This summary aims to give you an overview of the information contained in 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 before you decide to [**REDACTED**] *in the* [**REDACTED**]. *In particular, we are a specialist technology company seeking to* [**REDACTED**] *on the Main Board of the Hong Kong Stock Exchange under Chapter 18C of the Listing Rules because we are unable to meet the requirements under Rule* [**REDACTED**], [**REDACTED**] *of the Listing Rules. There are unique challenges, risks and uncertainties associated with* [**REDACTED**] *in companies such as ours. In addition, we have incurred net losses since our inception, and we may incur net losses for the foreseeable future. We had net cash used in operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and may not pay any dividends in the foreseeable future. Your* [**REDACTED**] *decision should be made in light of these considerations.*

There are risks associated with any [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in the section headed "Risk Factors" in this document. You should read that section carefully in full before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

Who We Are

We are a provider of edge AI chip products. Our display chip products mainly comprise AI Scaler and scaler touch and display driver integration chips ("STDI chips"); our sensing-control chip products mainly comprise touch microcontroller units ("TMCUs"), general-purpose microcontroller units ("MCUs"), touch integrated circuits ("touch ICs") and smart cockpit control units ("SCCU"). Our products have been adopted by various mainstream automotive OEMs through their Tier 1 suppliers, and leading consumer electronics brands through electronic system integrators and solution providers globally. Our mass-produced chip portfolio addresses diverse customer needs across consumer electronics, automotive industry and emerging markets such as embodied intelligence.

We have competitive R&D capabilities, established mass production experience and sound technological strengths, with solid expertise in image and video processing, sensing, SoC design and automotive-grade product development. Building on our edge AI advantages in display, sensing and control, we empower innovation in smart devices worldwide. Scaler chips are image processing chips that are widely applied in smartphone displays and automotive cockpit displays. We developed the world's first application-specific integrated circuit ("ASIC") based scaler, AI Scaler, according to the F&S Report, and command key technologies in visually lossless compression, image quality enhancement and high-speed interface transmission. Leveraging our presence in the smartphone display application market, our AI Scaler has achieved solid market share growth to become a leading product. In 2025, our shipment volume of AI Scaler was approximately 47 million units. According to the F&S Report, we ranked first globally in the scaler industry and the ASIC scaler industry, in each case as measured by shipment volume, in 2025. The global ASIC scaler market represents a specialized subset of the global scaler market, which is itself a segment of the overarching global display chips market. According to the same source, our latest automotive-grade TMCU maintains a leading position in specifications and performance for sensing and control in China. Benefiting from their sensing accuracy and anti-interference performance, our TMCUs have been deployed in a large number of mass-produced vehicle models of mainstream automotive OEMs and have been recognized in the global automotive industry.

OUR PRODUCTS

Edge AI chip products encompass an integrated stack of specialized processors that enable AI inference to be performed on-device near the sensor or display, delivering low latency, enhanced privacy and offline reliability. We currently offer a comprehensive portfolio of edge AI chip products, primarily comprising (1) display chip products, mainly including AI Scaler and STDI chips; and (2) sensing-control chip products, mainly including TMCUs, general-purpose MCUs, touch ICs and SCCUs. The following table sets forth a breakdown of our revenue by product category for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in thousands, except for percentages)					
Display chip products:						
– AI Scaler	134,493	89.6	235,629	96.5	250,436	72.3
– STDI chips	–	–	434	0.2	12,920	3.7
– Others[(1)]	–	–	1,560	0.6	840	0.3
Subtotal	**134,493**	**89.6**	**237,623**	**97.4**	**264,196**	**76.3**
Sensing-control chip products:						
– TMCUs	–	–	19	0.0	3,177	0.9
– General-purpose MCUs	1,734	1.2	3,044	1.2	5,350	1.5
– Touch ICs	13,885	9.2	3,384	1.4	2,969	0.9
– SCCUs	–	–	–	–	70,667	20.4
Subtotal	**15,619**	**10.4**	**6,448**	**2.6**	**82,163**	**23.7**
Total	**150,112**	**100.0**	**244,071**	**100.0**	**346,359**	**100.0**

(1) Primarily included provision of technical services relating to our display chip products.

