OVERVIEW

Who We Are

We are a provider of edge AI chip products. Leveraging our robust chip design capabilities and strengths in the deep integration of display and sensing-control with chips, we have effectively commercialized our products at scale. Our display chip products mainly comprise AI Scaler and STDI chips; our sensing-control chip products mainly comprise TMCUs, general-purpose MCUs, touch ICs and SCCUs. 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 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. 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.

What We Achieved

We operate under a fabless business model, concentrating our resources on the design and development of high-performance edge AI chip products. Our automotive-grade chips, including TMCUs and general-purpose MCUs, have achieved mass production and commercial deployment across scenarios such as cockpit systems, car body control, seats and steering wheels. As a benchmark for domestic automotive-grade chips, our TMCUs and general-purpose MCUs have entered mass production supply with nine out of ten leading automotive OEMs in China in terms of sales volume in 2025, according to the F&S Report. Our TMCUs incorporate touch sensing technologies that are widely applied in autonomous driving assistance systems, including but not limited to hands-off detection ("HoD") and control button for steering wheels, smart door handle and anti-pinch detection. We own comprehensive intellectual property rights over our TMCUs and algorithms, and have competitive specifications. As of December 31, 2025, we were the only domestic chip products provider which had achieved mass production of TMCUs for HoD. Furthermore, our technologies associated with TMCUs have been recognized by the MIIT as a leading scientific and technological achievement in 2024. We are well-equipped to capture opportunities arising from domestic substitution and international expansion.

Furthermore, in recognizing the demand for deep integration between edge AI algorithms and chips, we leverage our extensive experience in mass production and application of display and sensing-control chips to build deep and broad collaborations across the value chain. Our display and sensing-control chips have been market-validated and are widely used in consumer electronics, such as smartphones and TWS earbuds. We have commenced large-scale shipments to leading global consumer electronics brands, with cumulative shipment volume of our touch IC exceeding 22.4 million units as of December 31, 2025.

Leveraging our technology expertise in the display and sensing-control industries, our display chips and sensing-control chips are being introduced into embodied intelligence, offering comprehensive human-machine interaction solutions, including: (1) smart tactile solutions, applying multimodal perception including touch, pressure and temperature, with AI algorithms to emulate human tactile sensation; (2) high resolution, ultra-low latency smart display, lifelike vibration and voice feedback; and

(3) smart control MCUs, which are an ideal solution for robotic motion control and power management, such as joint control, motion status detection and battery management. These technologies enable future mass production of dexterous hands and body, covering "Perception— Decision-making—Action."

As of December 31, 2025, we had achieved a comprehensive portfolio of two major product lines with 17 chip models. We have developed a self-reinforcing "market—technology—product" flywheel, whereby our product competitiveness leads segment expansion and sustains and expedites revenue growth.

As of the Latest Practicable Date, we had established stable cooperative relationships with eight major wafer foundries and 13 packaging and testing suppliers. We connect critical links along the value chain to empower the ecosystem and build an agile and efficient collaborative platform for the fast-growing display panel industry and automotive industry.

During the Track Record Period, we achieved robust revenue growth. 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 Core Technology Ecosystem and R&D Capabilities

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 solution industry. Our core technology ecosystem and applications is comprised of technology foundation, architecture innovation and the conversion of such capabilities in to edge AI chips and solutions for various application scenarios.

Technology Foundation. Our complete technology solution is built on "MCU+sensing/display" under which an MCU-centric control plane is tightly integrated with sensing front-end, sophisticated signal and image processing and display drive. Since our inception, we have focused on the development of image processing and capacitive sensing technologies, through which we achieved efficient image compression and processing and advanced multimodal sensor fusion, forming the basis for rapid product derivation and stable mass production. Our technology foundation comprises the following core technologies that underpin our product roadmap.

- **Capacitive sensing** provides high-precision touch and proximity detection through low-noise analog front ends, adaptive baseline tracking and environmental compensation, enabling stable performance under varying materials and humidity.

- **Signal processing** converts raw sensor outputs into actionable signals using filtering, calibration and sensor diagnostics with time alignment to support reliable fusion across modalities.

