	(2,739)	(12,000)	20,011
Batch I	September 30, 2022	289.42 – 313.22	7.2 – 31.0	38,410	–	(1,894)	(18,000)	18,516
Batch J	December 1, 2023	294.01	31.0	36,410	–	(621)	(12,650)	23,139
Batch K	May 31, 2024	300.05	31.0	–	61,490	(38,893)	–	22,597
Batch L	December 1, 2024	300.05	31.0	–	25,000	(5,880)	–	19,120
				679,620	86,490	(107,228)	(58,900)	599,982
				=	=	=	=	=

Directors

RSU Granted	Date of Grant	Fair value of RSU granted (note i)	Subscription price (note i)	Outstanding at January 1, 2024	Granted during the year	Vested during the year	Forfeited during the year	Outstanding at December 31, 2024
		RMB	RMB					
Batch L	December 1, 2024	280.05 – 295.85	16.2 – 31.0	–	9,750	(9,750)	–	–
				=	=	=	=	=

For the year ended December 31, 2025

Employees

RSU Granted	Date of Grant	Fair value of RSU granted (note i)	Subscription price (note i)	Outstanding at January 1, 2025	Granted before the Conversion Issue	Vested before the Conversion Issue	Forfeited before the Conversion Issue	Issue upon the Conversion	Granted after the Conversion Issue	Vested after the Conversion Issue	Forfeited after the Conversion Issue	Outstanding at December 31, 2025
		RMB	RMB									
Batch A . .	March 1, 2018	37.44 – 40.24	2 – 4.8	8,000	–	–	–	18,309	–	–	–	26,309
Batch B . .	June 30, 2018	37.44 – 39.04	3.2 – 4.8	80,800	–	(75,800)	–	11,443	–	–	–	16,443
Batch C . .	January 1, 2019	67.01 – 68.61	3.2 – 4.8	127,500	–	(127,500)	–	–	–	–	–	–
Batch D . .	March 1, 2019	67.01 – 68.61	3.2 – 4.8	11,250	–	(11,250)	–	–	–	–	–	–
Batch E . .	October 24, 2019	68.61	3.2	116,250	–	–	–	266,058	–	(382,308)	–	–
Batch F . .	September 30, 2020	66.15 – 73.75	3.2 – 10.8	77,174	–	–	–	176,626	–	(213,763)	–	40,037
Batch G . .	June 1, 2021	109.17 – 120.57	4.8 – 16.2	75,625	–	(16,375)	(1,000)	133,315	–	–	–	191,565
Batch H . .	December 1, 2021	300.77 – 312.17	4.8 – 16.2	20,011	–	–	(2,000)	41,221	–	(3,289)	–	55,943
Batch I . .	September 30, 2022	289.42 – 313.22	7.2 – 31.0	18,516	–	–	(750)	40,660	–	(6,577)	(1,520)	50,329
Batch J . .	December 1, 2023	294.01	31.0	23,139	–	–	(3,750)	44,375	–	–	–	63,764
Batch K . .	May 31, 2024	300.05	31.0	22,597	–	–	(500)	50,573	–	–	(1,520)	71,150

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RSU Granted	Date of Grant	Fair value of RSU granted (note i)	Subscription price (note i)	Outstanding at January 1, 2025	Granted before the Conversion Issue	Vested before the Conversion Issue	Forfeited before the Conversion Issue	Issue upon the Conversion	Granted after the Conversion Issue	Vested after the Conversion Issue	Forfeited after the Conversion Issue	Outstanding at December 31, 2025
		RMB	RMB									
Batch L	December 1, 2024	300.05	31.0	19,120	–	–	(3,500)	35,749	–	–	–	51,369
Batch M	July 1, 2025	303.44	31.0	–	23,500	–	–	53,784	–	–	–	77,284
Batch N	December 31, 2025	303.44	31.0	–	–	–	–	–	3,040	–	–	3,040
				599,982	23,500	(230,925)	(11,500)	872,113	3,040	(605,937)	(3,040)	647,233

Directors

RSU Granted	Date of Grant	Fair value of RSU granted (note i)	Subscription price (note i)	Outstanding at January 1, 2025	Granted before the Conversion Issue	Vested before the Conversion Issue	Forfeited before the Conversion Issue	Issue upon the Conversion	Granted after the Conversion Issue	Vested after the Conversion Issue	Forfeited after the Conversion Issue	Outstanding at December 31, 2025
		RMB										
Batch M	July 1, 2025	303.44	31.0	–	750	(750)	–	–	–	–	–	–

Note:

- (i) This has not taken consideration of the effect of the Conversion. The fair value of the RSU granted and subscription price should be divided by 3.29 after the adjustment of the effect of the Conversion.

The directors have used the DCF Model to determine the underlying equity value of the Company as at December 31, 2023, 2024 and used the back-solve method to determine the underlying equity value of the Company as at December 31, 2025 and performed an equity allocation based on an OPM Model to determine the fair value of the underlying ordinary shares. The variables and assumptions used in computing the fair value of the RSUs are based on the directors’ of the Company best estimate. Changes in variables and assumptions may result in changes in the fair value of the RSUs. The corresponding inputs into the model were as follows:

For the year ended December 31, 2023

RSU granted	Expected volatility	Risk-free rate	Expected dividend yield
Batch J	52.8%	2.3%	0%

For the year ended December 31, 2024

RSU granted	Expected volatility	Risk-free rate	Expected dividend yield
Batch K & L	49.3%	1.2%	0%

For the year ended December 31, 2025

RSU granted	Expected volatility	Risk-free rate	Expected dividend yield
Batch M & N	49.6%	N/A	N/A

For the years ended December 31, 2023, 2024 and 2025, the Group’s total share-based payment expenses recognised in the consolidated statement of profit or loss and other comprehensive income is RMB43,384,000, RMB20,870,000 and RMB8,031,000.

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28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising financing activities are those for which cash flows were or future cash flows will be, classified in the Group’s consolidated statements of cash flows as cash flows from financing activities.

	Bank borrowing	Lease liabilities	Financial liabilities at FVTPL	Accrued issue costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023 . . .	–	3,611	971,516	–	975,127
Net financing cash flows. .	(20)	(1,963)	–	–	(1,983)
<i>Non-cash change</i>					
New leases entered and early termination of lease.	–	416	–	–	416
Finance costs.	20	142	–	–	162
Loss on fair value change of financial liabilities at FVTPL	–	–	41,290	–	41,290
Exchange realignment . . .	–	137	–	–	137
As at December 31, 2023 .	–	2,343	1,012,806	–	1,015,149
Net financing cash flows. .	69,525	(2,010)	–	–	67,515
<i>Non-cash changes</i>					
New leases entered and early termination of lease.	–	5,329	–	–	5,329
Finance costs.	475	272	–	–	747
Exchange realignment . . .	–	(63)	–	–	(63)
Loss on fair value change of financial liabilities at FVTPL	–	–	40,468	–	40,468
As at December 31, 2024 .	70,000	5,871	1,053,274	–	1,129,145
Net financing cash flows. .	(71,006)	(2,591)	509,600	(5,283)	430,720
<i>Non-cash changes</i>					
New leases entered and lease modification	–	6,475	–	–	6,475
Termination of the Company’s obligations arising from preferential rights granted to the Investors	–	–	(1,579,372)	–	(1,579,372)
Finance costs.	1,006	255	–	–	1,261
Exchange realignment . . .	–	195	–	–	195
Loss on fair value change of financial liabilities at FVTPL	–	–	16,498	–	16,498
Deferred issue costs. . . .	–	–	–	8,871	8,871
As at December 31, 2025 .	–	10,205	–	3,588	13,793

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29. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets			
At amortised cost	292,949	296,998	831,071
At FVTOCI	6,441	5,999	6,129
	<u>299,390</u>	<u>302,997</u>	<u>837,200</u>
Financial liabilities			
At amortised cost	46,714	176,626	47,694
At FVTPL	1,012,806	1,053,274	–
	<u>1,059,520</u>	<u>1,229,900</u>	<u>47,694</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets			
At amortised cost	266,747	229,551	813,888
At FVTOCI	6,441	5,999	6,129
	<u>273,188</u>	<u>235,550</u>	<u>820,017</u>
Financial liabilities			
At amortised cost	23,629	114,267	77,520
At FVTPL	1,012,806	1,053,274	–
	<u>1,036,435</u>	<u>1,167,541</u>	<u>77,520</u>

b. Financial risk management objectives and policies

The Group’s and the Company’s major financial instruments include trade and other receivables, equity instruments at FVTOCI, cash and cash equivalents, trade and other payables, bank borrowing and financial liabilities at FVTPL. Details of these financial instruments are disclosed in respective notes.

The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below.

The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Certain bank balances and cash and trade receivables are denominated in foreign currencies of the respective group entities which are exposed to foreign currency risk.

The carrying amounts of the Company’s monetary assets are denominated in its functional currency at the end of each reporting period.

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The carrying amounts of the Group’s monetary assets which are denominated in a currency other than the functional currency of the relevant group entities at the end of each reporting period are as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Assets			
USD	23,463	65,414	9,691
HK\$	—	—	91
	<u> </u>	<u> </u>	<u> </u>

The Group currently does not have a foreign currency hedging policy, but the directors of the Company monitor foreign exchange exposure by closely monitoring the foreign exchange risk profile and will consider hedging significant foreign currency exposure should the need arise.

No sensitivity analysis on currency risk is presented as the management of the Group considered that there would not be a significant change of prevailing exchange rate and the exposure of currency rate risk of the Group is insignificant.

Interest rate risk

The Group and the Company is exposed to fair value interest rate risk in relation to bank borrowings and lease liabilities (details are set out in Notes 24 and 25, respectively). The Group currently does not have formal interest rate hedging policies. The management of the Group monitors the Group’s exposures on an on-going basis and will consider hedging interest rate risk should the need arises.

The Group and the Company is also exposed to cash flow interest rate risk in relation to cash and cash equivalents (details are set out in Note 21).

No sensitivity analysis is presented since the management of the Group and the Company consider the exposure of cash flow interest rate risk arising from cash and cash equivalents is insignificant.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group’s and the Company’s counterparties default on their contractual obligations resulting in financial losses to the Group and the Company. The Group’s and the Company’s credit risk exposures are primarily attributable to its trade and other receivables and bank balances.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivables at the end of each reporting period to ensure that adequate impairment losses allowance are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group’s credit risk is significantly reduced.

The Group has concentration of credit risk as 34%, 13% and nil of the total trade receivables was due from the Group’s largest customer at December 31, 2023, 2024 and 2025, respectively. Also, the Group has concentration of credit risk as 61%, 29%, and 55% of the total trade receivables was due from the Group’s five largest customers at December 31, 2023, 2024 and 2025, respectively. In addition to the credit risk limit management and other mitigation measures as described above, the Group monitors all financial assets, that are subjected to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the impairment loss allowance based on lifetime ECL rather than 12m ECL.

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Trade receivables

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the impairment loss allowance at lifetime ECL. The Group determines the ECL on these items on a collective basis for customers, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group writes off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

In order to minimise credit risk, the Group have delegated a team responsible for determination of the Group’s credit risk gradings to categorise exposures according to their degree of risk of default.

Other receivables and deposits

The management of the Group makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information under ECL model upon application of IFRS 9. The Group measures the loss allowance of other receivables at 12m ECL and recognised RMB685,000 during the year ended December 31, 2024 and reversed RMB4,000 and 735,000 during the years ended December 31, 2023 and 2025, respectively.

Bank balances

Bank balances are determined to have low credit risk at the end of each reporting period. The credit risk on bank balances is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low.

The Group’s and the Company’s current credit risk grading framework comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk.	The counterparty has a low risk of default and does not have any past due amounts	Lifetime ECL not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle after due date in full	Lifetime ECL not credit-impaired	12m ECL
Doubtful.	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL not credit-impaired	Lifetime ECL not credit-impaired
Loss	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL credit-impaired	Lifetime ECL credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

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The tables below detail the credit risk exposures of the Group’s and the Company’s financial assets which are subject to ECL assessment:

The Group

	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount		
				As at December 31		
				2023	2024	2025
				RMB’000	RMB’000	RMB’000
Financial assets at amortised cost						
Trade receivables	NA	Note	Lifetime ECL (not- credit- impaired)	47,311	159,738	88,707
Bank balances	A1-Baa3 (Moody’s Ratings)	NA	12m ECL	186,582	33,899	717,257
Other receivables and deposits.	NA	Low risk	12m ECL	60,265	107,228	26,272

The Company

	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount		
				As at December 31		
				2023	2024	2025
				RMB’000	RMB’000	RMB’000
Financial assets at amortised cost						
Trade receivables	NA	Note	Lifetime ECL (not- credit- impaired)	56,486	183,970	102,696
Bank balances	A1-Baa3 (Moody’s Ratings)	NA	12m ECL	177,930	15,076	709,105
Other receivables and deposits.	NA	Low risk	12m ECL	33,259	33,359	3,084

Note: For trade receivables, the Group determines the ECL on a collective basis, based on the financial quality of debtors and their historical credit loss experience according to the past due status adjusted, as appropriate, to reflect estimates of future economic conditions. The Group determines the ECL based on their historical credit loss experience to reflect current conditions and estimates of future economic conditions. As at December 31, 2023, 2024 and 2025, the credit loss rate of trade receivable of the Group are 1.79%, 1.77% and 0.96%, respectively.

Movements of impairment loss allowance at lifetime ECL on trade receivables

The Group

	Lifetime ECL not credit impaired
	RMB’000
As at January 1, 2023	490
Impairment loss allowance recognised	340
Exchange realignment	17

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	Lifetime ECL not credit impaired
	<i>RMB’000</i>
As at December 31, 2023	847
Impairment loss allowance recognised	1,948
Exchange realignment	25
As at December 31, 2024	2,820
Impairment loss allowance reversed	(1,936)
Exchange realignment	(32)
As at December 31, 2025	852

The Company

	Lifetime ECL not credit impaired
	<i>RMB’000</i>
As at January 1, 2023	367
Impairment loss allowance recognised	561
As at December 31, 2023	928
Impairment loss allowance recognised	1,926
As at December 31, 2024	2,854
Impairment loss allowance reversed	(1,857)
As at December 31, 2025	997

Liquidity risk

The directors of the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group’s operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group’s and the Company’s remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

The table includes both interest and principal cash flows. The undiscounted amount is derived from interest rate at the end of each reporting period.