The following table sets forth a breakdown of our sales volume and average selling price ("ASP") for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP
	(Sales volume in thousand units and RMB per unit for ASP)					
Display chip products	**16,035.7**	**8.4**	**37,002.4**	**6.4**	**48,341.5**	**5.5**
– AI Scaler	16,035.7	8.4	36,980.6	6.4	46,950.3	5.3
– STDI chips	–	–	21.8	20.0	1,391.2	9.3
Sensing-control chip products	**11,917.2**	**1.3**	**5,645.8**	**1.1**	**6,055.2**	**13.6**
– TMCUs	–	–	3.6	5.4	581.9	5.5
– General-purpose MCUs	320.3	5.4	427.8	7.1	711.4	7.5
– Touch ICs	11,597.0	1.2	5,214.4	0.6	4,487.7	0.7
– SCCUs	–	–	–	–	274.3	257.6

Our Products Portfolio

Display Chip Products

AI Scaler. Scaler chips are a specialized image signal processing chip designed to perform tasks that transform input image into a vibrant, balanced image optimized for the display panel. Our proprietary AI Scaler integrates ASIC-architecture and scaler image processing algorithms, and can perform real-time visual lossless compression and decompression, resolution conversion, local dimming and picture quality enhancement on end devices. It can intelligently adjust display parameters according to image content, achieving higher display quality and energy efficiency. Compatible with multiple operating systems, proprietary image algorithms and IP, it provides support for multiple standards, high resolution and display stream compression decoding ("DSC decoding") and high frame-rate conversion.

STDI chips. Touch and display driver integration ("TDDI") chips integrate both display driving and touch sensing functions into a single chip, significantly enhancing the level of system integration. Our STDI chips integrate the function of extra scaler and TDDI into a single chip. Designed for smartphones, tablets and other smart terminals, our STDI chips deliver high integration, compact design and superior display performance. Our STDI chips adopt an architecture that integrates image processing, video encoding and decoding, high-speed interface conversion, display driving and touch sensing into one chip. This all-in-one design reduces system complexity and costs, saves board space and improves power efficiency while maintaining premium visual quality.

Sensing-Control Chip Products

TMCUs. Our TMCU integrates a touch feature into an automotive-grade MCU, targeting various human-machine interaction applications widely used in the vehicle such as steering wheel, HoD, door handle, ambient light, air conditioner control and kick sensor. Leveraging our proprietary sensor fusion technology, our TMCU series achieves competitive sensing performance and robust MCU platform with rich peripherals and control outputs. Our TMCU has obtained ASIL-B functional safety certification and meets high reliability standards of the automotive industry.

General-purpose MCUs. We offer series of 32-bit automotive-grade general-purpose MCUs based on the ARM® Cortex®-M architecture, including Cortex-M4F and Cortex-M0+ cores, and are developing MCUs based on the fifth generation Reduced Instruction Set Computing ("RISC-V") structure. Our CVM014x series is suited for applications such as car body control modules, such as lighting control modules and powered tailgate systems, where responsiveness, coordination and reliability are critical. Our CVM011x series enables efficient implementation of distributed body control functions in systems with tight cost and space constraints. Both series integrate rich peripheral interfaces and multi-level power management, enabling flexible system configuration across different performance tiers.

Touch ICs. Our touch ICs, based on high-precision capacitive sensing technology, enable a variety of human-machine interactions, including single or multi-point touch, sliding gestures and pressure sensing. Leveraging technical advantages such as ultra-low power consumption, high signal-to-noise ratio, high reliability and waterproof/sweatproof capabilities, our touch ICs are widely used in TWS earbuds, smart glasses, display panel, smart home devices and other smart terminals. We have commenced large-scale shipments to leading global consumer electronics brands, with cumulative shipment volume of our touch ICs exceeding 22.4 million units as of December 31, 2025.