- **Image processing** delivers scaling, enhancement and artifact mitigation with hardware-assisted pipelines that improve visual quality and latency for edge displays.

- **Display driver technology** manages timing, brightness and color accuracy with integrated power and interface control, supporting compact form factors and reduced BOM.

- Our **edge AI engine** provides on-chip acceleration for perception and control workloads, enabling lightweight AI models and traditional signal-processing and control algorithms to run on-device with low latency under stringent power budgets, with improved responsiveness and privacy protection.

- We possess capabilities to meet **automotive-grade standards**. Automotive-grade standards embed design-for-reliability, process control and qualification against automotive-grade requirements, including component stress testing, functional safety workflows and traceable quality systems, supporting long-life and mission-critical use cases.

Together these capabilities form a cohesive stack from analog sensing to AI inference and display output, enabling single-chip solutions that shorten validation cycles, improve first-pass success and materially reduce system complexity and power consumption across consumer electronics, automotive and AIoT applications.

Architecture Innovation. Building upon the core technological capabilities discussed above, we have developed integrated technology platforms including our *Sparrow* SoC Platform, sensor fusion technology and *Cheetah* Software Platform. We drive technology innovation and productization through these three pillars. Built around a flexible control core with on-chip acceleration for perception and computation, our *Sparrow* SoC Platform integrates common building blocks such as CPU, peripheral interfaces and data security into a unified base that supports rapid product derivation and shorter time-to-market. Furthermore, our sensor fusion technology is based on our proprietary sensor IPs that are capable of capturing ultra-high-resolution variations in capacitance, pressure, temperature and optical signals. Complementing the aforementioned two pillars, the *Cheetah* Software Platform offers a unified software development kit, algorithm libraries and development tools that enable fast customization, efficient deployment and lifecycle maintenance across product variants. Together, these capabilities allow us to deliver single-chip solutions that reduce system complexity and power consumption while maintaining a consistent developer experience across end markets.

We further enhance our technological innovation through "Industry-Academia-Research" collaborations and prospective R&D layouts in AI and embodied intelligence, strengthening our long-term competitiveness. We have signed a strategic cooperation agreement with the Faculty of Microelectronics at Xidian University and jointly established an Automotive Chip Technology Center with Tsinghua University. From 2023 to 2025, our total research and development expenditure ratio was 58.5%. As of December 31, 2025, our R&D team had 84 members, most with over ten years of experience at leading global semiconductor companies and hold degrees from top domestic and overseas institutions.

Our Product Portfolio

Display Chip Products

- **AI Scaler.** We developed the world's first ASIC-based scaler, AI Scaler, according to the F&S Report, in 2021 and achieved the mass production in 2022. Our AI Scaler integrates ASIC architecture with sophisticated image processing algorithms and can perform real-time visual lossless compression and decompression, image decoding, resolution conversion and picture quality enhancement on end devices. Our AI Scaler delivers outstanding computing performance and image processing capability and its highly integrated architecture significantly reduces dependency on external components, optimizes flexible printed circuit space utilization and simplifies system design. We have established a leading position in the ASIC scaler industry and our shipment volume of AI Scaler was approximately 37 million units in 2024, making it a leading product in this market segment.

- **STDI chips.** Our STDI chips integrate the function of proprietary scaler and TDDI into a single chip. Our STDI chips adopt an innovative architecture that integrates image processing, frame rate conversion, high-speed interface, display driver and touch features into one chip. This all-in-one design reduces system complexity, saves board space and improves power efficiency while maintaining premium visual quality, verified through stringent compatibility and reliability testing.

Sensing-Control Chip Products

- **TMCUs.** We achieved the mass production of our TMCUs in 2024. Our TMCU integrates high-performance touch features with automotive-grade MCUs in one chip, which is more advanced than the conventional two-chip architecture, reduces BOM cost and supply chain complexity, strengthens customer reliance and leads the trend of one-chip architecture. According to the F&S Report, our latest generation of automotive-grade TMCU maintains a leading position in specifications and performance for sensing and compute control in China. Our TMCU has obtained ASIL-B functional safety certification and meets high reliability standards for automotive applications, such as AEC-Q100.