The Group

	Weighted average interest rate	On demand or less than 1 year	1-2 years	2-5 years	Total undiscounted cash flows	Total carrying amounts
	<i>%</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As December 31, 2023						
Trade and other payables	–	46,714	–	–	46,714	46,714
Lease liabilities	4.50	902	426	1,166	2,494	2,343
Financial liabilities at FVTPL	–	1,012,806	–	–	1,012,806	1,012,806
		<u>1,060,422</u>	<u>426</u>	<u>1,166</u>	<u>1,062,014</u>	<u>1,061,863</u>

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	Weighted average interest rate	On demand or less than 1 year	1-2 years	2-5 years	Total undiscounted cash flows	Total carrying amounts
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As December 31, 2024						
Trade and other						
payables	–	106,626	–	–	106,626	106,626
Bank borrowings	2.75	70,527	–	–	70,527	70,000
Lease liabilities	3.83	2,297	1,340	2,617	6,254	5,871
Financial liabilities at						
FVTPL	–	1,053,274	–	–	1,053,274	1,053,274
		<u>1,232,724</u>	<u>1,340</u>	<u>2,617</u>	<u>1,236,681</u>	<u>1,235,771</u>

As December 31, 2025						
Trade and other						
payables	–	47,694	–	–	47,694	47,694
Lease liabilities	3.53	3,453	2,851	4,610	10,914	10,205
		<u>51,147</u>	<u>2,851</u>	<u>4,610</u>	<u>58,608</u>	<u>57,899</u>

The Company

	Weighted average interest rate	On demand or less than 1 year	1-2 years	2-5 years	Total undiscounted cash flows	Total carrying amounts
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As December 31, 2023						
Trade and other						
payables	–	23,629	–	–	23,629	23,629
Lease liabilities	4.75	21	–	–	21	20
Financial liabilities at						
FVTPL	–	1,012,806	–	–	1,012,806	1,012,806
		<u>1,036,456</u>	<u>–</u>	<u>–</u>	<u>1,036,456</u>	<u>1,036,455</u>

As December 31, 2024						
Trade and other						
payables	–	44,267	–	–	44,267	44,267
Bank borrowings	2.75	70,527	–	–	70,527	70,000
Lease liabilities	4.20	841	–	–	841	818
Financial liabilities at						
FVTPL	–	1,053,274	–	–	1,053,274	1,053,274
		<u>1,168,909</u>	<u>–</u>	<u>–</u>	<u>1,168,909</u>	<u>1,168,359</u>

As December 31, 2025						
Trade and other						
payables	–	77,520	–	–	77,520	77,520
Lease liabilities	3.50	1,790	1,925	2,070	5,785	5,477
		<u>79,310</u>	<u>1,925</u>	<u>2,070</u>	<u>83,305</u>	<u>82,997</u>

c. Fair value measurements of financial instruments

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate to their corresponding fair values. The management of the Group have closely monitored and determined the appropriate valuation techniques and inputs for fair value measurements.

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In estimating the fair value of financial instruments, the Group and the Company uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under level 3, the Group and the Company establish the appropriate valuation techniques and inputs to the model.

The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

The Group and the Company

	Fair value as at	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
Financial asset:				
Equity instruments at FVTOCI	December 31, 2023: RMB6,441,000 December 31, 2024: RMB5,999,000 December 31, 2025: RMB6,129,000	As at December 31, 2023 and 2024: Level 2; As at December 31, 2025: Level 3	Recent transaction price Market approach	N/A Discounts for lack of marketability (“DLOM”) (note i)
Financial liabilities:				
Financial liabilities at FVTPL	December 31, 2023: RMB1,012,806,000 December 31, 2024: RMB1,053,274,000 December 31, 2025: nil	Level 3	DCF model, back-solve method and OPM model: Key inputs: (Note 23)	Discount rate, discount for lack of marketability, probability of stock conversion (note ii)

Notes:

- (i) A 1% increase or decrease in DLOM holding all other variables keep constant would decrease or increase the carrying amount of the equity instruments at FVTOCI as at December 31, 2025 by RMB84,000.
- (ii) If the Company’s key valuation assumptions used to determine the fair value of the financial liabilities at FVTPL had increased/decreased certain percentage, while all other variables keep constant, the estimated fair value changes from carrying amount ended December 31, 2023, 2024 and 2025, respectively, listed in below table.

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Discount rate + 1%	(10,800)	(10,006)	N/A
Discount rate – 1%	11,098	10,282	N/A

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Discount for lack of marketability + 1% . .	(1,653)	(1,451)	N/A
Discount for lack of marketability – 1% . .	1,653	1,451	N/A

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Probability of stock conversion + 5%	2,396	2,232	N/A
Probability of stock conversion – 5%	(2,396)	(2,227)	N/A

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(iii) There were no transfers between level 1 and 2 during the Track Record Period.

The Group held equity interest in a private entity as at December 31, 2023, 2024 and 2025 that is classified as investment at FVTOCI. The fair value of the investment as at December 31, 2023 and 2024 amounted to RMB6,441,000 and RMB5,999,000 respectively. The fair value of the investment as at December 31, 2023 and 2024 were measured using recent transaction price and hence were classified as Level 2 of the fair value hierarchy. Recent transaction price of share of the private entity was not available for its fair value determination as at December 31, 2025, and therefore, the fair value of the investment as at December 31, 2025 was determined based on market approach and was classified as Level 3 of the fair value hierarchy.

Reconciliation of Level 3 fair value measurements

	Equity instruments at FVTOCI
	<i>RMB'000</i>
At December 31, 2024	—
Transfers into level 3 due to change of valuation technique	5,999
Total gains in other comprehensive income	130
At December 31, 2025	<u>6,129</u>

Included in other comprehensive income during the year ended December 31, 2025, is an amount of RMB111,000 gain, net of income tax, relating to the unlisted equity securities classified as equity instruments at FVTOCI held at December 31, 2025 and is reported as other reserve.

30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group’s overall strategy remains unchanged during the Track Record Period.

The capital structure of the Group consists of net debt, which includes financial liabilities measured at FVTPL, bank borrowing and lease liabilities and disclosed in Notes 23, 24 and 25, respectively, net of cash and cash equivalents and equity, comprising paid-in capital, accumulated losses and reserves.

The directors of the Company review the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and raise of new loan borrowings.

31. RELATED PARTY TRANSACTIONS AND BALANCES

Except as disclosed elsewhere in the Historical Financial Statements, the Group also entered into the following transactions and balances during the Track Record Period with certain related parties.

(a) Related party balances

The Group and the Company

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Mr. Liu (<i>note i</i>)	—	—	858
Juxin Enterprise (<i>note ii</i>)	4,667	4,667	—
Zhike Juxin (<i>note ii</i>)	11,368	11,368	—
Zhituo Juxin (<i>note ii</i>)	10,792	10,792	—
Zhuhui Juxin (<i>note ii</i>)	2,592	2,592	—
Zhixin Juxin (<i>note ii</i>)	1,807	1,807	—
	<u>31,226</u>	<u>31,226</u>	<u>858</u>

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Notes:

- (i) These amounts are included in “amounts due from a related party” as set out in Note 20. The amounts are non-trade nature, unsecured, unguaranteed and repayable on demand and as represented by directors of the Company that these balances will be settled prior to the [REDACTED]. The maximum outstanding balances for the years ended December 31, 2023, 2024 and 2025 were nil, nil and RMB858,000, respectively.
- (ii) These amounts are included in “other receivables from Share Incentive Platform” as set out in Note 20. The amounts are non-trade nature, unsecured, unguaranteed and repayable on demand. Such amounts are fully settled in July 2025.

(b) Compensation of key management personnel

The remuneration of directors, which are the key management, and a supervisor of the Group during the Track Record Period were as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries and other benefits	1,534	1,701	1,899
Performance-based bonuses	717	653	732
Retirement benefit scheme contributions	177	179	238
Share-based payments expenses	2,475	4,138	622
	<u>4,903</u>	<u>6,671</u>	<u>3,491</u>

32. RETIREMENT BENEFIT PLANS

The employees of the Group in PRC are members of a state-managed retirement benefit plan operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authorities to the retirement benefit plan to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions under the plan. The retirement benefits cost charged to profit or loss for the years ended December 31, 2023 and 2024 and 2025 amounted to RMB7,331,000, RMB9,992,000 and RMB12,389,000, respectively.

33. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

As at the date of this report, the Company has direct equity interests in the following subsidiaries:

Name of subsidiaries	Places of incorporate and operation	Dates of incorporation/ establishment	Paid-in capital/ registered capital	Equity interest attributable to the Group directly			At the date of this report	Principal activity
				At December 31,				
				2023	2024	2025		
Shenzhen Silicon Integrated Co., Ltd.* (深圳芯聚微电子有限公司) (note i)	PRC	November 30, 2017	RMB1,000,000	100%	100%	100%	[100%]	Research of semiconductor products
Shanghai Silicon Integrated Co., Ltd.* (上海颯新微电子有限公司) (note i)	PRC	December 4, 2019	RMB3,000,000	100%	100%	100%	[100%]	Research of semiconductor products
Beijing Silicon Integrated Co., Ltd.* (北京颯新微电子有限公司) (note i)	PRC	August 20, 2020	RMB1,000,000	100%	100%	100%	[100%]	Research of semiconductor products

* English name is for identification purpose only.

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ACCOUNTANTS’ REPORT

Name of subsidiaries	Places of incorporate and operation	Dates of incorporation/ establishment	Paid-in capital/ registered capital	Equity interest attributable to the Group directly			At the date of this report	Principal activity
				At December 31,				
				2023	2024	2025		
Silicon Integrated B.V.* (note i)	Netherlands	May 13, 2019	EUR20,000	100%	100%	100%	[100%]	Research of semiconductor products
Silicon Integrated (HK) Co., Ltd.* (聚芯微電子(香港)有限公司) (note ii)	Hong Kong	August 27, 2020	HK\$10,000	100%	100%	100%	[100%]	Sale of semiconductor products
Suzhou Silicon Integrated Co., Ltd.* (蘇州聚芯微電子有限公司) (note i)	PRC	May 31, 2021	RMB5,000,000	100%	100%	100%	[100%]	Research of semiconductor products
Silicon Integrated (Singapore) Pte. Ltd. (note i)	Singapore	March 17, 2025	SGD1	N/A	N/A	100%	[100%]	Research of semiconductor products

Notes (i): No audited statutory financial statements were prepared for the entities for the years ended December 31, 2023, 2024 and 2025 as there are no statutory audit requirements.

(ii) The statutory financial statements of the subsidiary were audited by TC. Professional CPA Limited in Hong Kong in accordance with HKFRS Accounting Standards for the years ended December 31, 2023, 2024. No audited statutory financial statements were prepared for the year ended December 31, 2025.

34. FINANCIAL INFORMATION OF THE COMPANY

(A) Investments in subsidiaries

				As at December 31,		
				2023	2024	2025
				RMB'000	RMB'000	RMB'000
Cost of investments in subsidiaries				148,829	186,835	223,041
Accumulated impairment loss				(145,303)	(181,369)	(181,369)
				3,526	5,466	41,672

(B) Movement of the Company’s reserves

	Share premium	Other reserve	Capital reserve	Share-based payments reserve	(Accumulated losses) retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023	—	(341,182)	636,132	45,594	(829,593)	(489,049)
Loss and total comprehensive expense for the year	—	—	—	—	(108,036)	(108,036)
Recognition of equity-settled share-based payments	—	—	—	43,384	—	43,384
Restricted shares units vested	—	44,029	—	(44,029)	—	—
As at December 31, 2023	—	(297,153)	636,132	44,949	(937,629)	(553,701)
(Loss) profit and total comprehensive (expense) income for the year	—	(376)	—	—	10,861	10,485
Recognition of equity-settled share-based payments	—	—	—	20,870	—	20,870
Restricted shares units vested	—	26,460	—	(26,460)	—	—

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ACCOUNTANTS’ REPORT

	Share premium	Other reserve	Capital reserve	Share-based payments reserve	(Accumulated losses) retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2024	–	(271,069)	636,132	39,359	(926,768)	(522,346)
Profit and total comprehensive income for the year	–	111	–	–	22,926	23,037
Capital injection from investors with preferential rights (Note 23)	–	(509,600)	508,725	–	–	(875)
Termination of the Company’s obligations arising from preferential rights granted to the Investors (Note 23)	–	1,579,372	–	–	–	1,579,372
Recognition of equity-settled share-based payments	–	–	–	8,031	–	8,031
Restricted shares units vested . .	–	9,895	–	(9,895)	–	–
Conversion into a joint stock company (Note 26)	1,063,406	(808,598)	(1,144,857)	(35,101)	904,272	(20,878)
As at December 31, 2025	<u>1,063,406</u>	<u>111</u>	<u>–</u>	<u>2,394</u>	<u>430</u>	<u>1,066,341</u>

35. EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed elsewhere in the Historical Financial Information, the Group also has the following events after December 31, 2025.

In February 2026, the Company entered into share purchase agreements with three independent third parties (the “Sellers”), pursuant to which, the Company would acquire about 20.07% equity interests in a company, which is principally engaged in the R&D and production of micro-electromechanical system oscillators, for a total cash consideration of RMB6,021,000 (the “Equity Transfer”). The Equity Transfer was completed in February 2026.

36. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to December 31, 2025 and up to the date of this report.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

The information set forth in this Appendix does not form part of the accountants’ report on the historical financial information of the Group for each of the three years ended December 31, 2025 (the “**Track Record Period**”) (the “**Accountants’ Report**”) prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this document, and is included herein for information only.

The unaudited [REDACTED] financial information should be read in conjunction with the section headed “Financial Information” in this document and the Accountants’ Report set forth in Appendix I to this document.

A. UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following unaudited [REDACTED] statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company which has been prepared in accordance with paragraph 4.29 of the Listing Rules is for the purpose of illustrating the effect of the proposed [REDACTED] and [REDACTED] of the Company’s shares (the “[REDACTED]”) on The Stock Exchange of Hong Kong Limited on the consolidated net tangible assets of the Group attributable to owners of the Company as if the [REDACTED] had taken place on December 31, 2025. The unaudited [REDACTED] statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the [REDACTED] been completed on December 31, 2025 or at any future dates.

