

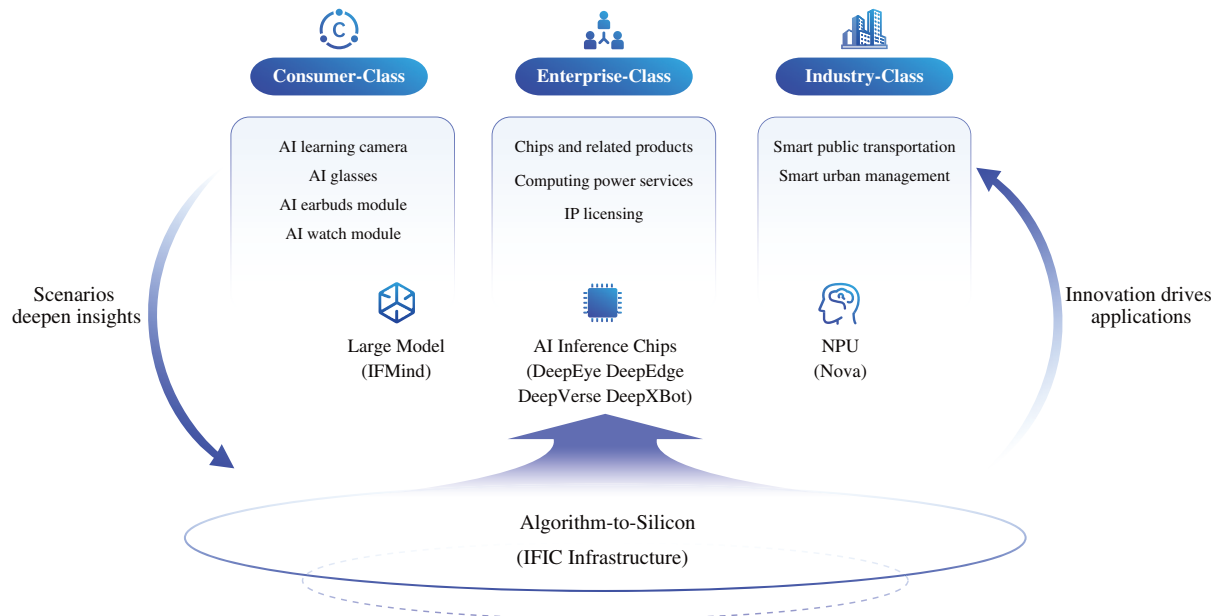
SUMMARY

This summary aims to give you an overview of the information contained in this document and should be read in conjunction with the full text of this document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document, including our financial statements and the accompanying notes, before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

Who We Are

We are a leading AI company in China, dedicated to the design, development and commercialization of AI inference chips⁽¹⁾. By integrating our deep expertise in AI algorithms and real-world scenarios into powerful and cost-efficient applications utilizing AI inference computing, we deliver NPU-powered⁽²⁾ AI inference chip-related products and services for enterprise, consumer, and industry applications. We have achieved a closed-loop system, from building AI inference infrastructure to product design, development, and commercial deployment, ensuring seamless AI adoption across diverse industries. According to the CIC Report, we are a top three industry leader for full-scenario AI inference chip-related products and services in China in terms of the relevant revenue in 2025⁽³⁾. We are also a top three provider of NPU-powered AI inference chip-related products and services in China in terms of the relevant revenue in 2025⁽⁴⁾, according to the same source. Both the full-scenario AI inference chip-related products and services industry in China and the NPU-powered AI inference chip-related products and services industry in China are oligopolistic, with the leading player holding approximately 34.0% and 82.2% market share respectively, while the remainder of each market is highly fragmented. During the Track Record Period, we generated substantially all of our revenue from China. The following diagram is a simplified illustration of our business model.



⁽¹⁾ AI inference is the process of using a pre-trained model, whose parameters have already been derived from training, to execute the intended tasks by processing the new, unseen inputs through its learned patterns or knowledge, and generating outputs, such as predictions, classifications, or decisions. AI inference chip is a specialized integrated circuit designed to execute trained artificial intelligence models with high computational efficiency, minimal latency, and optimized power consumption, focusing exclusively on deriving outputs, such as predictions, classifications, or decisions, from the new, unseen input data.

⁽²⁾ NPU, or neural processing unit, is a microprocessor that specializes in the acceleration of machine learning algorithms, typically by operating on predictive AI models, generative AI models, and reasoning AI models.

⁽³⁾ Our market share in the relevant market was less than 1% in 2025.

⁽⁴⁾ Our market share in the relevant market was approximately 1.1% in 2025.