- **General-purpose MCUs.** We achieved the mass production of our automotive-grade general-purpose MCUs in 2023. We have successfully developed and mass-produced two series of 32-bit general-purpose MCUs that have passed AEC-Q100 and ISO 26262 ASIL-B certifications (functional safety), targeting different performance and cost requirements.

- **Touch ICs.** We achieved the mass production of our touch ICs in 2021. Our touch ICs currently primarily include wearable touch IC, SAR sensor and TPIC. Our wearable touch IC is a touch control chip specifically designed for TWS earbuds. Leveraging our proprietary technology architecture, it enables a seamless design without opening holes on the cases, enhancing the overall sealing and waterproof capabilities of the earbuds. Our SAR sensor features ultra-high resolution and multi-channel detection capability, with an adaptive environmental compensation algorithm enabling it to maintain stable operation in complex environment. The operational performance of our SAR sensor outperformed competitors in the industry. Our TPIC features reliable performance, high integration and broad adaptability for 3.5-inch to 15-inch screens with leading signal-to-noise ratio, ultra-low power consumption and strong anti-interference capability.

- **SCCUs.** We achieved the mass production of our SCCUs in 2025. 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.

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors.

Technology-leading Edge AI Chip Products Company

We are a provider of edge AI chip products in China with a strong position in the industries of display chips and sensing-control chips. Leveraging our technical capabilities and deep scenario penetration, we ranked first by shipment volume in ASIC scaler industry in 2024 and ranked second in the global scaler industry in 2024 and have successfully expanded into fast-growing markets such as consumer electronics, automotive industry and embodied intelligence. We are among the earliest domestic companies in the display and sensing-control chip segments within the edge AI chips. As of December 31, 2025, our cumulative shipment volume of chips exceeded 132.3 million units. For our display chip products, the shipment volume of our AI Scaler was approximately 37 million units in 2024, with a market share of 18.8% in the scaler industry and 55.0% in the ASIC Scaler industry, globally.

Supported by our technical capabilities and product strengths, we have entered the supply chains of the nine out of ten leading automotive OEMs in China in terms of sales volume in 2025, according to the F&S Report, and collaborated with multiple leading global consumer electronics brands. According to the F&S Report, our latest generation of automotive-grade TMCU maintains a leading position in specifications and performance for sensing and compute control in China. As of the Latest Practicable Date, leveraging our technology leadership and scale shipment capability, we had established stable relationships with eight major wafer foundries and 13 packaging and testing suppliers, enabling production capacity stability and cost competitiveness and advancing localization of our supply chain.

According to the F&S Report, accelerated intelligent transformation has highlighted the advantages of edge AI chips in computing efficiency, power control and cost optimization, creating substantial growth potential in AIoT and related fields. With a proven record in technological innovation, product scalability and customer stickiness, we are well positioned to capture the significant market opportunities arising from the intelligent upgrades at the edge.

Fast Commercialization with Steady Revenue Growth

We have established commercialization advantages characterized by fast development and high success rates, underpinned by rapid product iteration. Our product validation cycle can be shorten to approximately six months, from testing to mass production, which is significantly shorter than the industry average of approximately one year, according to the F&S Report, and most of our chips achieve mass production at first tape-out, demonstrating our rapid response capability and high ramp-up success. During the Track Record Period, our display chips underwent rapid iterations, driving stable revenue growth and enabling us to establish a leading position in the scaler industry. In addition, solutions based on our self-developed chips such as HoD solutions and SCCUs have been replicated across multiple automotive OEMs.

We have a growing customer base and deepening collaborations with our customers. As of December 31, 2023, 2024 and 2025, we had 46, 35 and 160 direct sales customers, respectively. In the automotive industry, one single vehicle model may use over 100 chips. We have entered the supply chains of multiple Tier 1 and Tier 2 suppliers, creating ongoing opportunities for product iteration and incremental sales. More specifically, our automotive-grade TMCUs satisfy both touch sensing and MCU control in one single chip, replacing prior two-chip architecture, reducing BOM cost and supply chain complexity, and strengthening customer reliance.