The following unaudited [REDACTED] statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at December 31, 2025 as shown in the Accountants’ Report of the Group as set out in Appendix I to this document, and adjusted as described below.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company at December 31, 2025	Estimated net [REDACTED] from the proposed [REDACTED]	Unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of the Company at December 31, 2025	Unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at December 31, 2025 per Share	
	RMB’000 (Note 1)	RMB’000 (Note 2)	RMB’000	RMB (Note 3)	HK\$ (Note 4)
Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]. . . .	1,086,798	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Based on an [REDACTED] of HK\$[REDACTED] Per [REDACTED]	1,086,798	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

Notes:

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company at December 31, 2025 is arrived at after deducing intangible assets of RMB8,979,000, from the audited consolidated net assets of RMB1,095,777,000 attributable to owners of the Company at December 31, 2025 as extracted from the Accountants’ Report set out in Appendix I to this document.
2. The estimated net [REDACTED] from the issue of the new shares pursuant to the [REDACTED] are based on [REDACTED] new shares at the [REDACTED] of HK\$[REDACTED] (equivalent to RMB[REDACTED]) and HK\$[REDACTED] (equivalent to RMB[REDACTED]) per [REDACTED], being the low-end and high-end of the stated [REDACTED] Range, after deduction of the estimated [REDACTED] fees and [REDACTED] and other related expenses not yet recognised in profit or loss up to December 31, 2025. It does not take into account of any share which may be allotted and issued pursuant to the exercise of the [REDACTED] or any other issuance or repurchase of shares by the Company.

For the purpose of this unaudited [REDACTED] statement, the estimated net [REDACTED] from the proposed [REDACTED] are converted from Hong Kong dollars (“HK\$”) into Renminbi (“RMB”) at an exchange rate of HK\$1 to RMB0.8908, which was the exchange rate prevailing on February 6, 2026 with reference to the rate published by the People’s Bank of China. No representation is made that the HK\$ amounts have been, could have been or may be converted to RMB, or vice versa, at that rate or any other rates or at all.

3. The unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at December 31, 2025 per share is arrived at on the basis that [REDACTED] shares issue immediately assuming the proposed [REDACTED] had been completed on December 31, 2025. It does not take into account of any share which may be allotted and issued pursuant to the exercise of the [REDACTED] or any other issuance or repurchase of shares by the Company.
4. For the purpose of this unaudited [REDACTED] statement, the unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at December 31, 2025 per share, is converted from RMB into HK\$ at an exchange rate of RMB1 to HK\$1.1226, which was the exchange rate prevailing on February 6, 2026 with reference to the rate published by the People’s Bank of China. No representation is made that the RMB amounts have been, could have been or may be converted to HK\$, or vice versa, at that rate or any other rates or at all.
5. No adjustment has been made to the unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at December 31, 2025 to reflect any trading result or other transactions of the Group entered into subsequent to December 31, 2025.

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UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

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UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

This section does not address any aspect of PRC or Hong Kong taxation other than income tax, stamp duty and estate duty. Prospective investors are urged to consult their respective tax advisors regarding the PRC, Hong Kong and other taxation consequences arising from the ownership and disposal of H Shares.

PRC TAXATION

Taxation on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the **Individual Income Tax Law**), which was last amended by the SCNPC on August 31, 2018 and came into effect on January 1, 2019 and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was last amended by the State Council on December 18, 2018 and came into effect on January 1, 2019, dividends paid by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from a PRC enterprise is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by a relevant tax treaty.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the Arrangement), which was signed by the STA and Hong Kong on August 21, 2006, PRC Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company if the Hong Kong resident is the beneficial owner of the equity and certain other conditions are met. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), which was issued by the STA and came into effect on December 6, 2019, adds criteria for the entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits shall not be granted in the circumstance where relevant treaty benefits, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under the Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements shall also be subject to the requirements of PRC tax laws and regulations, such as the Notice of the STA on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81).

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the **Enterprise Income Tax Law**), which was promulgated by the NPC on March 16, 2007 and came into effect on January 1, 2008, and last amended and came into effect on December 29, 2018, and the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council on December 6, 2007 and came into effect on January 1, 2008, and last amended on December 6, 2024 and came into effect on January 20, 2025, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends and bonuses received from a PRC resident enterprise), if such nonresident enterprise does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income is not connected with such

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TAXATION AND FOREIGN EXCHANGE

establishment or premise in the PRC. Such withholding tax for non-resident enterprises are deducted at source, where the payer of the income shall be the withholding agent, and is required to withhold the income tax from the payment or due payment every time it is paid or due.

The Circular of the STA on Issues Relating to the Withholding of Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897), which was issued by the STA and came into effect on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate flat of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares. In addition, the Response to Issues on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B-shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) (Guo Shui Han [2009] No. 394) which was issued by the STA on July 24, 2009, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a flat rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Non-resident enterprise shareholders entitled to preferential tax treatment shall make registration in accordance with the relevant provisions of the tax treaties. Such tax rates may be further changed pursuant to the tax treaty or agreement that China has concluded with relevant jurisdictions, where applicable. Accordingly, dividends paid to non-PRC resident enterprise (including HKSCC Nominees) shall be subject to withholding enterprise income tax at a rate of 10%.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), which was signed by the STA and Hong Kong on August 21, 2006, the PRC Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company if the Hong Kong resident is the beneficial owner of the equity and certain other conditions are met. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), which was issued by the STA and came into effect on December 6, 2019, adds criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted for relevant gains in the circumstance where relevant treaty benefits, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under the Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements shall be subject to the requirements of PRC tax laws and regulations, such as the Notice of the STA on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or arrangements for the avoidance of double taxation with the PRC might be entitled to a reduction of the PRC enterprise income tax imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to

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preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the PRC tax authorities for a refund of the enterprise income tax in excess of the agreed tax rate, and the refund application is subject to approval by the PRC tax authorities.

Taxation on Share Transfer

Value-Added Tax and Local Surcharges

Pursuant to the Notice on the Full Implementation of Pilot Program for Transition from Business Tax to VAT (《關於全面推開營業稅改徵增值稅試點的通知》) (Cai Shui [2016] No. 36) (the “Circular 36”), which was promulgated by the MOF and the STA on March 23, 2016 and came into effect on May 1, 2016 and amended on July 11, 2017, December 25, 2017 and March 20, 2019, respectively, and the “Value-Added Tax Law of the People’s Republic of China” (《中華人民共和國增值稅法》), which was promulgated by the NPC Standing Committee on December 25, 2024 and came into effect on January 1, 2026, entities and individuals engaged in sales of services within the PRC shall be subject to VAT and “sales of transfer of financial products within the PRC” refers to the situation where either the financial products are issued within the PRC, or the sellers are entities or individuals within the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable income (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals are exempt from VAT upon transfer of financial products.

According to the provisions above, upon the sale or disposal of H shares, the holders are exempt from VAT in the PRC if they are non-resident individuals; in case the holders are non-resident enterprises, they may not be subject to the VAT in the PRC if the purchasers of the H shares are individuals or entities located outside of the PRC whereas the holders may be subject to the VAT in the PRC if the purchasers of the H shares are individuals or entities located in the PRC.

Income Taxes

Individual investors

According to the IIT Law, gains from the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%. According to the Circular of the MOF and the STA on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《財政部國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the STA on March 30, 1998, since January 1, 1997, gains of individuals from the transfer of shares of listed companies continue to be temporarily exempted from individual income tax.

However, on December 31, 2009, the MOF, the STA and the CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167), which came into effect on January 1, 2010, states that individuals’ income from the transfer of listed shares obtained from the public offering and transfer of the stock market of the listed company on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues Concerning the Individual Income Tax on Individuals’ Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70) jointly issued by the above three departments and came into effect on November 10, 2010). As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-PRC resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

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Enterprise investors

In accordance with the EIT Law and the Implementation Rules of the Enterprise Income Tax Law of the PRC, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premises in the PRC but its PRC-sourced income is not connected in reality with such establishment or premise. Such withholding tax for non-resident enterprises are deducted at source, where the payer of the income shall be the withholding agent, and is required to withhold the income tax from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》) (the Stamp Duty Law) promulgated by the SCNPC on June 10, 2021 and came into effect on July 1, 2022, all entities and individuals engaged in securities transactions within the PRC are subject to stamp duty as stamp duty payers in accordance with the provisions of the Stamp Duty Law, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the transfer and disposal of H Shares by non-PRC investors outside the PRC.

Estate duty

According to current PRC law, no estate duty is currently levied in the PRC.

Major Taxes on the Company in the PRC

Please refer to the section headed “Regulatory Overview” of this Document.

TAXATION IN HONG KONG

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital Gains Tax and Profit Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares effected on the Stock Exchange. However, trading gains from the sale of the H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes. Trading gains from sales of H Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

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Stamp Duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong securities, including H Shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed duty of HK\$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong, pursuant to which no Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application of a grant of representation in respect of holders of H Shares whose deaths occur on or after February 11, 2006.

FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, with the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Regulations of the PRC on the Management of Foreign Exchange (《中華人民共和國外匯管理條例》) (the Regulations on the Management of Foreign Exchange), which was promulgated by the State Council on January 29, 1996 and came into effect on April 1, 1996, classifies all international payments and transfers into current items and capital items. Most of the current items are not subject to the approval of foreign exchange administrative authorities, while capital items are subject to the approval of foreign exchange administrative authorities. According to the Regulations on the Management of Foreign Exchange, which was amended and came into effect on January 14, 1997 and August 5, 2008, the PRC will not impose any restriction on international current payments and transfers.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) (the Settlement Regulations), which was promulgated by the PBOC on June 20, 1996 and came into effect on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》) (PBOC Announcement [2005] No. 16), which was issued by the PBOC on July 21, 2005 and come into effect on the same date, the PRC began to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies from July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

On August 5, 2008, the State Council promulgated the revised Regulation on the Management of Foreign Exchange, which has made substantial changes to the foreign exchange supervision system of the PRC. First, it has adopted an approach of balancing the inflow and outflow of foreign

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TAXATION AND FOREIGN EXCHANGE

exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities; second, it has improved the RMB exchange rate formation mechanism based on market supply and demand; third, in the event that international balance of payment suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard or control measures against international balance of payment; fourth, it has enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to the SAFE to enhance its supervisory and administrative powers.

According to the Notice of the SAFE on Reforming and Regulating Policies on the Administration of Foreign Exchange Settlement under Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (Hui Fa [2016] No. 16) issued by the SAFE and came into effect on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement as already specified by which may be handled at banks based on the domestic institutions’ actual requirements for business operation.

The proportion of discretionary settlement of domestic institutions’ foreign exchange receipts under the capital account is temporarily determined as 100%. The SAFE may, based on the international balance of payments, adjust the aforesaid proportion at appropriate time.

On January 26, 2017, the SAFE issued and implemented the Notice of the SAFE on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) (Hui Fa [2017] No. 3) to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading; allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization; allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones; and adopt the model of full-coverage RMB and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner’s equity in the audited financial statements of the preceding year.

On October 23, 2019, the SAFE issued and implemented the Circular of the SAFE on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (Hui Fa [2019] No. 28), which stipulated that on the basis that investing foreign-funded enterprises may make domestic equity investments with their capital funds in accordance with laws and regulations, non-investing foreign-funded enterprises are permitted to legally make domestic equity investments with their capital funds under the premise that the existing Special Administrative Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)》) are not violated and domestic invested projects are true and compliant.

On December 4, 2023, the SAFE issued and implemented the Notice of the SAFE on Further Deepening Reforms to Promote the Convenience of Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) (2023) (Hui Fa [2023] No. 28), the equity transfer consideration funds in foreign currency received by a domestic equity transferor (including institutions and individuals) from domestic parties, as well as the foreign exchange funds raised by domestic enterprises through overseas listing may be directly remitted to the settlement account of capital accounts. Funds in the settlement account of capital accounts may be settled and used at discretion. The equity transfer consideration funds received by a domestic equity transferor from FIEs which are paid with RMB funds derived from the settlement of foreign exchange (RMB funds derived from direct settlement of foreign exchange or from settlement account for pending payment) may be transferred directly to the RMB account of the domestic equity transferor.

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This Appendix is primarily intended to provide [REDACTED] with an overview of the Articles of Association (the Articles of Association set out in this Appendix shall come into effect on the date when the Company’s H shares are [REDACTED] and [REDACTED] on the Hong Kong Stock Exchange), and the following information is a summary and therefore may not contain all the content that is material to [REDACTED].

SHARES

Issuance of Shares

The shares of the Company are held in form of stocks, and share certificates include those in scripless form. Shares of our Company shall be issued in a fair and just manner. Shares of the same class shall rank pari passu with each other. For the same class of shares under the same issuance, each share shall be issued under the same conditions and at the same price. For the shares subscribed by any entity or individual, the price payable for each share shall be the same.

Increase, Reduction and Repurchase of Shares

Based on the needs of operation and development, our Company may increase capital by the following means in accordance with the provisions of laws and regulations after the resolution is passed by the shareholders’ meeting:

- (I) issuance of shares to non-specific investors;
- (II) issuance of shares to specific investors;
- (III) distributing bonus shares to existing shareholders;
- (IV) conversion of the reserve into share capital;
- (V) other methods of additional issue as stipulated by laws and administrative regulations and approved by CSRC.

Based on the needs for corporate operation and development, the Company, in accordance with the laws and regulations, may increase its registered capital by ways of subscription of the additional registered capital by investors and conversion of capital reserves to registered capital as permitted by laws and regulations, subject to the approvals by ways of separate resolutions at general meeting of shareholders and from relevant competent authorities and agencies.

Our Company may decrease its registered capital. Such decrease shall be made in accordance with the procedures stipulated in the Company Law, the Hong Kong Listing Rules, other securities regulatory rules of the place where our Company’s shares are listed, and other relevant provisions and the Articles of Association.

Our Company may purchase its own shares under the following circumstances, in accordance with laws, administrative regulations, departmental rules, and the provisions of the Articles:

- (I) reducing the registered capital of our Company;
- (II) merging with another company holding shares of our Company;
- (III) to utilize shares for employee stock ownership plans or equity incentives;

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- (IV) shareholders who object to resolutions on our Company’s merger or division passed at the shareholders’ meeting, demanding that our Company purchase their shares, provided that the requirements for the share repurchase procedures set forth in the Articles, applicable laws and regulations, and the rules of the securities regulatory authority and stock exchange of the place where our Company’s shares are listed are satisfied;
- (V) using shares for the conversion of the corporate bonds convertible into shares issued by our Company;
- (VI) where it is necessary for the Company to preserve its value and shareholders’ rights and interests.

Except as provided above, the Company shall not acquire its own shares.

Where our Company acquires its shares under circumstances set out in items (I) and (II) above, it shall be resolved by the shareholders’ meeting; where our Company acquires its shares for circumstances set out in items (III), (V) and (VI) above, it shall be subject to a resolution of a board of directors (the “**Board**”) meeting at which more than two-thirds of the directors are present, in accordance with the provisions of the Articles or authorization of the shareholders’ meeting. If our Company acquires its own shares according to the aforesaid provisions and it falls under item (I), the shares shall be canceled within ten days from the acquisition date. If it falls under items (II) or (IV), the shares shall be transferred or canceled within six months. In cases falling under items (III), (V), or (VI), the total number of its own shares held by our Company shall not exceed 10% of the total number of issued shares of our Company, and shall be transferred or canceled within three years.