SCCUs. Our SCCUs are based on a high-performance cockpit computing platform, combined with our chips, such as general-purpose MCUs and audio drivers, and other third-party chips, such as computing chips and display chips, enabling deep coordination between hardware and software. In a typical cockpit system, except for the autonomous driving computing chip, we are able to independently develop and highly integrate all key control chips and underlying drivers. Through purpose-built operating system and application software, our SCCUs enhance user experience, safety and efficiency via multi-display interaction, voice control, audio interaction capabilities with the AI voice assistant, 360° surround-view systems and navigation, smart visual recognition of driver identity, and driver monitoring system.

OUR BUSINESS MODEL

We operate under a fabless business model, concentrating our resources on the design and development of high-performance edge AI chip products. We outsource all manufacturing processes, including wafer fabrication and chip packaging and testing, to our third-party business partners. By concentrating our resources on product design and R&D processes, we can swiftly respond to evolving market demands and continuously innovate our product offerings. According to the F&S Report, the fabless business model is consistent with the increasing trend of specialized division of labor within the semiconductor industry, allowing fabless companies to focus attention and resources on design and R&D. We have adopted a transaction-based model for the sales of our products.

The following diagram illustrates our fabless business model.

OUR BUSINESS AND FINANCIAL PERFORMANCE

During the Track Record Period, we achieved robust revenue growth. In 2023, 2024 and 2025, our revenue increased from RMB150.1 million in 2023 to RMB244.1 million in 2024, and further to RMB346.4 million in 2025, at a CAGR of 51.9% from 2023 to 2025. According to the F&S Report, our revenue generated from AI Scaler ranked first in China for four consecutive years since 2022.

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors: (1) technology-leading edge AI chip products company; (2) fast commercialization with steady revenue growth; (3) category leader driven by product advantages; (4) strong proprietary IP portfolio; and (5) visionary and seasoned management team. See "Business—Our Competitive Strengths."

OUR GROWTH STRATEGIES

We intend to continue to grow our business through the following key strategies and achieve our mission: (1) continue expanding product portfolio and application scenarios; (2) strengthen advanced technology R&D to reinforce leadership; (3) enhance manufacturing capability through vertical integration; and (4) further strengthen market presence. See "Business—Our Growth Strategies."

OUR RESEARCH AND DEVELOPMENT

Leveraging the underlying common edge AI technologies in display and sensing and control, we are at the forefront of the transformation in the edge AI chips and solutions industry. See "Business—Overview—Our Core Technology Ecosystem and R&D Capabilities."

Through years of R&D efforts, we have built extensive expertise in the field of edge AI chips and solutions industry, with a particular focus on display, and sensing and control applications. We continuously expand our product portfolio, updating existing products and introducing cost-effective new products to enhance competitiveness. By intensifying R&D commitments, accelerating market response times and enhancing operational efficiency, we aim to solidify and extend our competitive edge in the industry. See "Business—Research and Development."

SPECIALIST TECHNOLOGY INDUSTRY

Our industry consultant confirms and our Directors are of the view that our [**REDACTED**] fall within an acceptable sector of a Specialist Technology Industry, namely, Semiconductors under Advanced Hardware and Software as defined under Chapter 18C of the Listing Rules.