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Our *IFIC* infrastructure streamlines the AI inference chip development process from algorithm analysis and instruction set design to chip architecture and toolchain development, leveraging its algorithm-to-silicon⁽¹⁾ capability. Based on our *IFIC* infrastructure, we developed our NPU product *Nova*, a neural processing architecture optimized for efficient AI inference computation. Building upon *Nova*, we launched AI inference chips to be applied at terminal-edge-cloud deployment with scalable computing power, including major products *DeepEye* and *DeepEdge*, and major product candidates *DeepVerse* and *DeepXBot*. Our *Hy³CAN* serves as the hardware enabling tool, providing unified programming interfaces to activate our chips. Our *IFIE* serves as a software development toolkit, providing home-grown development environment for large model applications and AI inference deployment. Leveraging *IFIC* infrastructure, *Hy³CAN* and *IFIE*, we developed our *IFMind* large model for visual, textual and linguistic analysis.

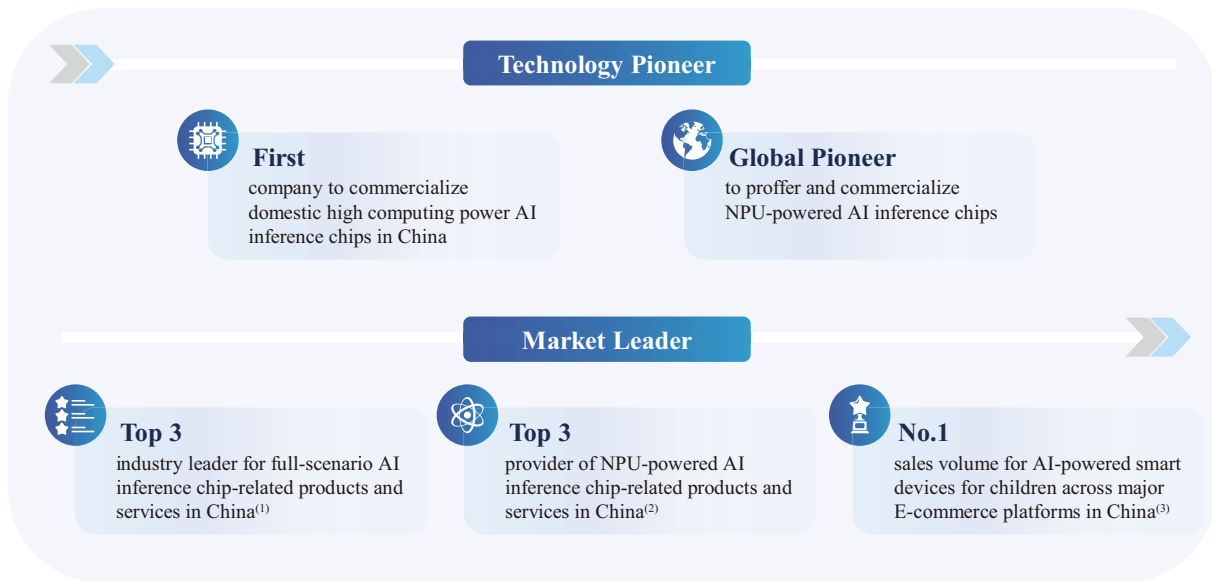
We deploy our products and services to enterprise-, consumer-, and industry-class scenarios, where real-world deployments generate feedback for algorithm refinement and help optimize chip architecture for actual workloads. This virtuous cycle creates a flywheel effect that compounds with each deployment, boosting R&D efficiency and driving continuous innovation and commercial expansion to capitalize the growing market demand. Specifically, our products and services include primarily (1) sales of AI inference chips, and computing power services and IP licensing services utilizing our AI inference chips and *Nova* NPU IP for enterprise customers, (2) consumer-class products and (3) industry-class software-hardware integrated solutions leveraging visual analysis and inference capability of our *IFMind* large model. We launched our computing power services in April 2023. We plan to expand the enterprise-class scenarios by (1) delivering high-efficiency computing power services for robotics, autonomous vehicles, drones, and intelligent transportation scenarios at the edge level, (2) expanding the application of our AI inference chips in smart devices at the terminal level, and (3) deploying large-scale heterogeneous computing clusters powered by our *IFMind* large model and AI inference chips at the cloud level.

Our products and services enable customers to meet diverse AI needs. For instance, our enterprise customers may customize and embed our AI inference chips into robots, servers, and edge devices to power scenario-specific applications. They may deploy our *IFMind* large model for tasks such as audio transcription and processing, purchase computing power services for model training and inference, or license our *Nova* NPU IP to design their own AI-powered chips. For consumer-class scenario, smart device manufacturers may incorporate our AI inference chips and *IFMind* large model to enable responsive voice and gesture recognition in their products, delivering a superior user experience at a highly competitive price. For industry-class scenario, public transportation operators may implement our smart traffic management solution powered by our AI inference chips and *IFMind* large model for AI-driven route optimization, dynamic scheduling, and intelligent operations planning.