Notwithstanding the abovementioned provisions, if the matters relating to above mentioned repurchase of shares of our Company are subject to other requirements under applicable laws, regulations, other requirements under the Articles, and the laws of the places where our Company’s shares are listed or relevant requirements of the securities regulatory authority, such regulations shall prevail. The repurchase of H shares of our Company shall comply with the Hong Kong Listing Rules and other relevant laws, regulations and regulatory requirements of the place where our Company’s H shares are listed.

Transfer of Shares

The shares of our Company may be transferred in accordance with the laws.

Our Company does not accept its own shares as collateral for pledges.

Shares issued before our Company’s public issuance shall not be transferred within one year from the date our Company’s shares are listed and traded on the stock exchange.

If a shareholder holding more than five percent of the shares, Director, or senior management member of the Company, sells the shares of our Company or other securities with the nature of equity within six months after buying those shares or other securities with the nature of equity, or buys the shares or other securities with the nature of equity within six months after selling those shares or other securities with the nature of equity, all the gains arising thereof shall belong to our Company, and such gains shall be collected by the Board of our Company. However, securities companies holding 5% or more of the shares after purchasing the remaining shares upon public offering due to underwriting, and other circumstances stipulated by the CSRC are exempt from such requirement.

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The Directors and senior management members of our Company shall report to the Company their shares of our Company (including preferred shares) and any alterations to the shares so held, and the shares transferred annually by them during their terms of office determined at the time of his/her assumption of office shall not exceed 25% of their total shares of the same class in the Company, except for changes in shares caused by judicial enforcement, inheritance, bequest, lawful division of property, etc. Shares of our Company held by the aforesaid persons shall not be transferred within the first year after the listing of Company's shares.

A shareholder holding more than five percent of our Company's shares attached with voting rights shall provide a written report to our Company on the same day when shares held by such shareholder are pledged, frozen, judicially auctioned, placed in custody, or subject to a entrust arrangement, or when the voting rights attached to such shares are otherwise legally restricted.

The shares or other securities with an equity nature held by Directors, senior management members and natural person shareholders referred to in the preceding paragraph include the shares or other securities with an equity nature held by their spouses, parents and children and held under accounts of any other persons.

If the Hong Kong Listing Rules and relevant provisions of the securities regulatory authority and stock exchange of the place where our Company's shares are listed have any other provisions in respect of restrictions on the transfer of overseas-listed shares, such provisions shall prevail.

If the Board of our Company does not implement in accordance with the aforesaid provisions, the shareholders shall have the right to demand the Board to perform the same within thirty days. If the Board of our Company fails to perform within the above period, the shareholders shall have the right to file a lawsuit to the People's Court in their own names for the benefits of our Company.

If the Board of our Company does not implement in accordance with the aforesaid provisions, the responsible Director(s) shall assume the relevant liabilities under the law.

Register of Members

Our Company maintains a register of members based on the certificates provided by the securities registration and clearing institution. This register of members serves as conclusive evidence of a shareholder's ownership of our Company shares. Shareholders enjoy rights and assume obligations according to the classes of shares they hold; those holding the same class of shares enjoy equal rights and assume the same obligations.

Any assignment and transfer of stocks must be registered in the register of shareholders. The original register of members of overseas listed shares listed in Hong Kong shall be kept in Hong Kong for inspection by shareholders, providing that the register(s) of members may be closed in accordance with the requirements of applicable laws, regulations and the securities regulatory rules of the place where the Company's shares are listed and the terms equivalent to section 632 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as in force from time to time. All transfers of H shares shall be in the form of a written transfer instrument in ordinary or common form or any other form acceptable to the Board (including the standard transfer form or transfer form specified by the Hong Kong Stock Exchange from time to time); and such transfer instrument may only be signed by hand or stamped with a valid company seal (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house or its agent as defined in the relevant regulations in force from time to time under the laws of Hong Kong, the transfer document may be signed by hand or machine-printed. All transfer documents shall be kept at the legal address of the Company or at such address as may be designated by the Board from time to time.

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Our Company shall maintain a complete register of shareholders. The register of shareholders shall include the following parts:

- (I) the register of shareholders kept at our Company's corporate domicile (other than those registers of shareholders as described in sub-paragraphs (II) and (III) of this Article);
- (II) the register of shareholders of our Company's H shares kept at the place where the Hong Kong Stock Exchange is located;
- (III) The register of shareholders kept at such other place as the Board may deem necessary for the purpose of [REDACTED] of our Company's shares.

Alteration or rectification of each part of the register of shareholders shall be carried out in accordance with the laws of the place where such part of the register of shareholders is maintained.

Our Company shall keep at its domicile a copy of the register of holders of overseas listed shares. The appointed overseas agent(s) shall ensure that the original and copy of the register of holders of overseas listed shares are always consistent. If there is any inconsistency between the original and the duplicate of the register of holders of H Shares, the original version shall prevail. The register of shareholders maintained in Hong Kong must be available for inspection by shareholders, but our Company may be permitted to suspend the registration of shareholders in accordance with equivalent provisions of the Companies Ordinance (Chapter 622).

When our Company holds a shareholders' meeting, distributes dividends, liquidates, and engages in other activities requiring shareholder identity confirmation, the Board or the convener of the shareholders' meeting will set the date of record. Those registered as shareholders after the close of business on the date of record are entitled to the relevant rights and benefits.

Any shareholder registered in the register of H-shareholders or any person requesting to have his/her name (name) registered in the register of H-shareholders may apply to our Company for a replacement share certificate in respect of such shares if his/her share certificate is lost. If a shareholder of overseas listed shares loses his/her share certificate and applies for a replacement certificate, he/she may be dealt with in accordance with the laws of the place where the original copy of the register of shareholders of overseas listed shares is kept, the rules of the stock exchange or other relevant provisions.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Rights and Obligations of Shareholders

Shareholders of the Company enjoy the following rights:

- (I) to receive dividends and other forms of profit distribution in proportion to the number of Shares held by them;
- (II) to request, convene, attend or appoint a proxy to attend shareholders' meetings and to exercise the corresponding voting rights in proportion to the shares held;
- (III) to supervise the operations of the Company, make suggestions or inquiries, and understand the Company's operating and financial conditions;
- (IV) to transfer, donate or pledge the shares it holds in accordance with laws, administrative regulations and the provisions of these Articles of Association;

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- (V) to inspect and copy the Articles of Association, the register of shareholders, the Company's bond stubs, minutes of shareholders' meetings, minutes of Board meetings, and financial and accounting reports;
- (VI) to participate in the distribution of the residual assets of the Company in proportion to the number of shares held in the event of termination or liquidation of the Company;
- (VII) to request the Company to acquire their shares, provided that the procedures for the Company to repurchase shares as stipulated in these Articles of Association, relevant laws and regulations, and the securities regulatory authorities and stock exchanges of the place where the Company's shares are listed are satisfied, for shareholders who object to the Company's resolution on merger or division made by the shareholders' meeting;
- (VIII) other rights provided for by laws, regulations, and these Articles of Association.

Any shareholder of the Company requesting to inspect the relevant information as mentioned in the preceding paragraph or to obtain information shall provide the Company with written documents proving the class and number of shares held by him/her in the Company, and the Company shall provide the same as requested by the shareholder after verifying his/her identity.

A shareholder severally or jointly holding more than 3% of shares of the Company for over 180 consecutive days may request to inspect the Company's accounting books and vouchers. If a shareholder requests to inspect the accounting books and accounting vouchers of the Company, he/she shall submit a written request to the Company stating the purpose. If the Company has reasonable grounds to believe that the shareholder's inspection of the accounting books and vouchers is for an improper purpose that may harm the legitimate interests of the Company, it may refuse to provide access for inspection, and shall reply to the shareholder in writing within 15 days from the date of the shareholder's written request, stating the reasons therefor. If the Company refuses the inspection, the shareholder may initiate legal proceedings in the People's Court.

A shareholder may appoint an accounting firm, law firm or other intermediary agencies to inspect the materials specified in the preceding paragraph.

Shareholders and the accounting firms, law firms, or other intermediary agencies entrusted by them shall comply with the provisions of laws and administrative regulations on the protection of state secrets, trade secrets, personal privacy, personal information, etc., when reviewing or duplicating the relevant materials.

Where a shareholder requests to inspect or reproduce materials related to wholly-owned subsidiaries of the Company, the provisions of the preceding four paragraphs shall apply. Shareholders of the Company shall assume the following obligations:

- (I) to abide by laws, administrative regulations and these Articles of Association;
- (II) to pay in full and on time the subscription monies for the shares subscribed for by them and in the manner of subscription;
- (III) The company shall not withdraw its share capital after registration, except as otherwise provided by laws and regulations;
- (IV) Not to abuse shareholders' rights to the detriment of the Company or other shareholders; and not to abuse the Company's independent legal person status and shareholders' limited liability to the detriment of the Company's creditors;
- (V) other obligations stipulated by laws, regulations and these Articles of Association.

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Shareholders of the Company who abuse their shareholder rights to cause losses to the Company or other shareholders shall be liable for compensation in accordance with the laws. Any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and severely harm the interests of the Company's creditors shall assume joint and several liability for the Company's liabilities.

Proxy

All shareholders registered on the record date or their proxies are entitled to attend the general meeting and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association. Shareholders may attend the shareholders' meeting in person or authorize proxies to attend and vote on their behalf.

Natural person shareholders who attend the meeting in person shall present their ID cards or other valid identification proofs; if a proxy is entrusted to attend the meeting, the proxy shall present his/her ID card and the shareholder's power of attorney.

Non-natural person shareholders shall attend the meeting through their legal representative/person in charge or a proxy authorized by the legal representative/person in charge. If the legal representative/person in charge attends the meeting, he/she shall present his/her identity document and valid proof of his/her qualification as the person in charge; if an authorized representative attends the meeting, the representative shall present his/her identity document and a written power of attorney issued by the legal representative/person in charge of the non-natural person shareholder in accordance with the law.

Any proxy statement issued by a Shareholder who authorizes a proxy to attend the Shareholders' meeting on his behalf shall include the following details:

- (I) name of the proxy;
- (II) whether there are voting rights;
- (III) instructions to vote for, against or abstain from voting on each matter to be considered on the agenda of the shareholders' meeting;
- (IV) the date of issue and effective period of the letter of proxy;
- (V) the name of the principal, and the class and number of shares held in the Company;
- (VI) The signature (or seal) of the principal. If the principal is a non-natural person shareholder, the seal of the non-natural person shareholder's entity shall be affixed.

Powers of the shareholders' meeting and matters determined by it

The general meeting shall consist of all shareholders. The shareholders' meeting is the organ of authority of the company and shall exercise the following functions and rights in accordance with the law:

- (I) to elect and replace directors and to determine their remuneration;
- (II) reviewing and approving the reports of the Board;
- (III) to deliberate and approve the Company's profit distribution plans and loss recovery plans;
- (IV) to make resolutions on increase or reduction of the Company's registered capital;

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- (V) to pass resolutions on the issuance of corporate bonds;
- (VI) to make resolutions on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (VII) to amend these Articles of Association;
- (VIII) to resolve on the appointment or dismissal of accounting firms undertaking the Company's audit work;
- (IX) to consider and approve guarantee matters requiring approval by the shareholders' meeting as stipulated in these Articles of Association;
- (X) to review matters concerning the purchase or sale of significant assets by the Company within one year that exceed 30% of the Company's latest audited total assets;
- (XI) to consider and approve matters stipulated in the Management System of Connected Transactions that should be submitted to the shareholders' meeting for consideration;
- (XII) to consider and approve matters relating to changes in the use of [REDACTED];
- (XIII) to consider the equity incentive schemes and Employee Stock Ownership Plan;
- (XIV) to consider other matters which, according to the laws, administrative regulations, departmental rules or the Articles of Association, should be decided by the shareholders' general meeting.

The shareholders' meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

Except as otherwise provided by laws, administrative regulations, the provisions of the CSRC or the rules of the stock exchange, the aforesaid powers and functions of the general meeting shall not be exercised by the Board of Directors or other institutions and individuals by way of authorization.

The following external guarantees of the Company shall be submitted to the general meeting for consideration and approval:

- (I) any guarantee provided after the total amount of external guarantees by the Company and its controlled subsidiaries exceeds 50% of the latest audited net assets;
- (II) any guarantee provided after the total amount of external guarantees of the Company exceeds 30% of the latest audited total assets;
- (III) guarantees provided by the Company to others within one year, the amount of which exceeds 30% of the Company's latest audited total assets;
- (IV) guarantees provided to subjects with a gearing ratio of over seventy per cent;
- (V) a single guarantee the amount of which exceeds 10% of the latest audited net assets;
- (VI) guarantees provided to shareholders, actual controllers, and their related parties.

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If the relevant responsible persons of the Company violate the authority and procedures for approving external guarantees by the shareholders' meeting and the Board of Directors as stipulated above and in these Articles of Association, they shall be held accountable in accordance with the law.

Resolutions of the general meeting shall be classified as ordinary resolutions and special resolutions.

For ordinary resolutions made at a shareholders' meeting, they shall be approved by more than half of the voting rights held by the shareholders (including the proxies) who attend the shareholders' meeting. A special resolution made at a shareholders' meeting shall be passed by more than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting.

The following matters shall be passed by ordinary resolutions at the shareholders' meeting:

- (I) work report of the Board of Directors;
- (II) the profit distribution plan and loss recovery plan formulated by the Board of Directors;
- (III) the appointment and removal of members of the board of directors and their remuneration and payment methods;
- (IV) matters other than those required by laws, administrative regulations or these Articles of Association to be approved by special resolution.

The following matters shall be resolved by way of special resolutions at a shareholders' meeting:

- (I) the increase or reduction of registered capital of the Company;
- (II) the division, spin-off, merger, dissolution and liquidation of the Company;
- (III) the amendment to the Articles of Association;
- (IV) the Company's purchase or sale of major assets or provision of guarantees to others within one year with an amount exceeding 30% of the latest audited total assets of the Company;
- (V) equity incentive plan;
- (VI) other matters stipulated by laws, administrative regulations or these Articles of Association, and any other matters which the general meeting may determine by ordinary resolution to have a material impact on the Company and require to be adopted by a special resolution.

Convening, Proposal and Notice of the Meeting

The Board shall convene the general meeting within the prescribed time limit.

Independent non-executive directors have the right to propose to the Board to convene an extraordinary general meeting with the consent of more than half of all independent non-executive directors. In response to the proposal of the independent non-executive directors to convene an extraordinary general meeting, the Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback indicating its agreement or disagreement within 10 days of receiving the proposal. If the Board agrees to convene an

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extraordinary general meeting, a notice of convening the general meeting shall be issued within five days after the Board's resolution is made; if the Board does not agree to convene an extraordinary general meeting, it shall explain the reasons and make an announcement.