OUR CUSTOMERS AND SUPPLIERS

Our Customers

Our customers during the Track Record Period primarily include direct sales customers in relevant downstream sectors, in particular Tier 1 suppliers in the automotive industry and electronic system integrators and solution providers in the consumer electronics industry, as well as distributors. Our products are distributed to Tier 2 suppliers in the automotive industry primarily through our distributors. In 2023, 2024 and 2025, revenue generated from our top five customers for each period during the Track Record Period accounted for 78.6%, 88.8% and 78.3% of our total revenue of such period, respectively. Additionally, we are exposed to concentration with our single largest customer. Revenue generated from our largest customer for each period during the Track Record Period accounted for 57.9%, 66.5% and 33.1% of our total revenue in the same periods, respectively. During the Track Record Period, we primarily provided display chips to our five largest customers in each year. We typically settle payments with our top five customers by bank transfer. See "Business—Customers—Our Relationship with Customer A."

Our Suppliers

Our suppliers primarily consist of (1) wafer foundries and (2) packaging and testing service providers. In 2023, 2024 and 2025, purchases from our top five suppliers for each period during the Track Record Period accounted for 83.7%, 83.6% and 69.1% of our total purchase amount of such period, respectively. Additionally, we are exposed to concentration with our single largest supplier. The purchase from our largest supplier for each period during the Track Record Period accounted for 49.4%, 65.6% and 32.6% of our total purchase amount in the same periods, respectively. We typically settle payments with our top five suppliers by bank transfer. See "Business—Suppliers—Major Suppliers."

INTELLECTUAL PROPERTY RIGHTS

We believe that our intellectual property rights are critical to our continued success. We have taken the following key measures to protect our intellectual property rights, including (1) establishing a set of comprehensive internal policies to implement effective management over our intellectual property rights, (2) timely registration, filing and application for the ownership of our intellectual properties, (3) timely report to the management upon identification of infringement of our intellectual property rights by third parties, (4) providing trainings to enhance employees' intellectual property right awareness and to ensure our intellectual property protection measures' long-term effectiveness, and (5) stipulating and emphasizing the ownership and protection of intellectual properties in the employment agreements and employee handbook.

As of December 31, 2025, we had 166 granted patents, which was comprised of 124 invention patents, 42 utility model patents and 150 patent applications which were pending approval. As of the same date, we had 38 software copyrights and 35 registered trademarks. We have not in-licensed any material intellectual property rights. For our material intellectual property rights, see "Business—Intellectual Property Rights."

RISK FACTORS

Our business and operations involve certain risks and uncertainties including those set out in the "Risk Factors" section in this document. Some of the major risk factors that we face include: (1) failure to keep up with the constantly evolving and developing industries; (2) failure to compete with our competitors; (3) the macrocondition of semiconductor industry; (4) failure to meet new industry and regulatory standards or requirements; (5) our dependency on a small number of customers for a substantial portion of our business; (6) limited commercialization record; (7) failure to implement our growth strategies or manage our growth effectively; (8) dependency on the continuing efforts of our management team and our ability to attract, train, and retain competent talent, especially talent on R&D; (9) supplier concentration risk; and (10) third parties claim about infringe upon their intellectual property rights. As different [**REDACTED**] 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 HISTORICAL FINANCIAL INFORMATION

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

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss items for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
	(RMB in thousands, except for percentages)					
Revenue	**150,112**	**100.0**	**244,071**	**100.0**	**346,359**	**100.0**
Cost of sales	(117,851)	(78.5)	(174,750)	(71.6)	(273,673)	(79.0)
Gross profit	**32,261**	**21.5**	**69,321**	**28.4**	**72,686**	**21.0**
Loss before tax	(153,421)	(102.2)	(80,521)	(33.0)	(94,447)	(27.3)
Income tax expense	–	–	(299)	(0.1)	(99)	(0.0)
Loss for the year	**(153,421)**	**(102.2)**	**(80,820)**	**(33.1)**	**(94,546)**	**(27.3)**

For details of the accounting treatment of redemption rights and liquidation preference rights of pre-[**REDACTED**] investment, see Note 32 to the Accountants' Report in Appendix I to this document.

Non-IFRS Measures

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 [**REDACTED**] and others in understanding and evaluating our performance 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 performance or financial condition as reported under the IFRSs.