⁽¹⁾ Algorithm-to-silicon is a co-design methodology that directly maps computational algorithms to custom silicon architectures, optimizing hardware for specific workloads.

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The following diagram illustrates our achievements.



Sources: CIC Report

- (1) In terms of revenue in relation to AI inference chip-related products and services from the Chinese market in 2025.
- (2) In terms of revenue in relation to NPU-powered AI inference chip-related products and services from the Chinese market in 2025, excluding smart devices for the consumer-class scenario.
- (3) In terms of sales volume of relevant categories of smart devices for children on major e-commerce platforms in China, according to the Tmall ranking data as of January 27, 2026.

Our Market Opportunity

The rapid advancement of AI, big data, and cloud computing is driving a sweeping wave of intelligent transformation, fundamentally reshaping production models and competitive landscapes across industries. AI is increasingly solving real-world problems in sectors such as transportation, internet search, and manufacturing, thereby accelerating the intelligent transformation of society.

AI has progressed from iterative algorithmic improvements to robust advancements in computing infrastructure, according to the CIC Report. We believe this evolution is moving towards an NPU-powered AI inference computing, where cost-efficient, specialized inference chips serve as the foundation for scalable AI deployment. China’s AI inference chip-related products and services industry has experienced explosive growth, expanding from RMB19.3 billion in 2021 to RMB305.0 billion in 2025, at a CAGR of 99.4%, and is expected to reach RMB2,109.7 billion by 2030, at a CAGR of 47.2% from 2025 to 2030, according to the CIC Report.

AI inference chips empower diverse application scenarios. Demand is rising among cloud service providers, AI companies, telecoms operators, and electronics manufacturers seeking localized high-performance inference computing power. AI and large models are also redefining smart devices for consumer electronics sector. Large models are now catalyzing two parallel hardware evolution pathways, including (1) AI-native products, which are entirely new product categories born from rapid AI advancements, and (2) AI-empowered products driven by the enhancement of existing products through AI capability integration. Meanwhile, large-scale smart infrastructure projects including smart public transportation, smart urban management, smart industrial park, and smart emergency response, are upgrading their computing capabilities, creating new deployment opportunities for AI inference chips.

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China’s AI inference chip-related products and services industry and its NPU sub-segment are dominated by two market leaders. Specifically, the top two players in China’s AI inference chip-related products and services industry collectively controlled nearly 80% of the total market share in 2025, while a sole leader commanded approximately 82% of the NPU sub-segment market share in the same year. To compete effectively with such leading players, we plan to carry out a competitive strategy with four key pillars. First, we plan to continue to focus exclusively on AI inference, the process of running AI models, rather than the resource-intensive training phase conducted by large labs. Second, we aim to secure a dominant position within specific verticals or through strategic partnerships with leading industry players. Third, we intend to leverage the growing trend among large enterprises to diversify their computing power supply chains by positioning ourselves as the preferred alternative supplier. Finally, we plan to employ a flexible sales model, offering our AI inference chips and other products or services separately to accommodate hyperscale customers who prefer to design their in-house racks, where hyperscale customers may eliminate brand-name markups and optimize component selection to significantly reduce both acquisition and operating costs. We believe our competitive strategy would allow us to enhance our market position where technological superiority and specialized value outweigh scale advantages held by larger incumbents.

Our Products and Services

We aspire to make AI more accessible through high-performance, cost-efficient, and adaptable inference chips to serve enterprise, consumer, and industry applications. Leveraging the algorithm-to-silicon capability, our *IFIC* infrastructure covers the entire AI inference chip development process spanning algorithm analysis, instruction set definition, chip architecture design, and toolchain development. Our *IFIC* infrastructure ensures optimal efficiency and scenario-specific adaptability, supported by integrated toolchain development.

Deploying our products and services across enterprise, consumer, and industry sectors creates a feedback loop that refines algorithms and optimizes chip architecture for real workloads. Utilizing our *IFIC* infrastructure, we developed our *DeepEdge* series inference chips incorporating innovative die-to-die chiplet, or D2D chiplet technology⁽¹⁾, and chip-to-chip mesh torus interconnect, or C2C mesh torus interconnect technology⁽²⁾, creating a modular *AI Computation Blocks*⁽³⁾ architecture which delivers cost-efficient computing power with exceptional flexibility.