The Audit Committee shall propose to the Board of Directors to convene an extraordinary general meeting, and such proposal shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback indicating its agreement or disagreement within ten days of receiving the proposal.

If the Board agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within five days after the Board resolution is made. Any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board does not agree to convene the extraordinary shareholders' meeting or fails to give a reply within ten days after receiving the proposal, the Board shall be deemed to be unable or fail to perform the duty of convening the shareholders' meeting, and the Audit Committee may convene and preside over such meeting on its own. The Company shall bear the necessary expenses incurred in the general meeting convened by the Audit Committee or the shareholders themselves.

Shareholders holding, individually or in aggregate, more than 10% of the shares of the Company (including preference shares with restored voting rights, etc.) who request the board of directors to convene an extraordinary general meeting shall make such request in writing to the board of directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback indicating its agreement or disagreement within 10 days of receiving the proposal.

If the Board agrees to convene an extraordinary general meeting, it shall issue a notice on the convening of the shareholders' general meeting within five days after the resolution of the Board is made, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Directors does not agree to convene an extraordinary general meeting, or fails to give a response within ten days after receipt of the request, the Shareholder(s) individually or jointly holding 10% or more of the Company's shares (including preference shares with restored voting rights) may propose to the Audit Committee to convene an extraordinary general meeting, and such proposal shall be made to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days upon receipt of the request, and any changes made to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue a notice of the general meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the general meeting, and shareholders who individually or collectively hold 10% or more of the company's shares (including preference shares with restored voting rights) for more than ninety consecutive days may convene and preside over the meeting themselves.

Where the Audit Committee or the shareholder(s) decide to convene a general meeting on its or their own, it or they shall notify the board of directors in writing and file with the stock exchange(s).

The Audit Committee or the convening shareholders shall submit relevant supporting documents to the stock exchange when issuing the notice of the general meeting and announcing the general meeting resolutions.

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Prior to the announcement of the resolutions of the Shareholders' general meeting, the shareholding proportion of the convening shareholders (including preferred shares with voting rights restored, etc.) shall not be lower than 10%.

Where the Audit Committee or shareholders convene the Shareholders' Meeting on its/their own initiative, the Board of Directors and the board secretary shall provide cooperation. The board of directors will provide the register of members as at the shareholding registration date.

All necessary expenses incurred by the Audit Committee or the shareholders to convene the shareholders' meeting shall be borne by the Company.

Proposals of the shareholders' general meetings shall fall within the purview of the shareholders' general meetings, and shall have clear discussion subjects and specific matters to be resolved, and be in compliance with the relevant provisions of laws, administrative regulations, and these Articles.

When the Company convenes a general meeting, the Board of Directors and shareholders individually or jointly representing more than 1% of the voting rights of the Company are entitled to submit proposals to the Company.

Shareholders individually or jointly representing 1% or more of the Company's voting rights may submit ad hoc proposals in writing to the convener 10 days before a general meeting is convened. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days after receiving the proposal, announcing the content of the temporary proposal.

Except for the circumstances prescribed in the preceding paragraph, the convener shall not amend the proposals stated in the notice of the shareholders' meeting or add new proposals upon the issuance of the notice of the shareholders' meeting.

The general meeting shall not vote or pass resolutions on proposals not listed in the notice of the general meeting or proposals not in conformity with the requirements of these Articles of Association.

The convener shall notify each shareholder in writing 21 days before the annual shareholders' meeting, and each shareholder shall be notified 15 days before the extraordinary shareholders' meeting. When calculating the starting period, the date of the meeting is not included, but the date on which the notice is issued should be included. Notices of general meetings shall be published on the Company's website or on the websites designated by the Hong Kong Stock Exchange, subject to applicable laws, regulations and the listing rules of the place where the Company's shares are listed. If an announcement should be issued to shareholders of overseas listed foreign shares according to the Company's Articles of Association, the relevant announcement shall also be published in accordance with the method stipulated in the Hong Kong Listing Rules. For shareholders of domestic unlisted shares, the notice of a shareholders' meeting may also be given by way of announcement.

A notice of a general meeting shall include the following:

- (I) the date, venue, and duration of the meeting;
- (II) Matters and proposals to be submitted to the meeting for consideration;
- (III) a clear statement that: all shareholders are entitled to attend the shareholders' meeting and may appoint a proxy in writing to attend and vote at the meeting on his/her behalf and that such proxy need not be a shareholder of the Company;
- (IV) the share registration date of the shareholders entitled to attend the general meeting;

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(V) name and telephone number of the contact person for conference affairs;

(VI) the time and procedures for voting online or by other means.

Notices or supplementary notices of general meetings shall adequately and completely disclose the specific contents of all proposals.

The start time for voting online or by other means at the shareholders' meeting shall not be earlier than 3:00 p.m. on the day prior to the on-site shareholders' meeting, and not later than 9:30 a.m. on the day of the on-site shareholders' meeting. Its end time shall not be earlier than 3:00 p.m. on the day of the conclusion of the on-site shareholders' meeting.

The interval between the shareholding record date and the date of the meeting shall not be more than seven working days. Once the equity registration date is confirmed, it cannot be changed.

Where the general meeting is to consider the election of directors, the notice of the general meeting shall fully disclose detailed information of the director candidates, including at least the following:

- (I) personal particulars such as educational background, work experience (especially in the Company's shareholders, de facto controllers and other entities) and part-time jobs;
- (II) whether there is any connected relationship with the Company or its controlling shareholders and de facto controller, shareholders holding more than 5% of the shares of the Company and their de facto controller, and other directors and senior management members of the Company;
- (III) the number of shares held in the Company;
- (IV) whether they have been punished by the China Securities Regulatory Commission or other relevant departments, or reprimanded by a stock exchange; whether they are suspected of committing a crime and have been investigated by judicial authorities, or are suspected of violating laws and regulations and have been investigated by the China Securities Regulatory Commission, where no definitive conclusion has been reached. If so, the convener shall disclose the specific circumstances of the candidate, the reasons for recommending the candidate, whether it will affect the standardized operation and corporate governance of the listed company, and the company's countermeasures;
- (V) whether there are circumstances under which a person may not serve as a director of a listed company as stipulated in the Company Law and other laws, regulations, and regulatory authorities.

Unless a director is elected via the cumulative voting system, each candidate for director shall be proposed via a single proposal.

After the notice of shareholders' meeting is issued, the shareholders' meeting shall not be postponed or canceled without justifiable reasons, and the motions listed in the notice of shareholders' meeting shall not be canceled. If any circumstance that may result in delay or cancellation occurs, the convener shall publish and explain the reasons at least 2 working days before the original convening day. If the shareholders' meeting is adjourned, the date of the adjourned meeting shall be announced in the notice. If the convener is the Board of Directors or the Audit Committee, the Board of Directors or the Audit Committee shall convene a meeting to consider canceling the general meeting. If the securities regulatory rules of the place where the Company's shares are listed have special provisions on the procedures for postponing or canceling general meetings, such provisions shall apply, provided that they do not violate domestic regulatory requirements. If the name and content of a proposal have not changed, and the convener

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subsequently intends to re-issue a notice of the general meeting to submit it for consideration at a new general meeting, the relevant proposal does not need to be re-reviewed by the Board. It can be directly submitted to the new general meeting, but the Board needs to make corresponding resolutions on matters such as proposing to convene a new general meeting and submitting the relevant proposal to that general meeting.

DIRECTORS AND SENIOR MANAGEMENT

Appointment, Removal and Retirement

Directors of the Company shall be natural persons. A natural person who falls into any of the following circumstances shall not serve as Director of the Company:

- (I) persons without capacity or with limited capacity for civil acts;
- (II) having been sentenced to criminal punishment for corruption, bribery, infringement of property, misappropriation of property or disruption of the socialist market economic order, or having been deprived of political rights due to a criminal offense, where less than five years have elapsed since the completion of the execution of such punishment or deprivation; or, in the case of a suspended sentence, less than two years have elapsed since the expiration of the probation period;
- (III) a person who is a former director, factory manager or manager of a bankrupt and liquidated company or enterprise whereby such person is personally liable for the bankruptcy of such company or enterprise, and where less than three years have elapsed since the date of completion of the bankruptcy and liquidation of such company or enterprise;
- (IV) a person who was the legal representative of a company or enterprise whose business license was revoked or ordered to close down due to violation of laws and who was personally liable, where less than 3 years have elapsed since the date of the revocation of the business license of such company or enterprise;
- (V) a person who has a relatively large amount of debts due and outstanding is listed as a dishonest person subject to enforcement by the People's Court;
- (VI) who was being prohibited from participating in securities market by the CSRC and such barring period has not elapsed;
- (VII) a person who has been publicly determined by a stock exchange to be unfit to serve as directors or senior management personnel of a listed company, and the period of such determination has not expired;
- (VIII) other contents stipulated by laws, administrative regulations or departmental rules.

Where the election or appointment of a director violates the aforementioned provisions, such election, appointment or engagement shall be invalid. If a director, during his/her term of office, falls under any of the circumstances listed in this Article, the Company shall remove him/her from his/her position and stop him/her from performing his/her duties.

Directors shall be elected or replaced by the shareholders' meeting, with a term not exceeding three years. Upon expiration of the term, the Directors may be re-elected and serve consecutive terms. Before the expiry of his term, a director may be removed from office by the shareholders' meeting.

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The date on which a Director assumes office shall be the date on which the resolution concerning the election of the Director is passed at the Shareholders' General Meeting. The term of a director starts from the date he or she takes his or her office, and ends at the expiration date of term of the Board. Where no election is conducted in time before the expiration of the term of office of a director, the existing director shall, before the new-elected director takes office, continue to perform his or her duty as a director in accordance with the provisions of laws, administrative regulations, departmental rules or these Articles of Association.

Directors may concurrently hold the positions of senior management personnel. However, the total number of directors who concurrently hold senior management positions and directors who are elected as representatives of employees shall not exceed one-half of the total number of directors of the Company.

Directors shall abide by laws, administrative regulations, and these Articles of Association, shall take measures to avoid conflicts of interest between themselves and the Company, and shall not exploit their positions to seek improper benefits.

Directors shall owe the following duties of loyalty to the Company:

- (I) shall not misappropriate Company assets or embezzle Company funds;
- (II) not to deposit the Company's funds into an account opened in his/her own name or in the name of any other individual;
- (III) not to abuse their powers to bribe or accept other illegal income;
- (IV) not to enter into any contract or conduct any transaction with the Company directly or indirectly without reporting to the Board or the shareholders' meeting and approval by a resolution of the Board or the shareholders' meeting as stipulated by the Articles of Association;
- (V) not to take advantage of their positions to seek business opportunities for themselves or others that should have otherwise been available to the Company, except when reported to the board of directors or the general meeting and approved by a resolution of the general meeting, or when the Company, according to the laws, administrative regulations, or the provisions of these Articles, cannot utilize such business opportunities;
- (VI) not to operate for themselves or others any business similar to that of the Company, without reporting to the board of directors or the shareholders' general meeting and obtaining approval through a resolution of the shareholders' general meeting;
- (VII) shall not accept commissions from others in transactions with the Company and take such commissions as their own;
- (VIII) shall not disclose the Company's secrets without authorization;
- (IX) not to take advantage of their relationship with the Company as related parties to compromise the interests of the Company;
- (X) other fiduciary duties specified in laws, administrative regulations, departmental rules and these Articles of Association. Any gain arising from the breach of this Article by directors shall belong to the Company. Such directors shall be liable for compensation for any loss of the Company arising therefrom.

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Close relatives of directors and senior management, enterprises directly or indirectly controlled by directors, senior management or their close relatives, and related parties having other affiliated relationships with directors and senior management, shall not directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the Board of Directors or the shareholders' meeting and obtaining approval by a resolution of the Board of Directors or the shareholders' meeting in accordance with the provisions of these Articles of Association.

The Company shall have one general manager, who shall be appointed or dismissed by the Board.

The provisions of these Articles regarding the circumstances under which one is not allowed to serve as a director and the management system on resignations shall also apply to the senior management.

The fiduciary duties and duties of diligence of the Directors as contained in these Articles of Association shall also be applicable to any senior management.

A person who holds an administrative position other than director and supervisor at the controlling shareholder of the Company shall not serve as the senior management personnel of the Company.

A senior management member of the Company shall only receive remunerations from the Company, instead of being paid by the controlling shareholders.

The term of office of the general manager shall be three years, renewable upon reappointment.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

The periodic reports of the Company's H shares include annual reports and interim reports. The Company shall disclose a preliminary announcement of its annual results within 3 months from the end of each financial year, and prepare and disclose its annual report within 4 months from the end of each financial year and at least 21 days before the date of the annual general meeting.

The Company shall disclose the preliminary announcement of interim results within 2 months from the end of the first 6 months of each financial year, and prepare and disclose the interim report within 3 months from the end of the first 6 months of each financial year.

The above annual results, annual reports, interim results, and interim reports shall be prepared in accordance with relevant laws, administrative regulations, and the regulations of the securities regulatory authorities and stock exchanges of the place where the Company shares are listed.

When the Company distributes its after-tax profits for a given year, it shall allocate 10% of profits to its statutory reserve. If the accumulated amount of the Company's statutory reserve fund is more than 50% of the Company's registered capital, it may not be withdrawn.

Where the legal reserve of the Company doesn't suffice to cover the loss in the previous years, the Company shall recover the loss with the annual profit before accruing the legal reserve in accordance with the preceding paragraph.

After the Company withdraws the statutory reserves from the after-tax profits, with the resolution of the Shareholders' General Meeting, it may also withdraw any discretionary reserves from the after-tax profits.

After the Company makes up for losses and allocates reserves, the balance of the after tax profits should be distributed according to the proportion of shares held by shareholders, except for the distribution that shall not be based on the shareholding percentage as prescribed in the Articles.

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If the general meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company; and if any losses are caused to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

The Company’s shares held by the Company shall not participate in the distribution of profits.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

In the event of a merger, the merging parties shall execute a merger agreement, prepare balance sheets and a property list. The Company shall notify its creditors within 10 days from the date of the resolution on merger and shall publish an announcement in the information disclosure media that meets the conditions stipulated by the China Securities Regulatory Commission or on the National Enterprise Credit Information Publicity System within 30 days.

Creditors may, within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if they have not received the notice, require the Company to repay the debts or to provide corresponding guarantee.

In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company’s assets shall be divided accordingly.