We define adjusted net loss (non-IFRS measure) as loss for the year adjusted for (1) equity-settled share-based payments, and (2) [**REDACTED**]. Equity-settled share-based payments are non-cash expenses arising from share incentives granted to employees and consultants. [**REDACTED**] are expenses in relation to the [**REDACTED**]. The following table sets out a reconciliation from adjusted net loss (non-IFRS measure) to loss for the year which is presented in accordance with the IFRSs.

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Loss for the year	**(153,421)**	**(80,820)**	**(94,546)**
Add: equity-settled share-based payment expenses	24,191	12,085	31,313
Add: [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted net loss (non-IFRS measure)	**(129,230)**	**(68,735)**	**(51,070)**

Our loss for the year decreased from RMB153.4 million in 2023 to RMB80.8 million in 2024, primarily due to an increase in our revenue from AI Scaler, and a decrease in research and development expenses, mainly as a result of our strategy in discontinuing a research and development project line. Our loss for the year increased from RMB80.8 million in 2024 to RMB94.5 million in 2025, primarily due to an increase in equity-settled share-based payment expenses, and an increase in administrative expenses, mainly as a result of the [**REDACTED**] in relation to the [**REDACTED**] of RMB[**REDACTED**] million.

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	58,348	29,075	54,299
Total current assets	292,403	283,411	405,548
Total current liabilities	77,612	110,543	177,146
Net current assets	214,791	172,868	228,402
Total assets less current liabilities	273,139	201,943	282,701
Total non-current liabilities	5,158	1,697	10,937
Net assets	**267,981**	**200,246**	**271,764**

For details of the accounting treatment of redemption rights and liquidation preference rights of pre-[**REDACTED**] investment, see Note 32 to the Accountants' Report in Appendix I to this document.

Our net assets decreased from RMB268.0 million as of December 31, 2023 to RMB200.2 million as of December 31, 2024, primarily due to our loss for the year of RMB80.8 million. Our net assets then increased to RMB271.8 million as of December 31, 2025, primarily due to issue of ordinary shares of RMB131.8 million, partially offset by our loss for the year of RMB94.5 million.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the years indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash used in operating activities	(121,756)	(74,908)	(149,353)
Net cash flows (used in)/from investing activities	(127,907)	(18,764)	127,639
Net cash generated from financing activities	275,427	43,641	181,018
Cash and cash equivalent at beginning of the year	61,437	87,675	37,615
Cash and cash equivalent at end of year	**87,675**	**37,615**	**196,533**

We recorded net cash outflows from operating activities throughout the Track Record Period, primarily because (1) we are still at the relatively early stage of the commercialization of certain of our major products; and (2) we are in the stage of expanding our business and operations in the rapidly growing edge AI chips and solutions industry and are continuously investing in R&D.

We expect that our measures to improve profitability will enhance our operating cash flow condition over time. For details, see "Business—Path to Profitability." In addition, we plan to continuously improve our net operating cash outflow position by (1) expanding our high-margin businesses, including our AI Scaler and TMCUs, and (2) using strategic R&D investment and optimizing supply chain to reduce costs and strengthen product competitiveness.

Key Financial Ratios

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

	As of/for the year ended December 31,		
	2023	2024	2025
Gross profit margin(1)	21.5%	28.4%	21.0%
Current ratio(2)	3.8	2.6	2.3
Quick ratio(3)	3.2	2.1	1.6

(1) The calculation of gross profit margin is based on gross profit for the year divided by revenue for the respective year and multiplied by 100.0%.

(2) The calculation of current ratio is based on current assets divided by current liabilities as of year end.

(3) The calculation of quick ratio is based on current assets less inventories divided by current liabilities as of year end.