We offer a comprehensive suite of AI inference chip-related products and services spanning terminal-edge-cloud dimensions. Leveraging our proprietary chip designs and core algorithms, we serve three primary application scenarios:

- *Enterprise-class scenario.* We primarily provide AI inference chips and related products, computing power services, and IP licensing services, which serve enterprises in application scenarios including primarily SoC development, large model services, and service robots.
- *Consumer-class scenario.* We develop and provide AI-native products primarily directly to end consumers, primarily including *Dr. LookAi Learning Camera*, AI glasses, *Dr. LookAi Companion Dog*, and AI inference chips for AI home hub devices, which are new product categories born from rapid AI advancements. Recognizing that AI and large models will redefine smart devices, we also utilize the inference capability of our *IFMind* large model to

⁽¹⁾ Chiplet is a small, modular integrated circuit that encapsulates a specific function, which is designed to be combined with other chiplets within a single package to form a complete system-on-chip (SoC), and to enable integration of multiple chiplets into one package, thereby scaling up the performance of the resulting chip. Die-to-die chiplet, or D2D chiplet technology, is a high-bandwidth, low-latency communication technology that enables multiple chiplets to function as a single integrated system.

⁽²⁾ Chip-to-chip mesh torus interconnect, or C2C mesh torus interconnect technology, is a high-performance, scalable network topology used in multi-chip systems where processing units are connected in a torus or mesh configuration.

⁽³⁾ AI Computation Blocks are specialized hardware units designed to efficiently execute core mathematical operations required for artificial intelligence workloads.

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enhance consumer electronics and wearables through providing modules to enterprise customers who then integrate our modules to electronics and wearables and sell to end consumers. We provide modules for various electronics and wearables, such as AI earbuds and AI watches, as AI-empowered products.

- *Industry-class scenario.* Leveraging the capability of our *IFMind* large model, *Nova* and AI inference chips, we provide software-hardware integrated solution to address the comprehensive needs in smart public transportation, smart urban management, smart industrial park, and smart emergency response operations, combining our specialized products with powerful AI capability to solve complex real-world challenges.

The following table set forth a summary of the business model of our three application scenarios.

	Enterprise-class Scenario	Consumer-class Scenario	Industry-class Scenario
Product and Service Offerings.	<ul style="list-style-type: none"> • AI inference chips and related products • Computing power services • NPU IP licensing services 	<ul style="list-style-type: none"> • AI-native products, including primarily <i>Dr. LookAi Learning Camera</i>, AI glasses, AI Home Hub, and <i>Dr. LookAi Companion Dog</i> • AI-empowered products, including primarily modules for AI earbuds and AI watch 	<ul style="list-style-type: none"> • Tailored software-hardware integrated products and services, such as smart public transportation application and smart urban management application
Core Expertise and Technologies. . .	NPU-centric AI inference chip design	AI product design and validation	Application-specific AI algorithm integration, solution design, and deployment using self-developed chips and hardware
Customer Type . . .	<ul style="list-style-type: none"> • AI companies • Internet companies • Cloud service providers • Telecoms operators 	<ul style="list-style-type: none"> • End consumers for AI-native products, except for AI home hub devices, which are targeted at enterprise customers in the smart security lifestyle sector • Smart device manufacturers for AI-empowered products 	<ul style="list-style-type: none"> • System integrators • Public sector customers, such as urban management departments, public transportation operators, and commercial park operators
Pricing Policy . . .	Cost-based pricing with reference to market prices, and also tailored to specific customer requirements	Cost-based pricing with reference to market prices	Custom-tailored pricing for each project, based on specific customer requirements

Our R&D Capability

Robust R&D capability is instrumental to our market leadership. We remain steadfast in building an AI R&D system centered around NPUs and algorithm-to-silicon capability. As of the Latest Practicable Date, we had registered 1,193 patents, 272 software copyrights and 650 trademarks. Among all the patents, we owned 949 invention patents as of the same date, covering chip architecture, AI algorithms, system platforms, and development toolchains. As of the Latest Practicable Date, we had

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618 R&D personnel, including 102 personnel with more than a decade of chip design experience, some of which are nationally recognized technical experts. Our formidable R&D capability has also enabled us to participate in establishing 48 industry standards for the AI industry in China.

Our R&D capability is also evidenced in our significant R&D initiatives. In 2023, 2024 and 2025, our research and development expenses were RMB294.8 million, RMB399.9 million and RMB445.5 million, respectively, accounting for 58.3%, 43.6% and 33.3% of our total revenue in the same periods, respectively.

COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiated us from our competitors: (1) pioneer in AI inference chip with strong technological capability and formidable barriers; (2) robust R&D capabilities rooted in algorithm-to-silicon methodology with excellent AI inference efficiency; (3) multi-scenario adaptability with agile market-driven productization; (4) strong brand equity backed by strategic partnerships and deployment experience; (5) early-mover harnessing China’s AI potential with secure, domestic supply chain; and (6) visionary management team and experienced R&D team.