When the Company is divided, a balance sheet and a property list shall be prepared. The Company shall notify its creditors within ten days from the date of the resolution on division, and shall publish an announcement on an information disclosure medium that meets the conditions prescribed by the China Securities Regulatory Commission or on the National Enterprise Credit Information Publicity System within thirty days.

The post-division companies shall be jointly and severally liable for the pre-division debts of the Company. Unless otherwise stipulated in a written agreement reached with creditors before the company’s division regarding debt settlement.

The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within 10 days from the date of the resolution of the shareholders’ meeting to reduce its registered capital and shall publish an announcement on an information disclosure medium that meets the conditions stipulated by the China Securities Regulatory Commission or on the National Enterprise Credit Information Publicity System within 30 days. Creditors have the right to demand the Company to settle its debts or provide corresponding guarantee within 30 days from the date it receives the notice or within 45 days from the date of announcement if no such notice is received.

Where the Company reduces its registered capital, it shall reduce the capital contribution or shares in proportion to their respective shareholdings, unless otherwise provided by the law or this Articles of Association.

The Company may be dissolved for the following reasons:

- (I) expiry of the term of business stipulated in these Articles of Association or occurrence of other events of dissolution stipulated in these Articles of Association;
- (II) a resolution for dissolution is passed at a shareholders’ meeting;

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- (III) dissolution is required due to the merger or division of the Company;
- (IV) has its business license revoked, is ordered to close down or is deregistered in accordance with the law;
- (V) Where the Company encounters serious difficulties in its operation and management and its continuous existence will cause significant losses to the interests of shareholders, and such difficulties cannot be resolved through other means, shareholders holding more than 10% of the voting rights of the Company may request the People's Court to dissolve the Company.

If any of the causes for dissolution mentioned in the preceding paragraph arises, the Company shall publicize such cause for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

Where the Company is dissolved pursuant to items (1), (2), (4) and (5) of these Articles of Association, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days after the occurrence of an event of dissolution.

The liquidation committee shall notify creditors within ten days of its establishment, and publish an announcement on an information disclosure media that meets the conditions stipulated by the China Securities Regulatory Commission or on the National Enterprise Credit Information Publicity System within sixty days. A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification.

Creditors filing claims should explain the relevant matters of the claims and provide supporting materials. Claims shall be registered by the liquidation committee.

During the declaration of credit, the liquidation group shall not perform the liquidation to the creditors.

After the liquidation group has liquidated the company's assets and prepared a balance sheet and an inventory of property, it shall formulate a liquidation plan and submit it to the shareholders' meeting or the People's Court for confirmation.

The Company's property remaining after payment of the liquidation expenses, the wages, social insurance premiums and statutory compensation of the employees, the taxes owed and all the Company's debts shall be distributed by the Company to the shareholders in proportion to the shares they hold.

During the liquidation, the Company shall continue in existence but shall not carry on any operating activities which do not relate to its liquidation. The property of the Company shall not be distributed to its shareholders before the Company has made the payments as specified in the provisions of the preceding paragraph.

If the liquidation committee, after checking the assets of the Company and preparing a balance sheet and a property list, discovers that the assets of the Company are insufficient to pay off its debts, it shall file an application to the People's Court for a declaration of bankruptcy and liquidation in accordance with the laws.

After the People's Court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation matters to the bankruptcy administrator designated by the People's Court.

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Upon completion of the liquidation of the company, the liquidation group shall produce a liquidation report, report the same to the shareholders' general meeting or the People's Court for confirmation, and submit the same to the company registration authority to apply for deregistration of the company.

OTHER PROVISIONS MATERIAL TO OUR COMPANY AND OUR SHAREHOLDERS

General Provisions

The Company is a joint stock limited company which has perpetual existence.

From the effective date of the Articles of Association, the Articles of Association constitute a legally binding document regulating the constitution and activities of the Company, and the rights and obligations between the Company and its shareholders and the shareholders inter se, and are binding on the Company and its shareholders, directors and other senior executives. Disputes between the Company, Shareholders, Directors, and senior management involving the provisions of these Articles of Association shall be resolved through negotiation first, and then through litigation if the negotiation fails.

Board of Directors

The Board shall exercise the following duties and powers:

- (I) To convene general meetings and report its work to the general meeting;
- (II) To implement the resolutions of the shareholders' meeting;
- (III) to decide on the Company's business plans and investment proposals;
- (IV) to formulate the Company's profit distribution plans and loss recovery plans;
- (V) to formulate proposals for the increase or reduction of the Company's registered capital, the issue of bonds or other securities and listing plans;
- (VI) To formulate plans for the Company's major acquisition, repurchase of the Company's shares, or merger, division, dissolution, and change of corporate form;
- (VII) to decide on matters such as the Company's external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations, within the scope of authorization of the shareholders' meeting;
- (VIII) to decide on the Company's internal management structure;
- (IX) to decide on the appointment or dismissal of the Company's manager, board secretary and other senior management members and to decide on their remuneration, rewards and penalties; to decide on the appointment or dismissal of the Company's deputy manager, chief financial officer and other senior management members based on the nomination of the manager and to decide on their remuneration, rewards and penalties;
- (X) to formulate the Company's basic management system;
- (XI) to formulate amendments to these Articles of Association;
- (XII) to manage the information disclosure of the Company;

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- (XIII) to propose to the general meeting for the appointment or replacement of the accounting firms which provide audit services to the Company;
- (XIV) to listen to work reports of the manager of the Company and review his/her work;
- (XV) Any other functions and powers granted by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association.

The Board shall, within the scope of its powers as stipulated in these Articles of Association or authorized by the general meeting, determine the authority for external investment, acquisition and disposal of assets, pledge of assets, external guarantee matters, entrusted wealth management, and connected transactions, and establish strict review and decision-making procedures; major investment projects shall be assessed by relevant experts and professionals and reported to the general meeting for approval.

The Shareholders’ Meeting authorizes the Board of Directors as follows:

- (I) the right to decide on project investments, external investments (excluding investments in financial derivatives such as circulating shares, futures, options, foreign exchange, and investment funds), entrusted operations, or joint operations of assets where a single amount does not exceed 20% (inclusive of 20%) of the absolute value of the Company’s latest audited net assets (calculated based on consolidated financial statements); however, if the cumulative amount within the same fiscal year exceeds 50% of the absolute value of the Company’s latest audited net assets, it shall be submitted to the Company’s shareholders’ meeting for consideration;
- (II) The power to decide on the purchase or sale of assets (excluding the purchase of raw materials, and the sale of products, commodities and other assets related to daily operations, but including the purchase and sale of such assets involved in asset replacement) where the single amount does not exceed 10% (inclusive of 10%) of the absolute value of the Company’s latest audited net assets (as calculated based on consolidated financial statements), provided that if the cumulative amount within the same accounting year exceeds 30% of the absolute value of the Company’s latest audited net assets, it shall be submitted to the Company’s shareholders’ meeting for deliberation;
- (III) The decision-making power for a single financing (including credit facilities such as bank loans), asset mortgage, or asset pledge amount that does not exceed 20% (inclusive of 20%) of the absolute value of the Company’s latest audited net assets (calculated based on consolidated financial statements); however, if the cumulative amount within a single accounting year exceeds 50% of the absolute value of the Company’s latest audited net assets, it shall be submitted to the Company’s shareholders’ meeting for consideration;
- (IV) The decision-making power for a single entrusted wealth management or financial assistance amount not exceeding 10% (including 10%) of the Company’s latest audited net assets, provided that if the cumulative amount within 12 consecutive months exceeds 10% of the Company’s latest audited net assets, it shall be submitted to the Company’s shareholders’ meeting for deliberation;
- (V) To consider and approve external guarantees not within the approval limit of the shareholders’ general meeting as provided in the Articles of Association. Where the Company provides guarantees or financial assistance to connected parties, regardless of the amount, it shall be submitted to the general meeting for consideration after being considered and approved by the Board of Directors;

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- (VI) To approve the transaction matters that shall be submitted to the Board for consideration as stipulated in the Management System of Connected Transactions.

If the aforesaid matters are otherwise provided for in other laws, administrative regulations, departmental rules, regulatory documents, etc., such provisions shall prevail.

The Board of Directors authorizes the Chairman to exercise some of the functions and powers of the Board during the recess of the Board meetings, and the principles of such authorization are as follows:

- (I) compliant with the Company's overall development strategy;
- (II) not involving investment with high risks and material interests;
- (III) Subject to the Board resolving to grant such authority.

The Board authorizes the Chairman to exercise the following powers during and between Board meetings:

- (I) to preside over the shareholders' meeting and to convene and preside over the meetings of the Board of Directors;
- (II) to supervise and inspect the execution of the resolutions of the Board;
- (III) to sign the Company's shares, corporate bonds and other marketable securities;
- (IV) to sign important documents of the Board of Directors and other documents that should be signed by the legal representative of the Company;
- (V) to exercise the functions and powers of a legal representative;
- (VI) In the event of an emergency caused by catastrophic natural disasters or other force majeure, to exercise special disposition powers in relation to the Company's affairs in compliance with legal requirements and the interests of the Company, and subsequently report such activities to the Board of Directors and the shareholders' meeting;
- (VII) to nominate the general manager and the secretary to the Board;
- (VIII) The Board of Directors authorizes the Chairman to approve external investments, acquisitions and disposals of assets, pledges of assets, entrusted wealth management, related-party transactions, and other matters not in violation of laws, regulations, and other provisions of these Articles of Association, and not requiring submission to the Board of Directors and general meetings for deliberation as stipulated in these Articles of Association;
- (IX) to exercise the powers of the general manager when the general manager is absent or unavailable;
- (X) other powers conferred by these Articles or the Board of Directors.

The Board of Directors may authorize the chairman to exercise other powers of the Board of Directors during its recess. Such authorization shall be approved by more than one-half of all directors and made in the form of a Board resolution. The content of the authorization by the Board of Directors to the chairman should be clear and specific.

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The authorization shall be automatically terminated when the office term of the Board of Directors expires or the chairman cannot perform his/her duties unless the authorization by the Board of Directors to the chairman has a clear term or the Board of Directors authorizes again. The chairman shall make a timely report to the Board of Directors in terms of the execution of authorization.

Special Committees of the Board

The board of directors of the Company shall establish the Audit Committee, the remuneration and appraisal committee, and the nomination committee, and other relevant special committees as necessary. Special committees shall be accountable to the Board and perform their responsibilities in accordance with the Articles of Association and the authorization of the Board. The proposals shall be submitted to the Board for consideration and decision. All members of each special committee shall be directors, and each special committee shall consist of 3 members, including:

All members of the Audit Committee shall be non-executive Directors, with at least three members, and at least one of whom shall be an independent non-executive Director with appropriate professional qualifications or appropriate accounting or related financial management expertise that meets regulatory requirements. The Audit Committee shall exercise the powers of the Board of Supervisors as stipulated in the Company Law. More than half of the members of the Audit Committee shall be independent non-executive directors, and the chairman (convener) shall be an independent non-executive director. An employee representative director among the members of the board of directors of the company may become a member of the Audit Committee.

A majority of the members of the Nomination Committee shall be independent non-executive Directors, and the chairman (convener) shall be an independent non-executive Director or the chairman of the Board.

A majority of the members of the Remuneration and Assessment Committee shall be independent non-executive directors, and an independent non-executive director shall act as the chairman (convener).

The chairmen (conveners) of each special committee shall be appointed and removed by the Board.

Independent Non-executive Directors

Independent Non-executive Directors shall earnestly perform their duties in accordance with the provisions of laws, administrative regulations, the CSRC, the stock exchange and the Articles of Association, and play the role of participation in decision-making, supervision and balance, and professional consultation in the Board of Directors, so as to safeguard the overall interests of the Company and protect the legitimate rights and interests of minority shareholders. The number of independent non-executive directors shall account for more than 1/3 of the total and shall not be less than three. At least one of the independent non-executive Directors shall be a financial or accounting professional with appropriate accounting or relevant financial management expertise, or appropriate professional qualifications as referred to in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Independent non-executive directors shall include at least one person who is ordinarily resident in Hong Kong.

General Manager

The Company shall have one general manager, who shall be appointed or dismissed by the Board.

The term of office of the general manager shall be three years, renewable upon reappointment.

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The general manager shall be accountable to the Board of Directors, and has duties and powers listed below:

- (I) to be in charge of the production, operation and management of the Company, to organize and implement the resolutions of the Board of Directors, and to report on works to the Board of Directors;
- (II) to organize the implementation of the Company's annual business plans and investment proposals;
- (III) to formulate the Company's internal management structure;
- (IV) to draft the Company's basic management system;
- (V) to formulate specific rules and regulations for the Company;
- (VI) to propose to the board of directors the appointment or dismissal of the Company's deputy manager and financial controller;
- (VII) to decide on the appointment or dismissal of management personnel other than those to be engaged or dismissed by the Board;
- (VIII) other functions and powers granted by these Articles or the Board.

The general manager shall attend meetings of the Board of Directors.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under any of the following circumstances:

- (I) after the Company Law or relevant laws and administrative regulations have been amended, the matters stipulated in the Articles of Association conflict with the provisions of the amended laws and administrative regulations;
- (II) a change in the Company causes inconsistency with those contained in the Articles of Association;
- (III) the general meeting resolves to amend the Articles of Association.

The Board shall revise the Articles of Association in accordance with the resolution of the shareholders' general meeting regarding the revision of the Articles of Association and the approval opinion from the competent authorities. If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with law.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Establishment of our Company

Our Company was established in the PRC as a limited liability company on January 27, 2016 and was converted into a joint stock company with limited liability under the Company Law with effect from September 18, 2025. Our Company has established a principal place of business in Hong Kong at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on October 13, 2025. Ms. So Lai Shan has been appointed as our authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in “Appendix IV — Articles of Association” to this document.

2. Changes in the share capital of our Company

As of the date of the establishment, our registered capital was RMB3,000,000. On September 18, 2025, our Company was converted into a joint stock company with limited liability under the PRC Company Law. Upon completion of such conversion, the registered capital of our Company was RMB30,000,000 divided into 30,000,000 shares with a par value of RMB1.00 each.

Assuming the [REDACTED] is not exercised, upon completion of the [REDACTED] and conversion of Unlisted Shares into H Shares, the registered share capital of our Company will be increased to RMB[REDACTED] divided into [REDACTED] Unlisted Shares and [REDACTED] H Shares.

Save as mentioned in “History, Development and Corporate Structure” and “— 4. Resolution of our Shareholders passed on September 24, 2025” below, there has been no alteration in our share capital within the two years immediately preceding the date of this document.