Share Capital and Paid-in Capital

Share capital

A summary of movements in the share capital is as follows:

	Number of shares in issue	Share capital
	(in thousand)	(RMB in thousands)
As of January 1, 2023, December 31, 2023, January 1, 2024, December 31, 2024 and January 1, 2025	—	—
Issue of ordinary shares upon conversion into a joint stock company of RMB1 each *(note c)*	9,715	9,715
Issue of ordinary shares *(note a)*	437	437
As of December 31, 2025	10,152	10,152

Paid-in capital

	Registered and paid-in capital
	(RMB in thousands)
As of January 1, 2023	6,939
Capital contribution by shareholders *(note b)*	2,776
As of December 31, 2023, January 1, 2024, December 31, 2024 and January 1, 2025	9,715
Conversion into a joint stock company *(note c)*	(9,715)
As of December 31, 2025	–

Notes:

(a) Pursuant to the approval in the shareholders' meeting in 2025, 437,000 shares of RMB1.00 each were issued to certain investors at a total consideration of RMB131,771,000, which has been fully paid during the year ended December 31, 2025. The capital contribution has increased the share capital and capital reserve by RMB437,000 and RMB131,334,000, respectively.

(b) Pursuant to the approval in the shareholders' meeting in 2023, the registered capital of our Company was increased from RMB6,939,000 to RMB9,715,000. The increase in registered capital of RMB2,776,000 was subscribed by certain investors, including certain directors of our Company, at a total consideration of RMB288,307,000, which has been fully paid during the year ended December 31, 2023. The capital contributions has increased the paid-in capital and capital reserve by RMB2,776,000 and RMB285,531,000, respectively.

(c) Pursuant to the approval in the shareholders' meeting held in October 2025, our Company was converted from a limited liability company into a joint stock limited company on November 5, 2025. Upon conversion, the net assets of our Company as of August 31, 2025 were capitalised into 9,715,000 ordinary shares with a nominal value of RMB1.00 each, which were allotted to the existing shareholders in proportion to their respective interests prior to the conversion. The excess of net assets value as of August 31, 2025 over the nominal value of the share capital was recorded as capital reserve of our Company.

For further details, see "Financial Information—Discussion of Major Items In the Consolidated Statements of Financial Position—Share Capital and Paid-in Capital."

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the years indicated.

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands) (Unaudited)	
Research and development expenses	30,798	14,863	21,437
Workforce employment	110,082	121,110	94,478
Direct production costs	152,943	203,506	406,378
Product marketing	18,172	13,917	23,832
Non-income taxes, royalties and other governmental charges	1,620	3,356	4,532
Contingency allowances	–	–	–

Our future cash operating costs will continue to increase, primarily related to direct production costs. We anticipate an increase in such costs in line with the expected growth in sales volume of our display chips and sensing-control chips, driven by continued technological iteration and advancement across the electronics industry. We do not expect any material increase in overall costs or expenses relative to our revenue growth in 2026 and 2027.

THE GROUP OF OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Chen and Ms. Wang, the spouse of Mr. Chen, collectively controlled 61.29% of the voting power at the general meetings of our Company, comprising (i) 16.28% beneficially owned by Mr. Chen directly, (ii) 14.13% beneficially owned by Ms. Wang directly, and (iii) 21.82%, 7.54%, 1.51% and 0.02% beneficially owned by Xichuang Lekang LP, Xichuang Leyuan Shareholding Platform, Xichuang Lejia Shareholding Platform and Xichuang Lexin Shareholding Platform, respectively. The general partner of each of Xichuang Lekang LP, Xichuang Leyuan Shareholding Platform, Xichuang Lejia Shareholding Platform and Xichuang Lexin Shareholding Platform is Xichuang Technology, which is wholly owned by Mr. Chen and Ms. Wang. Upon the [**REDACTED**], Mr. Chen and Ms. Wang will collectively control [**REDACTED**]% of the voting power at the general meetings of our Company through the aforementioned interests, assuming the [**REDACTED**] is not exercised. Therefore, Mr. Chen and Ms. Wang, together with Xichuang Lekang LP, Xichuang Leyuan Shareholding Platform, Xichuang Lejia Shareholding Platform, Xichuang Lexin Shareholding Platform and Xichuang Technology, were the group of our Controlling Shareholders as of the Latest Practicable Date and will be the group of our Controlling Shareholders upon the [**REDACTED**]. For further details, see "Relationship with our Controlling Shareholders."