GROWTH STRATEGIES

We intend to pursue the following strategies to further grow our business: (1) continue to drive technological innovation in the NPU-powered AI inference computing era; (2) expand product portfolio for critical terminal-edge-cloud application scenarios; (3) enhance upstream and downstream collaboration to integrate industry resources; (4) expand omni-channel sales network to augment our market share; (5) attract, retain and cultivate talents to propel future growth; and (6) selectively pursue strategic collaboration, investment and acquisition opportunities.

OUR CUSTOMERS AND SUPPLIERS

Our customers primarily consist of AI companies, internet companies, cloud services providers, electronics manufacturers, telecoms operators, system integrators and public sector customers. In 2023, 2024 and 2025, revenue generated from our top five customers in each period during the Track Record Period accounted for 47.5%, 57.3% and 74.1% of our total revenue for such period, respectively, and revenue generated from our largest customer in each period during the Track Record Period accounted for 17.4%, 20.5% and 37.0% of our total revenue for such period, respectively. See “Business—Customers and Suppliers—Our Customers” for details.

Our suppliers primarily include server hosting, cloud computing, software service and other technology service providers. In 2023, 2024 and 2025, purchase from our top five suppliers in each period during the Track Record Period accounted for 34.3%, 31.4% and 35.8% of our total purchases for such period, respectively, and purchase from our largest supplier in each period during the Track Record Period accounted for 9.4%, 9.1% and 14.0% of our total purchases for such period, respectively. See “Business—Customers and Suppliers—Our Suppliers” for details.

RISKS AND CHALLENGES

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: (1) the industries that we operate in are characterized by constant changes, and any failure to stay abreast of technology innovation and continuously advance our products and services to adapt to customers’ needs and advancements in technology may materially and adversely affect our business; (2) we have made significant investment into R&D, and such investment may negatively impact our profitability in the short term and may not generate the results we expect to achieve; (3) the commercialization of AI inference chip-related products and services may fall short of our expectation, which may lead to unsatisfactory market

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development and affect our business operation; (4) AI technologies are constantly developing with evolving regulatory and legal framework, and any flaws or misuse of the AI technologies integrated in our products, services and business operations could have certain negative impact on our business and reputation; (5) we may not be able to adequately protect our intellectual property rights, where uncertainty regarding the validity, enforceability or scope of our intellectual property rights may undermine our competitive position, and litigation to protect our intellectual property rights may be costly; (6) the size of our addressable markets and the demand for our products and services may not increase as expected due to a variety of factors; (7) if we fail to retain existing customers, attract new customers or increase their spending, our business, results of operations and financial condition may be materially and adversely affected; (8) uncertainties with the procurement and spending of our customers could affect our results of operations and growth prospects; (9) if we are unable to compete effectively, our business, financial condition and results of operations may be materially and adversely affected; and (10) our limited operating history and evolving business portfolio make it difficult to evaluate our prospects and the risks and challenges we may encounter. As different investors may have different interpretations and criteria when determining the significance of a risk, you should carefully read the “Risk Factors” section in its entirety before you decide to [REDACTED] in our H Shares.

SUMMARY OF FINANCIAL INFORMATION

The following tables present the summary of financial information for the Track Record Period and should be read in conjunction with our financial information included in the Accountants’ Report in Appendix I to this document, including the notes thereto.

Summary of Consolidated Statements of Profit or Loss

The following table set forth a summary of our consolidated statements of profit or loss and other comprehensive expense/income in absolute amount as a percentage of our total revenue for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands except for percentages)					
Revenue	506,009	100.0	917,372	100.0	1,339,284	100.0
Cost of sales	(387,207)	(76.5)	(725,271)	(79.1)	(971,099)	(72.5)
Gross profit	118,802	23.5	192,101	20.9	368,185	27.5
Loss before income tax	(384,730)	(76.0)	(576,477)	(62.8)	(414,636)	(31.0)
Income tax (expense)/credit	620	0.1	4,308	0.5	2,865	0.2
Loss for the year/period	(384,110)	(75.9)	(572,169)	(62.4)	(411,771)	(30.7)

Our net loss increased from RMB384.1 million in 2023 to RMB572.2 million in 2024, primarily due to (1) the increase in cost of sales, primarily due to the increase in cost of inventories and depreciation and amortization in line with the increased sales and services as a result of our business expansion, and (2) the increases in research and development expenses and administrative expenses, mainly due to the increase in share-based payment expenses for our R&D personnel and administrative personnel according to the vesting schedule of the restricted A-Share incentives.