3. Resolutions of our Shareholders passed on September 24, 2025

At the extraordinary general meeting of our Company held on September 24, 2025, among other things, the following resolutions were passed by our Shareholders:

- (a) the issue of H Shares with a nominal value of RMB1.00 each, the number of which shall be no more than approximately [REDACTED]% of the total issued share capital of our Company upon completion of the [REDACTED], and the [REDACTED] of the H Shares on the Stock Exchange were approved;
- (b) the grant of the [REDACTED] of not more than [REDACTED]% of the number of H Shares issued pursuant to the [REDACTED] was approved;
- (c) subject to the completion of the filing procedure with the CSRC, upon completion of the [REDACTED], the conversion of [REDACTED] Unlisted Shares in aggregate into H Shares on a one-for-one basis was approved;
- (d) subject to the completion of the [REDACTED], the Articles of Association were approved and adopted, which shall become effective on the [REDACTED], and our Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and the relevant PRC regulatory authorities; and

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STATUTORY AND GENERAL INFORMATION

- (e) our Board has been authorized to handle all relevant matters relating to, among other things, the [REDACTED], the [REDACTED] of H Shares and the [REDACTED].

4. Particulars of our subsidiaries

See note 34 of the Accountants’ Report.

5. Change in the registered capital of subsidiaries

There has been no alteration in the registered capital of any of our subsidiaries within the two years immediately preceding the date of this document.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this document that are or may be material:

- (a) [REDACTED]

2. Our Intellectual Property Rights

(a) Trademark

As of the Latest Practicable Date, our Group was the registered proprietor of the following trademarks which, in the opinion of our Directors, is material to our business:

No.	Trademark	Registration Number	Class	Name of Registered Proprietor	Place of Registration	Date of Registration	Expiry Date
1. . . .		28662938	9	Our Company	PRC	December 14, 2018	December 13, 2028
2. . . .		307039396	9	Our Company	Hong Kong	September 23, 2025	September 22, 2035

(b) Patents

As of the Latest Practicable Date, our Group was the registered proprietor of the following patents which, in the opinion of our Directors, are or may be material to our business:

No.	Patent	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Application	Expiry Date
1. . . .	Spectrum confirmation method, system, device and storage medium under Goertzel algorithm (格策爾算法下的頻譜確認方法、系統、設備及存儲介質)	CN202010093595.5	Our Company	PRC	February 14, 2020	February 14, 2040

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No.	Patent	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Application	Expiry Date
2. . . .	Audio signal amplification method and device (一種音頻信號放大方法及裝置)	CN202010104640.2	Our Company	PRC	February 20, 2020	February 20, 2040
3. . . .	Simple correlation monitoring method and system for speaker resonance frequency and ambient air pressure (揚聲器共振頻率與環境氣壓的簡易關聯監測方法及系統)	CN202011608170.X	Our Company	PRC	December 30, 2020	December 30, 2040
4. . . .	Method and system for dynamically controlling speaker amplitude, and mobile terminal (一種動態控制揚聲器振幅的方法及系統、移動終端)	CN202011608169.7	Our Company	PRC	December 30, 2020	December 30, 2040
5. . . .	Speaker output power control method and system (一種揚聲器輸出功率控制方法及系統)	CN202010093593.6	Our Company	PRC	February 14, 2020	February 14, 2040
6. . . .	Speaker temperature protection method and system, and speaker with temperature protection (一種揚聲器溫度保護方法、系統及具有溫度保護的揚聲器)	CN201911318291.8	Our Company	PRC	December 19, 2019	December 19, 2039
7. . . .	Power supply circuit, method, audio power amplifier and integrated circuit (供電電路、方法、音頻功率放大器和集成電路)	CN202011241839.6	Our Company	PRC	November 9, 2020	November 9, 2040
8. . . .	Amplitude adjustment method and system for speaker diaphragm (揚聲器振膜的振幅調節方法及系統)	CN201811492918.7	Our Company	PRC	December 7, 2018	December 7, 2038
9. . . .	Method and device for suppressing speaker noise (一種抑制揚聲器雜音的方法和裝置)	CN201811492912.X	Our Company	PRC	December 7, 2018	December 7, 2038
10. . .	Speaker temperature protection method, device and speaker with temperature protection function (揚聲器溫度保護方法、裝置及具有溫度保護功能的揚聲器)	CN201811493411.3	Our Company	PRC	December 7, 2018	December 7, 2038
11. . .	Time-of-flight sensing unit, sensor and demodulation method thereof (一種飛行時間傳感單元、傳感器及其解調方法)	CN202011637781.7	Our Company	PRC	December 31, 2020	December 31, 2040
12. . .	Time-of-flight pixel unit and image sensor (一種飛行時間像素單元及圖像傳感器)	CN202011637799.7	Our Company	PRC	December 31, 2020	December 31, 2040

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No.	Patent	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Application	Expiry Date
13. . .	Haptic effect control method and device, and electronic device (觸覺效果控制方法和裝置及電子設備)	CN202110647057.0	Our Company	PRC	June 10, 2021	June 10, 2041
14. . .	Feedback-type audio power amplifier circuit, audio power amplifier device, audio amplification device and electronic device (反饋型音頻功率放大電路、音頻功率放大裝置音頻放大裝置及電子裝置)	CN202111081273.X	Our Company	PRC	September 15, 2021	September 15, 2041
15. . .	Linear motor control method and control device (線性馬達控制方法及控制裝置)	CN202111265863.8	Our Company	PRC	October 28, 2021	October 28, 2041
16. . .	Linear motor control method and device (線性馬達控制方法及裝置)	CN202111265868.0	Our Company	PRC	October 28, 2021	October 28, 2041
17. . .	Braking method and device for linear motor (線性馬達的制動方法及裝置)	CN202111438388.X	Our Company	PRC	November 30, 2021	November 30, 2041
18. . .	Proximity detection circuit and proximity sensor (一種接近檢測電路及接近傳感器)	CN202211295860.3	Our Company	PRC	October 21, 2022	October 21, 2042
19. . .	Ambient light detection method, device, equipment and storage medium (一種環境光檢測方法、裝置、設備及存儲介質)	CN202211655322.0	Our Company	PRC	December 21, 2022	December 21, 2042
20. . .	Proximity detection circuit and proximity sensor (一種接近檢測電路及接近傳感器)	CN202222795389.6	Our Company	PRC	October 21, 2022	October 21, 2042
21. . .	Sound image lateralization compensation method, device, electronic device and storage device (一種聲像偏側的補償方法、裝置、電子設備及存儲設備)	CN202311337710.9	Our Company	PRC	October 17, 2023	October 17, 2043
22. . .	Linear motor drive control method and control device (線性馬達驅動控制方法及控制裝置)	CN202111265844.5	Our Company	PRC	October 28, 2021	October 28, 2041
23. . .	Motor drive waveform design method and device (一種馬達驅動波形的設計方法及裝置)	CN202111598926.1	Our Company	PRC	December 24, 2021	December 24, 2041
24. . .	Motor parameter acquisition method and device (馬達參數的獲取方法及裝置)	CN202111601396.1	Our Company	PRC	December 24, 2021	December 24, 2041

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No.	Patent	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Application	Expiry Date
25. . .	Linear motor resonance frequency detection method and detection device (一種線性馬達諧振頻率的檢測方法及檢測裝置)	CN202111438389.4	Our Company	PRC	November 30, 2021	November 30, 2041
26. . .	Optical lens three-dimensional movement detection device, method, computer-readable storage medium, focusing motor, camera module and electronic device (光學透鏡三維移動檢測裝置、方法、計算機可讀存儲介質、對焦馬達、攝像模組以及電子設備)	CN202410423152.6	Our Company	PRC	April 9, 2024	April 9, 2044
27. . .	Optical lens movement detection device, focusing motor, camera device and electronic device (光學透鏡移動檢測裝置、對焦馬達、攝像裝置以及電子設備)	CN202311356770.5	Our Company	PRC	October 18, 2023	October 18, 2043
28. . .	Method and system for evaluating motor tooling vibration (一種馬達工裝振動的評估方法及系統)	CN202111601389.1	Our Company	PRC	December 24, 2021	December 24, 2041
29. . .	Method and device for simulating motor vibration effect (一種馬達振動效果的仿真方法及裝置)	CN202111601374.5	Our Company	PRC	December 24, 2021	December 24, 2041
30. . .	Circuit device and electronic device including the same (電路裝置及包括其的電子設備)	CN202420843578.2	Our Company	PRC	April 24, 2024	April 24, 2044
31. . .	Linear motor resonance frequency tracking method and detection device (一種線性馬達諧振頻率的跟踪方法及檢測裝置)	CN202111438413.4	Our Company	PRC	November 30, 2021	November 30, 2041
32. . .	Linear motor resonance frequency detection method and detection device (一種線性馬達諧振頻率的檢測方法及檢測裝置)	CN202210152200.3	Our Company	PRC	February 18, 2022	February 18, 2042
33. . .	Ranging Method, Terminal and Storage Medium (測距方法、終端及存儲介質)	CN202110772364.1	Our Company	PRC	July 8, 2021	July 8, 2041

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No.	Patent	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Application	Expiry Date
34. . .	Error Calibration Method and Device, and Storage Medium (一種誤差標定方法及裝置、存儲介質)	CN202110826070.2	Our Company	PRC	July 21, 2021	July 21, 2041
35. . .	De-aliasing Method, Device, Equipment and Computer Storage Medium for Depth Images (深度圖像的去混疊方法、裝置、設備及計算機存儲介質)	CN202110743522.0	Our Company	PRC	July 1, 2021	July 1, 2021
36. . .	Exposure Control Method, Device, Equipment and Computer Storage Medium (一種曝光控制方法、裝置、設備以及計算機存儲介質)	CN202111141160.4	Our Company	PRC	September 28, 2021	September 28, 2041
37. . .	Analog-to-Digital Conversion Circuit, Conversion Method and Fully-Differential Segmented ADC (模數轉換電路、轉換方法及全差分分段式ADC)	CN202210973041.3	Our Company	PRC	August 15, 2022	August 15, 2042
38. . .	Measurement Method and Device for Single-Photon Optoelectronic Devices (一種單光子光電器件的測量方法、裝置)	CN202111489887.1	Our Company	PRC	December 8, 2021	December 8, 2041
39. . .	TDC Cell, TDC Array and Ranging System (TDC單元、TDC陣列以及測距系統)	CN202111465339.5	Our Company	PRC	December 3, 2021	December 3, 2041
40. . .	Time-Stamp Data Read/Write Circuit and Ranging System (時間戳數據讀寫電路及測距系統)	CN202111413502.3	Our Company	PRC	November 25, 2021	November 25, 2041
41. . .	Time-Interval Ranging Circuit, Time-Interval Ranging Method and Ranging System (時間間隔測距電路、時間間隔測距方法以及測距系統)	CN202111415921.0	Our Company	PRC	November 25, 2021	November 25, 2041

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No.	Patent	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Application	Expiry Date
42. . .	Capacitive-Module Detection Circuit, Chip, Optical-Lens Movement Detection Device, Focusing Motor, Camera Module and Electronic Equipment (電容模塊檢測電路、芯片、光學透鏡移動檢測裝置、對焦馬達、攝像模組以及電子設備)	CN202411431595.6	Our Company	PRC	October 14, 2024	October 14, 2044
43. . .	Optical Detection Circuit with Temperature Compensation, Time-of-Flight Measurement Device and Electronic Equipment (帶溫度補償的光檢測電路、飛行時間測量裝置及電子設備)	CN202111313931.3	Our Company	PRC	November 8, 2021	November 8, 2041
44. . .	Signal Processing Device and Electronic Equipment Including the Same (信號處理裝置及包括其的電子設備)	CN202422823903.1	Our Company	PRC	November 19, 2024	November 19, 2044

(c) Copyrights

As of the Latest Practicable Date, we were the registered proprietor of the following copyrights which, in the opinion of our Directors, are material to our business:

No.	Copyright	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Development Completion
1. . .	Silicon Integrated Message Service Software (聚芯微電子消息服務軟件)	2018SR202731	Our Company	PRC	December 12, 2017
2. . .	Silicon Integrated TOF 3D Point-Cloud Display Software (聚芯微電子TOF 3D點雲顯示軟件)	2018SR202596	Our Company	PRC	December 21, 2017
3. . .	Silicon Integrated SIP9911 Analog Mass-Production Software (聚芯微電子SIP9911模擬量產軟件)	2018SR223390	Our Company	PRC	December 25, 2017
4. . .	Silicon Integrated SIP9911 Digital Application Evaluation Software (聚芯微電子SIP9911數字應用評估軟件)	2018SR223333	Our Company	PRC	October 25, 2017

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No.	Copyright	Registration Number	Name of Registered Proprietor	Place of Registration	Date of Development Completion
5. . .	Silicon Integrated Smart Audio Software (聚芯微電子智能音頻軟件)	2019SR1131422	Our Company	PRC	August 31, 2019
6. . .	3DToF Image-Sensor Chip Transmission & Reception System (3DToF圖像傳感器芯片傳輸接收系統)	2021SR0610071	SI Shanghai	PRC	March 12, 2020
7. . .	3DToF Image-Sensor Chip Intelligent Parsing & Processing System V1.0 (3DToF圖像傳感器芯片智能解析處理系統V1.0)	2021SR0618642	SI Shanghai	PRC	June 15, 2020
8. . .	3DToF Camera Panoramic Monitoring & Recording System V1.0 (3DToF攝像頭全景監控錄播系統V1.0)	2021SR0610170	SI Shanghai	PRC	August 20, 2020
9. . .	Silicon Integrated Smart Audio Software (聚芯微電子智能音頻軟件)	2021SR1321215	Our Company	PRC	October 30, 2020
10. . .	VCSEL Laser-Driver Chip Intelligent Calibration System V1.0 (VCSEL激光器驅動芯片智能化標定系統V1.0)	2021SR0610182	SI Shanghai	PRC	December 22, 2020
11. . .	VCSEL Laser-Driver Chip Image-Depth Algorithm Processing System V1.0 (VCSEL激光器驅動芯片圖像深度算法處理系統V1.0)	2021SR0618643	SI Shanghai	PRC	March 15, 2021
12. . .	Silicon Integrated Haptics Core Software (聚芯微電子Haptics core軟件)	2022SR1587760	Our Company	PRC	October 25, 2022

(d) Domain Name

As of the Latest Practicable Date, we owned the following domain name which, in the opinion of our Directors, is material to our business:

No.	Domain Name	Registrant	Date of Registration	Expiry Date
1. . . .	si-in.com	Our Company	June 18, 2016	June 18, 2026

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C. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of interests

(a) *Interests and short positions of the Directors and chief executive of our Company in the share capital of our Company and its associated corporations*

Immediately following the completion of the [REDACTED] and conversion of Unlisted Shares into H Share (without taking into account any H Shares which may be issued pursuant to the exercise of the [REDACTED]), the interests or short positions of Directors or chief executive of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, under Section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”), to be notified to our Company and the Stock Exchange once the H Shares are [REDACTED] will be as follows:

Interest in Shares of our Company

Director/ Chief executive	Nature of interest	Type of Shares	Number of Shares ⁽¹⁾	Approximately percentage of shareholding in the relevant type of Shares	Approximately percentage of shareholding in the total issued share capital ⁽²⁾
Mr. Liu	Beneficial owner	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
		[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest in controlled corporations ⁽³⁾	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
		[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Zhan	Beneficial owner	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
		[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Kong	Beneficial owner	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
		[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%

Notes:

- (1) The letter “L” denotes the person’s long position in our Shares.
- (2) The calculation is based on the total number of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised).
- (3) Mr. Liu is the general partner of Juxinwei Enterprise, Zhihui Juxin, Zhike Juxin, Zhituo Juxin and Zhixin Enterprise. By virtue of the SFO, Mr. Liu is deemed to be interested in the Shares held by each of Juxinwei Enterprise, Zhihui Juxin, Zhike Juxin, Zhituo Juxin and Zhixin Enterprise.