PRE-[REDACTED] INVESTMENTS

To fund our strategic growth and broaden our shareholder base, we have conducted several rounds of pre-[**REDACTED**] Investments since the incorporation of our Company. See "History and Corporate Structure—Pre-[**REDACTED**] Investments" for details of the principal terms of our pre-[**REDACTED**] investments and the identity and background of our Pre-[**REDACTED**] Investors.

In connection with the pre-[**REDACTED**] investments, pursuant to the shareholders' agreement entered into by our Company and the then Shareholders dated November 9, 2023, our Pre-[**REDACTED**] Investors were granted certain special rights（the "Special Rights"）by our Company, including, among others, pre-emptive right, right of first refusal, right of co-sale, redemption right, information right, anti-dilution right, and liquidation preference. In anticipation of the [**REDACTED**], all such Special Rights granted to our Pre-[**REDACTED**] Investors shall be terminated in compliance with Chapter 4.2 of the Guide. No Pre-[**REDACTED**] Investors had exercised their redemption rights during the Track Record Period. For details, please refer to note 32 of the Accountants' Report.

In particular, on October 13, 2025, our Company and all of the Shareholders (including the Pre-[**REDACTED**] Investors subsequently entered into supplemental agreements (the "Supplemental Agreements"), pursuant to which certain of the Special Rights granted by our Company to the Pre-[**REDACTED**] Investors, including redemption rights, were irrecoverably terminated and shall be *void ab initio*. Taking into account the legal and regulatory framework of our Company's jurisdiction and the governing law of the Supplemental Agreements, the Directors considered that it is appropriate to present the Pre-[**REDACTED**] Investments as equity throughout the Track Record Period.

Had the redemption rights and liquidation preferences rights granted by our Company to the Pre-[**REDACTED**] Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the Supplemental Agreements, (i) the redemption financial liabilities, total current liabilities, net liabilities and net current liabilities would have been:

	As of December 31,	
	2023	2024
	(RMB in thousands)	
Redemption financial liabilities	606,923	651,629
Total current liabilities	684,535	762,172
Net liabilities	338,942	451,383
Net current liabilities	392,132	478,761

and (ii) the finance costs associated with the redemption financial liabilities, and the net loss for each of the Track Record Period, would have been:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands except for per share value)		
Financial costs associated with the redemption financial liabilities	(33,584)	(44,706)	(29,682)
Total net loss	(187,005)	(125,526)	(124,228)
Basic and dilutive loss per share (RMB)	(22.69)	(12.92)	(12.79)

DIVIDENDS

We are a joint stock company incorporated under PRC laws. According to the PRC Company Law, a PRC-incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, determined under PRC GAAP, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. The company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Advisor, no dividend shall be declared or payable, unless we have profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, if any, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached 50% or more of our registered capital. As of the Latest Practicable Date, we did not have a formal dividend policy. No dividend has been paid or declared by us during the Track Record Period. We did not have a pre-determined dividend payout ratio as of the Latest Practicable Date.

CSRC FILING

We submitted a filing to the CSRC for application of the [**REDACTED**] and the [**REDACTED**] on December 5, 2025 and received notice of completion of filing issued by the CSRC on [●].

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, our business experienced sustained growth, and our sales volume has been on an upward trajectory. We expect certain decreases in revenue generated from display chip products and gross profit margin in 2026, together with a shift in product mix, primarily attributable to our strategic focus on the development chip products in relation to automotive industry. Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position since December 31, 2025 (being the end date of the periods reported in Appendix I to this document) and there is no event since December 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this document.