Our net loss decreased from RMB572.2 million in the 2024 to RMB411.8 million in 2025, primarily due to the significant increase in our revenue over the same periods, mainly driven by (1) the increased sales of our computing power services and AI inference chips and related products, (2) the acquisition and consolidation of results of operations of D-infuture Tech from April 2024 and the launch of new products for consumer-class scenario from late 2024 and resultant sales growth; and (3) the improvements of our operating efficiency.

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See “Financial Information—Period to Period Comparison of Results of Operations.”

Non-IFRS Measure

To supplement our consolidated financial statements which are presented in accordance with the IFRSs, we also use adjusted net loss (non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with, the IFRSs. We believe that such non-IFRS measure facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items and provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under the IFRSs.

We define adjusted net loss (non-IFRS measure) as loss for the period adjusted for share-based payment expenses and [REDACTED]. Share-based payment expenses are non-cash expenses arising from restricted A-Share incentives granted under relevant schemes. [REDACTED] are incurred in connection with the [REDACTED] and [REDACTED]. The following table sets out a reconciliation from adjusted net loss (non-IFRS measure) to loss for the period which is presented in accordance with the IFRSs.

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Loss for the year/period	(384,110)	(572,169)	(411,771)
Add:			
Share-based payment expenses	86,658	189,523	128,658
[REDACTED]	—	—	590
Adjusted net loss (non-IFRS measure)	(297,452)	(382,646)	(282,523)

Revenue

We recorded total revenue of RMB506.0 million, RMB917.4 million and RMB1,339.3 million for 2023, 2024 and 2025, respectively. The following table sets forth our total revenue by application scenarios for the periods indicated, both in absolute amount and as a percentage of our total revenue.

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands except for percentages)					
Enterprise-class scenario	31,110	6.2	248,596	27.1	536,081	40.0
Consumer-class scenario	—	—	405,672	44.2	623,898	46.6
Industry-class scenario	469,092	92.7	253,753	27.7	174,248	13.0
Others ⁽¹⁾	5,807	1.1	9,351	1.0	5,057	0.4
Total	506,009	100.0	917,372	100.0	1,339,284	100.0

(1) Others primarily include miscellaneous business income, such as income from the provision of repairs and maintenance services.

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Gross profit and gross profit margin

Our gross profit was RMB118.8 million, RMB192.1 million and RMB368.2 million for 2023, 2024 and 2025, respectively, representing a gross profit margin of 23.5%, 20.9% and 27.5% for the same periods, respectively. The following table sets forth our gross profit and gross profit margin by application scenarios for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB in thousands except for percentages)					
Enterprise-class scenario	23,638	76.0%	99,903	40.2%	257,101	48.0%
Consumer-class scenario	—	—	45,413	11.2%	85,595	13.7%
Industry-class scenario	90,030	19.2%	39,147	15.4%	23,149	13.3%
Others	5,134	N/M	7,638	N/M	2,340	46.3%
Total	118,802	23.5%	192,101	20.9%	368,185	27.5%

Summary of Consolidated Statements of Balance Sheet

The following table sets forth a summary of our consolidated balance sheet as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	674,528	1,934,307	1,656,917
Total current assets	4,179,055	2,984,189	3,823,638
Total current liabilities	418,768	787,412	1,152,463
Net current assets	3,760,287	2,196,777	2,671,175
Total assets less current liabilities	4,434,815	4,131,084	4,328,092
Total non-current liabilities	56,197	185,131	522,642
Net assets	4,378,618	3,945,953	3,805,450

We experienced fluctuations in net current assets and net assets during the Track Record Period. Our net current assets decreased from RMB3,760.3 million as of December 31, 2023 to RMB2,196.8 million as of December 31, 2024, primarily due to (1) the decrease in financial assets at FVTPL due to our redemption of relevant wealth management products and structured deposits, as well as the decrease in time deposit, and (2) the increases in certain current liability items, mainly including (i) the increase in trade and bills payables, (ii) the increase in the current portion of our borrowings to meet the needs of our expanding operations, and (iii) the increase in other payables and accruals. Net current assets then increased to RMB2,671.2 million as of December 31, 2025, primarily due to the increase in cash and cash equivalents driven by improved operating cash flow, as well as the increase in financial assets at FVTPL, partially offset by the increase in current portion of borrowings.

Our net assets decreased from RMB4,378.6 million as of December 31, 2023 to RMB3,946.0 million as of December 31, 2024, and further to RMB3,805.5 million as of December 31, 2025, primarily due to net loss of RMB572.2 million and RMB411.8 million recorded in 2024 and 2025, respectively, with the reasons abovementioned.

See “Financial Information—Discussion of Major Balance Sheet Items.”