(b) *Substantial Shareholders*

Save as disclosed in “Substantial Shareholders,” our Directors are not aware of any persons (other than our Directors and chief executive of our Company) who will, immediately following the completion of the [REDACTED] and conversion of Unlisted Shares into H Shares (without taking into account any H Shares which may be issued pursuant to the exercise of the [REDACTED]), will have or be deemed or taken to have interests and/or short position in our Shares or underlying

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Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any types of the issued voting shares of any member of our Group.

2. Particulars of Directors’ service contracts and appointment letters

Each of our Directors [has] entered into a service agreement or letter of appointment with our Company. The principal particulars of these service agreements and letters of appointment comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service agreements and letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors has or is proposed to have a service agreement with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

3. Remuneration of Directors and senior management

The remuneration (including directors’ fee, salaries and other benefits, performance-based bonuses, retirement benefit scheme contributions and share-based payments) recorded for our Directors in respect of the years ended December 31, 2023, 2024 and 2025 was RMB4.1 million, RMB5.2 million and RMB2.9 million, respectively. Save as disclosed above, no other amounts have been paid or are payable by any member of our Group to our Directors during the Track Record Period.

The aggregate amount of salaries and other benefits, performance-related bonuses, retirement benefit scheme contributions and share-based payment expenses recorded for our Company’s five highest paid individuals (other than our Directors) in respect of the years ended December 31, 2023, 2024 and 2025 was RMB19.2 million, RMB11.9 million and RMB9.0 million, respectively.

Under the arrangement currently in force, the aggregate remuneration (including salaries, allowances, benefits in kind and discretionary bonuses) of our Directors for the year ending December 31, 2026 is estimated to be no more than approximately RMB5 million.

4. Disclaimers

- (a) within the two years immediately preceding the date of this document, none of our Directors nor any of the experts referred to under “— D. Other Information — 6. Qualifications and Consents of Experts” in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (b) none of our Directors nor any of the experts referred to under “— D. Other Information — 6. Qualifications and Consents of Experts” in this Appendix, is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole; and
- (c) save as disclosed in this section, none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

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D. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that currently no material liability for estate duty is likely to fall on our Company or any of our subsidiaries in the PRC.

2. Joint Sponsors

The Joint Sponsors satisfy the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive an aggregate fee of US\$785,743 for acting as the sponsor for the [REDACTED].

The Joint Sponsors has made an application on behalf of our Company to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], our H Shares to be converted from Unlisted Shares and the H Shares to be issued pursuant to the [REDACTED].

3. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

4. Promoters

The promoters of our Company are as follows:

No.	Name of promoters of our Company
1.	Mr. Liu Deheng (劉德珩)
2.	Wuhan Silicon Integrated Enterprise Management Consultancy Partnership (Limited Partnership) (武漢聚芯微企業管理諮詢合夥企業(有限合夥))
3.	Nanjing Heli Guoxin Zhixin Equity Investment Partnership (Limited Partnership) (南京和利國信智芯股權投資合夥企業(有限合夥))
4.	Nanjing Wuyuan Qixing Venture Capital Center (Limited Partnership) (南京五源啟興創業投資中心(有限合夥))
5.	OPPO Guangdong Mobile Communications Co., Ltd. (OPPO廣東移動通信有限公司)
6.	Wuhan Zhike Silicon Integrated Enterprise Management Consultancy Partnership (Limited Partnership) (武漢致科聚芯企業管理諮詢合夥企業(有限合夥))
7.	Shenzhen Habo Technology Investment Partnership (Limited Partnership) (深圳哈勃科技投資合夥企業(有限合夥))
8.	Wuhan Zhituo Silicon Integrated Enterprise Management Consultancy Partnership (Limited Partnership) (武漢致拓聚芯企業管理諮詢合夥企業(有限合夥))
9.	Wuhan Zhituo Silicon Integrated Enterprise Management Consultancy Partnership (Limited Partnership) (武漢致匯聚芯企業管理諮詢合夥企業(有限合夥))
10.	Hushan Xinju (Chengdu) Venture Capital Center (Limited Partnership) (湖杉芯聚(成都)創業投資中心(有限合夥))
11.	Chongqing Qihou Xihai Equity Investment Management Co., Ltd. (重慶麒厚西海股權投資管理有限公司)
12.	China Internet Investment Fund (Limited Partnership) (中國互聯網投資基金(有限合夥))
13.	Suzhou Yuanming Venture Capital Center (Limited Partnership) (蘇州源明創業投資中心(有限合夥))
14.	Hainan Qixing Equity Investment Fund Partnership (Limited Partnership) (海南起行股權投資基金合夥企業(有限合夥))

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No.	Name of promoters of our Company
15. . . .	Xiamen Huaye Qirong Venture Capital Partnership (Limited Partnership) (廈門華業啟融創業投資合夥企業(有限合夥))
16. . . .	Shenzhen Wuyue Huanuo Angel Investment Partnership (Limited Partnership) (深圳五岳華諾天使投資合夥企業(有限合夥))
17. . . .	Taiping Sci-tech Innovation (Shanghai) Private Equity Investment Fund Partnership (Limited Partnership) (太平科創(上海)私募投資基金合夥企業(有限合夥))
18. . . .	Shenzhen Dachen Chuangcheng Private Equity Investment Fund Enterprise (Limited Partnership) (深圳市達晨創程私募股權投資基金企業(有限合夥))
19. . . .	Mr. Zhan Wanxing (詹萬幸)
20. . . .	Anhui Huaye Qicheng Equity Investment Partnership (Limited Partnership) (安徽華業啟成股權投資合夥企業(有限合夥))
21. . . .	Hubei Xiaomi Changjiang Industry Investment Fund Management Company Limited (湖北小米長江產業投資基金管理有限公司)
22. . . .	Mr. Kong Fanxiao (孔繁曉)
23. . . .	Hubei Science and Technology Innovation Corridor Venture Capital Partnership (Limited Partnership) (湖北科創大走廊創業投資合夥企業(有限合夥))
24. . . .	Beijing Quantum Jump Technology Co., Ltd. (北京量子躍動科技有限公司)
25. . . .	Hangzhou Dachen Chuangcheng Equity Investment Fund Partnership (Limited Partnership) (杭州達晨創程股權投資基金合夥企業(有限合夥))
26. . . .	Hushan Mingxin Mingxin (Chengdu) Venture Capital Center (Limited Partnership) (湖杉明芯(成都)創業投資中心(有限合夥))
27. . . .	Junrong Development Venture Capital Fund (Hubei) Partnership (Limited Partnership) (軍融發展創業投資基金(湖北)合夥企業(有限合夥))
28. . . .	Changjiang Securities Innovation Investment (Hubei) Co., Ltd. (長江證券創新投資(湖北)有限公司)
29. . . .	Zhuhai Hengqin Huaye Tiancheng Venture Capital Partnership (Limited Partnership) (珠海橫琴華業天成創業投資合夥企業(有限合夥))
30. . . .	Wuhan Optics Valley Sci-tech Innovation Industry Investment Fund Partnership (Limited Partnership) (武漢光谷科創產業投資基金合夥企業(有限合夥))
31. . . .	Suzhou Huaye Xuchuang Investment Partnership (Limited Partnership) (蘇州華業續創投資合夥企業(有限合夥))
32. . . .	Wuxi Hushan Xingxin Venture Capital Partnership (Limited Partnership) (無錫湖杉星芯創業投資合夥企業(有限合夥))
33. . . .	Mingzhe Yunzhan No. 5 (Zibo) Equity Investment Partnership (Limited Partnership) (銘哲雲展五號(淄博)股權投資合夥企業(有限合夥))
34. . . .	Shenzhen Gongchuang Future Investment Partnership (Limited Partnership) (深圳共創未來投資合夥企業(有限合夥))
35. . . .	Wuhan Zhitong Silicon Integrated Enterprise Management Consultancy Partnership (Limited Partnership) (武漢智通聚芯企業管理諮詢合夥企業(有限合夥))
36. . . .	Wuhan Zhixin Enterprise Management Consultancy Partnership (Limited Partnership) (武漢致芯企業管理諮詢合夥企業(有限合夥))
37. . . .	Pingtian Hengrui No. 3 Equity Investment Partnership (Limited Partnership) (平潭恒睿三號股權投資合夥企業(有限合夥))
38. . . .	Shenzhen Huaye Xinlian Venture Capital Partnership (Limited Partnership) (深圳華業芯聯創業投資合夥企業(有限合夥))
39. . . .	Shenzhen Jiacheng Zhihe Venture Capital Partnership (Limited Partnership) (深圳市佳承智和創業投資合夥企業(有限合夥))
40. . . .	Xiangyang Innovation Investment Co., Ltd. (襄陽市創新投資有限公司)
41. . . .	Shenzhen Huaye Lanxin Venture Capital Partnership (Limited Partnership) (深圳華業瀾芯創業投資合夥企業(有限合夥))

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No.	Name of promoters of our Company
42. . . .	Ningbo Yongyuan Hongkun Venture Capital Partnership (Limited Partnership) (寧波甬元弘坤創業投資合夥企業(有限合夥))
43. . . .	Hunan Fortune Caixin Phase I Venture Capital Fund Partnership (Limited Partnership) (湖南達晨財鑫壹期創業投資基金合夥企業(有限合夥))
44. . . .	Wuhan Chuanxin Future Equity Investment Fund Partnership (Limited Partnership) (武漢傳新未來股權投資基金合夥企業(有限合夥))
45. . . .	Yichang Dianjun Yiming Industrial Investment Fund Partnership (Limited Partnership) (宜昌點軍翼鳴產業投資基金合夥企業(有限合夥))
46. . . .	Mr. Liu Xuefeng (劉雪峰)
47. . . .	Wuhan Shanjiang Juyuan Enterprise Management Center (Limited Partnership) (武漢杉江聚源企業管理中心(有限合夥))
48. . . .	Wuhan Changniu Enterprise Management Partnership (Limited Partnership) (武漢長牛企業管理合夥企業(有限合夥))

Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters named above in connection with the [REDACTED] and the related transactions described in this document.

5. Qualifications and Consents of Experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this document:

Name	Qualifications
Haitong International Capital Limited	Licensed corporation to conduct type 6 (advising on corporate finance) regulated activities defined under the SFO
CITIC Securities (Hong Kong) Limited	Licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Yingke Law Firm	Legal advisors to our Company as to PRC laws
DeHeng Law Offices (Shenzhen)	Legal advisors to our Company as to PRC intellectual property laws
Houthoff Coöperatief U.A.	Legal advisors to our Company as to Dutch laws
King & Wood	Legal advisors to our Company as to the international sanctions laws
China Insights Industry Consultancy Limited	Independent industry consultant

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Each of the experts named above [has] given and [has] not withdrawn its written consent to the issue of this document with the inclusion of its reports, letters, opinions, summaries of opinions and/or references to its name included herein in the form and context in which they respectively appear.

6. Interests of experts in our Company

Except as disclosed in this document and save for its obligations under the [REDACTED], none of the persons named in “— 6. Qualifications and Consents of Experts” above is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

7. Taxation of holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate chargeable on each of the seller and purchaser is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see “Appendix III — Taxation and Foreign Exchange.”

8. Binding Effect

This document shall have the effect, if an application is made in pursuance of this document, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

9. Miscellaneous

- (a) within the two years immediately preceding the date of this document:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) save as disclosed in “[REDACTED],” no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
 - (iv) save as disclosed in “[REDACTED],” no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;
- (b) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;
- (c) there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared);

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- (d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;
- (e) all necessary arrangements have been made to enable our H Shares to be admitted into [REDACTED] for clearing and settlement;
- (f) no company within our Group is presently listed on any stock exchange or traded on any trading system;
- (g) our Company has no outstanding convertible debt securities or debentures;
- (h) there is no arrangement under which future dividends are waived or agreed to be waived; and
- (i) none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

10. Bilingual Document

The English and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and Chinese language version of this document, the English version shall prevail.

APPENDIX VI DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND DOCUMENTS ON DISPLAY

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were (a) the written consents referred to in “Appendix V — Statutory and General Information — D. Other Information — 5. Qualifications and Consents of Experts;” and (b) a copy of each of the material contracts referred to in “Appendix V — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts.”

B. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.si-in.com) up to and including the date which is 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Report from the Reporting Accountants, the text of which is set out in Appendix I to this document;
- (c) the report from the Reporting Accountants in respect of the unaudited [REDACTED] financial information, the text of which is set out in Appendix II to this document;
- (d) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024 and 2025;
- (e) the legal opinion issued by Yingke Law Firm, our PRC Legal Advisors, in respect of certain general corporate matters of our Group in the PRC;
- (f) the legal opinion issued by DeHeng Law Offices (Shenzhen), our PRC IP Legal Advisors, in respect of certain matters in relation to the intellectual property rights of our Group;
- (g) the legal opinion and due diligence letter issued by Houthoff Coöperatief U.A., our Dutch Legal Advisors, in respect of certain matters of our Group in the Netherlands;
- (h) the legal memorandum issued by King & Wood, our International Sanctions Legal Advisors, in respect of international sanctions analysis in relation to our Group;
- (i) the written consents referred to in “Appendix V — Statutory and General Information — D. Other Information — 6. Qualifications and Consents of Experts” to this document;
- (j) the material contracts referred to in “Appendix V — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts” to this document;
- (k) the service agreements and letters of appointment entered into between our Company and each of our Directors (as applicable) referred to in “Appendix V — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 2. Particulars of Directors’ service agreements and appointment letters” to this document;
- (l) the industry report issued by China Insights Consultancy; and
- (m) the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures, together with their unofficial English translation.