We expect to continue to incur loss in 2026, primarily because we are in the stage of expanding our business and operations in the rapidly growing edge AI chips and solutions industry and are continuously investing in R&D.

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that (1) the [**REDACTED**] has been completed and [**REDACTED**] H Shares are newly issued in the [**REDACTED**], (2) the [**REDACTED**] for the [**REDACTED**] is not exercised, and (3) [**REDACTED**] Unlisted Shares to be converted into H shares upon the completion of the [**REDACTED**]:

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]
[**REDACTED**][1]	HK$[**REDACTED**] million	HK$[**REDACTED**] million
Unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share[2][3]	HK$[**REDACTED**]	HK$[**REDACTED**]

(1) The calculation of [**REDACTED**] of our Shares is based on [**REDACTED**] H Shares converted from Unlisted Shares and [**REDACTED**] H Shares expected to be [**REDACTED**] immediately upon completion of the [**REDACTED**] (without taking into account H Shares that may be [**REDACTED**] upon the exercise of the [**REDACTED**]).

(2) The unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share is arrived at after adjustments referred to in Appendix II and on the basis of [**REDACTED**] Shares that are in issue, assuming the [**REDACTED**] have been completed on December 31, 2025 but takes no account of any Shares which may be allotted and issued pursuant to the exercise of the [**REDACTED**].

(3) No adjustment has been made to reflect any trading results or other transactions of our Group entered into subsequent to December 31, 2025. In particular, the unaudited [**REDACTED**] adjusted consolidated net tangible assets attributable to owners of our Company on the table as shown on above have not been adjusted to show the effect of the subscription of 290,410 ordinary shares (before the Share Subdivision) of the Company by certain investors for a consideration of RMB99,660,000. Had the subscription of RMB99,660,000 and the Share Subdivision have been completed on December 31, 2025, the unaudited [**REDACTED**] adjusted consolidated net tangible assets attributable to owners of the Company as of December 31, 2025 would have been increased by RMB99,660,000 (equivalent to HK$114,512,000) and the unaudited [**REDACTED**] adjusted consolidated net tangible assets attributable to owners of the Company per Share as of December 31, 2025 would be HK$[**REDACTED**] and HK$[**REDACTED**] based on the [**REDACTED**] of HK$[**REDACTED**] per Share and HK$[**REDACTED**] per Share, respectively.

[**REDACTED**]

We recorded [**REDACTED**] of [**REDACTED**], [**REDACTED**] and RMB[**REDACTED**] million in 2023, 2024 and 2025, respectively. We expect to incur a total of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) of [**REDACTED**] in connection with the [**REDACTED**], representing approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**], being the mid-point of the indicative [**REDACTED**] range between HK$[**REDACTED**] and HK$[**REDACTED**], and assuming that the [**REDACTED**] is not exercised), including (1) [**REDACTED**], SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all [**REDACTED**] of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million), and (2) non-[**REDACTED**] related expenses of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million), which consist of (i) fees and expenses of legal advisors and accountants of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million), and (ii) sponsor fee and other fees and expenses of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million). Approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) is expected to be charged to our consolidated statements of profit or loss, and approximately RMB[**REDACTED**] million(HK$[**REDACTED**] million) is expected to be deducted from equity. The [**REDACTED**] above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

USE OF [**REDACTED**]

We estimate that the net [**REDACTED**] of the [**REDACTED**], after deducting the estimated [**REDACTED**] and other fees and expenses payable by us in connection with the [**REDACTED**], will be approximately HK$[**REDACTED**] million, assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative range of the [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per [**REDACTED**]), without the exercise of the [**REDACTED**].

We currently intend to use the net [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts as set out below:

- approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for the enhancement of our R&D capabilities for advanced technologies and product iterations;

- approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for the establishment of an assembly facility;

- approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used to enhance our global market presence and expand our international sales network;

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

See "Future Plans and Use of [**REDACTED**]."