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Summary of Consolidated Statement of Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash (used in)/generated from operating activities	(541,011)	(294,520)	265,826
Net cash (used in)/generated from investing activities	(2,862,887)	600,981	(371,391)
Net cash generated financing activities . . .	3,552,277	78,756	698,737
Net increase in cash and cash equivalents . .	148,379	385,217	593,172
Cash and cash equivalents at beginning of the year	375,167	523,611	908,937
Effects of foreign exchange rate changes	65	109	(143)
Cash and cash equivalents at end of the year	523,611	908,937	1,501,966

We recorded net cash used in operating activities of RMB541.0 million and RMB294.5 million in 2023 and 2024, respectively, primarily due to changes in working capital that negatively affected our cash flows, including primarily decreases in trade payables and other payables, increases in inventories, increases in trade and other receivables, and decreases in deferred income. We recorded net cash generated from operating activities of RMB265.8 million in 2025.

See “Financial Information—Liquidity and Capital Resources—Cash Flows—Net cash generated from/(used in) operating activities.”

Key Financial Ratios

The following table sets forth certain of our key financial ratios as of the dates and for the periods indicated.

	As of/for the year ended December 31,		
	2023	2024	2025
Gross profit margin	23.5%	20.9%	27.5%
Current ratio (times) ⁽¹⁾	10.0	3.8	3.3
Quick ratio (times) ⁽²⁾	9.7	3.5	3.1

(1) Current assets divided by current liabilities as of period end.

(2) Current assets less inventories divided by current liabilities as of period end.

DIVIDEND POLICY

We did not declare any dividends during the Track Record Period. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make.

Pursuant to our Articles of Association, our Board may propose to declare dividends by cash and/or by stock in the future after taking into account our profitability, capital needs and plans on shareholder returns. We may declare cash dividends provided that, among others, our distributable profits of the relevant fiscal year and our accumulated distributable profits are positive, and that we do

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not have significant investment plans or cash expenditures as defined in our Articles of Association. Based on the aforementioned regulatory requirement, as advised by our PRC Legal Advisor, we cannot pay dividend in view of our accumulated losses. If the conditions for cash dividends are met, we shall distribute annual cash dividends of not less than 10% of the distributable profits generated in the relevant fiscal year. Our Board shall also propose customized cash dividend policies based on the industry characteristic, business model, the development stage of our businesses, profitability and capital expenditure plans. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders.

[REDACTED]

We recorded [REDACTED] of RMB[REDACTED] million in connection with the [REDACTED] during the Track Record Period. We expect to incur a total of approximately RMB[REDACTED] million (HK\$[REDACTED] million) of [REDACTED] in connection with the [REDACTED], representing approximately [REDACTED]% of the [REDACTED] from the [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED], being the [REDACTED] of the indicative [REDACTED] between HK\$[REDACTED] and HK\$[REDACTED], and assuming that the [REDACTED] is not exercised and no additional Shares are issued pursuant to our Share Incentive Schemes), including (1) sponsor fees and [REDACTED], SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all [REDACTED] of approximately RMB[REDACTED] million (HK\$[REDACTED] million), and (2) non-[REDACTED] expenses of approximately RMB[REDACTED] million (HK\$[REDACTED] million), which consist of (a) fees and expenses of legal advisors and accountants of approximately RMB[REDACTED] million (HK\$[REDACTED] million), and (b) other fees and expenses of approximately RMB[REDACTED] million (HK\$[REDACTED] million). Approximately RMB[REDACTED] million of our [REDACTED] is expected to be charged to our consolidated statements of profit or loss, and approximately RMB[REDACTED] million is expected to be deducted from equity. The [REDACTED] above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Dr. Chen controlled approximately 24.96% of the voting rights of our Company, comprising (1) approximately 23.27% beneficially owned by himself directly, and (2) approximately 1.69% beneficially owned by Mingde Zhiyuan, which is wholly owned by Dr. Chen. Upon the [REDACTED], Dr. Chen will control [REDACTED]% of the voting rights of our Company, comprising (i) approximately [REDACTED]% beneficially owned by himself directly, and (ii) approximately [REDACTED]% beneficially owned by Mingde Zhiyuan. Therefore, Dr. Chen, together with Mingde Zhiyuan, were the Single Largest Group of Shareholders of the Company as of the Latest Practicable Date and will be our Single Largest Group of Shareholders upon the [REDACTED].

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE

Since April 4, 2023, our Company has been listed on the Shanghai Stock Exchange. As of the Latest Practicable Date, our Directors confirmed that we had no instances of non-compliance with the rules of the Shanghai Stock Exchange and other applicable PRC securities laws and regulations in any material respects and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Our PRC Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance record is accurate and reasonable. Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Advisor's view, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange in any material respect.