We consistently pursue strategic partnerships with industry-leading clients, covering a wide range of top-tier flagship customers. We have entered the supply chains of the nine out of ten leading automotive OEMs in China in terms of sales volume in 2025, according to the F&S Report, and multiple leading global consumer electronics brands. Our automotive-grade TMCU has obtained the Scientific and Technological Achievement Certification awarded by the MIIT and our capacitive interactive steering-wheel HoD solution has been recognized as domestic leading by the MIIT.

With our leadership in edge AI chips and our efforts in expanding application scenarios, we achieved steady growth during the Track Record Period. 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.

Category Leader Driven by Product Advantages

We have built a competitive product portfolio covering consumer electronics, automotive industry and embodied intelligence, forming a market-oriented and scenario-rich suite of chips. As of December 31, 2025, we had achieved a comprehensive portfolio of two major product lines with 17 chip models, applied in scenarios such as cockpit systems, car body control, steering wheels, smartphones and TWS earbuds. We have developed a self-reinforcing "market—technology—product" flywheel, whereby our product competitiveness leads segment expansion and sustains and expedites revenue growth. Through efficient product R&D and iteration, our in-market products undergo annual process optimization and our new chips are launched on schedule. The growth of our chips ranked among the fastest, as measured by shipment volume, among display chips and sensing-control chips during the Track Record Period, according to the F&S Report.

Our AI Scaler features broad compatibility across operating systems, proprietary image algorithms and IP, support for multiple standards, high resolution and DSC decoding and high frame-rate conversion. In 2024, our shipment volume of AI Scaler was approximately 37 million units, making it a leading product in this market segment. As of the Latest Practicable Date, our AI Scaler had been installed in thousands of smart devices, serving over 100 million consumers.

The key performance indicators of our automotive-grade TMCU such as touch sensitivity, anti-interference capability and power consumption outperform those of international peers. As of December 31, 2025, we were the only domestic chip product provider which had achieved mass production of TMCUs for HoD. Compared with international peers, our TMCU-based HoD solution delivers approximately a 50% reduction in capacitive sensing power consumption and approximately a 20% reduction in overall chip costs, while maintaining comparable detection performance. Our TMCU has obtained ASIL-B functional safety certification and meets high reliability standards for automotive electronics. By integrating touch sensing and general-purpose MCU functions into a single-chip architecture, our TMCU is widely applied in steering-wheel HoD, door handles and center consoles, has secured nominations from dozens of customers and is shipping to multiple OEMs. In parallel, our automotive-grade general-purpose MCUs have entered into the supply chains of nine out of ten leading automotive OEMs in China in terms of sales volume in 2025, according to the F&S Report, incorporate robust safety mechanisms and high-performance processing, and are applied in seat, heating and ventilation air conditioning and instrument controllers with volume ramp-up.

Our touch ICs are shipped in volume to globally renowned consumer electronics brands, with cumulative shipment volume exceeding 21 million units during the Track Record Period. With leading detection accuracy and response speed, they are widely used in TWS in-ear detection and smart-glasses wearing detection. Our ultra-high-precision touch sensors support complex gestures and proximity detection, delivering precise interaction for high-end consumer electronics.

Strong Proprietary IP Portfolio

We boast in-house R&D capabilities spanning from chip architecture design, algorithm development to system integration, covering key domains such as digital and analog design signal

processing, package and design, software and algorithm technologies. Independent R&D has always been our core strategy as we continue to build a high-barrier, self-sustaining technology system. As of the Latest Practicable Date, we had achieved a high level of in-house IP development across our core technology areas. In critical technology areas including graphic and image processing, video signal processing and capacitive small-signal detection, we have attained full proprietary control of essential IPs. These technologies were independently designed and iteratively optimized by our R&D teams, offering significant differentiation and sustainable evolution capability. Our core technologies support multiple major product lines, including AI Scaler, STDI chip and TMCU, and are widely applied across our products.

We have also established a highly efficient R&D management system. As of December 31, 2025, all of our developed chip products have successfully achieved proper function in first iteration, with the majority entering mass production after the first iteration, demonstrating our technical maturity and R&D execution excellence. We follow the framework of the integrated product development internal control process, ensuring rigorous stage-gate reviews from requirement analysis and project initiation to mass production, thereby guaranteeing R&D quality and efficiency.