SUMMARY

MAJOR ACQUISITION DURING TRACK RECORD PERIOD

On March 22, 2024, our Company entered into the Share Purchase Agreement with D-infuture Tech and its shareholders, pursuant to which our Company agreed to purchase 100% equity interest in D-infuture Tech at a total consideration of RMB180 million, subject to certain price adjustment mechanism. The acquisition of D-infuture Tech aims to leverage China’s rapidly growing AI market by combining our proprietary AI algorithms and chip technologies with D-infuture Tech’s expertise in wearable IoT devices. As of the Latest Practicable Date, the First Phase Acquisition was properly and legally completed and settled, and all applicable regulatory approvals with respect to the First Phase Acquisition had been obtained. Upon completion of the First Phase Acquisition in April 2024, our Company owns as to 51% in D-infuture Tech. For details, see “History, Development and Corporate Structure—Major Acquisitions and Disposals—Acquisition of D-infuture Tech” and “Financial Information—Financial Information of D-infuture Tech.”

[REDACTED] STATISTICS

All statistics in this table are based on the assumption that (1) the [REDACTED] has been completed and [REDACTED] H Shares are issued pursuant to the [REDACTED], and (2) the [REDACTED] is not exercised and no additional Shares are issued pursuant to our Share Incentive Schemes.

	Based on an [REDACTED] of HK\$[REDACTED] per H Share	Based on an [REDACTED] of HK\$[REDACTED] of H Share
[REDACTED] of our Shares ⁽¹⁾	HK\$[REDACTED] million	HK\$[REDACTED] million
Unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as of December 31, 2025 ⁽²⁾	HK\$[REDACTED] (RMB[REDACTED])	HK\$[REDACTED] (RMB[REDACTED])

- (1) The calculation of [REDACTED] is based on [REDACTED] Shares expected to be in issue and outstanding following the completion of the [REDACTED], being the sum of (i) the [REDACTED] of the [REDACTED] A shares of HK\$[REDACTED] million calculated based on the average closing price of HK\$[REDACTED] per A share for the five business days immediately preceding the Latest Practicable Date, and (ii) the [REDACTED] of the [REDACTED] H Shares calculated based on the [REDACTED] as indicated in the table (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to our Share Incentive Schemes).
- (2) The unaudited [REDACTED] adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share is arrived at after the adjustments referred to in Appendix II to this document and on the basis that [REDACTED] Shares (representing (i) [REDACTED] in issue as at 31 December 2025; (ii) issued new shares of [REDACTED] in January 2026; and (iii) adding [REDACTED] were in issue, assuming that the [REDACTED] had been completed on 31 December 2025 without taken into account any Shares which may be allotted and issued by the Company upon the exercise of the [REDACTED] and any Shares which may be issued by the Company upon the exercise of any options may be granted under the share incentive scheme or any Shares which may be issued or repurchased by the Company.

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the midpoint of the stated range of the [REDACTED] of between HK\$[REDACTED] and HK\$[REDACTED] per [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 in connection with the [REDACTED].

SUMMARY

We intend to use the net [REDACTED] we expect to receive from the [REDACTED] for the purposes and in the amounts set out below.

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to the R&D of AI inference chips and related products and technologies;
- Approximately [REDACTED]%, or HK\$[REDACTED] million will be used to pursue strategic investment and acquisition opportunities;
- Approximately [REDACTED]%, or HK\$[REDACTED] million will be allocated to strengthen our sales and marketing capabilities and reinforce our brand image; and
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for working capital and other general corporate purposes.

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

U.S. Export Control Risks

Although our Company has been designated a Footnote 4 Entity under the U.S. Export Administration Regulations (“EAR”), such designation applies only to our Company and does not extend to the non-listed subsidiaries or affiliates of our Group. To the best of our knowledge, since the effective date of the restrictions, we have not procured, integrated or otherwise used U.S.-origin items subject to the EAR in a manner that requires a license.

Based on the due diligence conducted, our Legal Advisor as to international sanctions laws are of the view that U.S. export control measures have not had, and are not expected to have, any material adverse impact on the Group’s business operations, financial performance or financial condition. The Joint Sponsors, after due inquiry and consultation with C&F, are of the view that the Entity List designation does not have a material adverse effect on our business and operations, or [REDACTED] suitability under Chapter 4.4 of the Guide.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

In the first quarter of 2026, we won a tender for a new infrastructure project, in which we will participate in the construction of an AI inference computing cluster using our self-developed domestic AI inference acceleration cards, to provide computing power infrastructure for government digital services and industrial digitalization applications.

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial and trading positions or prospects since December 31, 2025, being the end date of the period reported in Appendix I to this document.