We have constructed a systematic intellectual property framework to refine our technological edge. Our high-quality patent portfolio covers core domains that underpin our commercialization and competitive advantages. As of December 31, 2025, we had filed a total of 546 intellectual property applications, including 362 patent applications, with invention patents accounting for 85%, among which 166 patents have been granted, including two U.S. invention patents. We also participate in the formulation of multiple national automotive standards. For our core technologies, we have completed PCT applications overseas, while our trademark portfolio spans over 10 countries and regions, including Hong Kong, Singapore, the United States and the European Union.

Visionary and Seasoned Management Team

Our management team comprises pioneers of on-device AI chip design in China, combining profound industry insight with solid technical expertise and commercialization experience.

- Our founder, Mr. Chen Xi, a serial entrepreneur and industry leader, has over 25 years of management experience in the semiconductor and high-tech sectors. Mr. Chen holds three bachelor's degrees in automotive engineering, computer science and law from Tsinghua University, and an MBA degree in finance from University of California, Los Angeles, Anderson School of Management.

- Our co-founder and Chief Technology Officer, Mr. Bai Songrong, is responsible for our technology strategy and R&D management. He has over 25 years of semiconductor industry experience and has profound expertise in SoC design, mixed-signal processing and sensing. Prior to joining us, Mr. Bai served as a senior supervisor at Goodix Technology, overseeing chip design, which includes the R&D of chip and AIoT product line, and previously served as a supervisor at NXP Semiconductors.

- Our co-founder and Chief Marketing Officer, Mr. Wang Jie, oversees product definition, marketing strategy, and global supply chain management. With more than 20 years of experience, he combines deep technical expertise with strategic market vision and has extensive experience in both team management and market development. Mr. Wang previously held the position of deputy general manager of MStar Semiconductor (Shenzhen), and was responsible for business unit management. Mr. Wang holds a bachelor's degree in electronic materials and components and a master's degree in microelectronics and solid-state electronics from Xidian University.

As of December 31, 2025, we had an R&D team of 84 members. Most of our core engineers are graduates of top universities in China and abroad and have over ten years of experience in global tech giants.

OUR GROWTH STRATEGIES

We intend to continue to grow our business through the following key strategies and achieve our mission.

Continue Expanding Product Portfolio and Application Scenarios

To maintain the competitiveness of our product lineup, we plan to further upgrade existing products and expand our product portfolio. Specifically, we aim to:

- **Develop the next generation of TMCUs** with enhanced touch sensitivity and lower power consumption, featured with optimized touch sensing algorithms, improved detection accuracy and stronger anti-interference capabilities. Such upgrade allows our TMCUs to better support applications in automotive door handles and dexterous hands.

- **Enhance our general-purpose MCUs' product offerings** by introducing higher-performance products with elevated functional safety standards. We plan to expand from MCUs with single-core architecture to multi-core architecture and introduce general-purpose MCUs based on RISC-V architecture, addressing the needs of automotive domain controllers and battery management systems for new energy vehicles and embodied intelligent robots.

- **Launch next-generation STDI chips** with improved display quality, to broaden their applications from mobile screens to automotive displays, laptops and tablets.

- **Iterate our AI Scaler** to deliver advanced image processing capabilities for SCCUs, while continuously reducing power consumption.

Concurrently, we plan to continue investing in AMOLED touch IC and audio driver technologies to further strengthen our product portfolio.

We also intend to explore new application scenarios. Leveraging our strengths and experience in edge AI chip development, we are well positioned to expand into emerging markets such as embodied intelligence and AI-powered smart terminals. For instance, our general-purpose MCUs can support robotic motion control, while our TMCUs can enable dexterous hand touch sensing. In parallel, we plan to enhance our AI algorithms to address the specific requirements of embodied intelligent robots. Meanwhile, to better achieve this, we will develop dedicated chipsets for robotic perception and control, as well as next-generation human-machine interaction solutions.

We believe we can deepen customer penetration, broaden application coverage and capture incremental demand from embodied intelligence and AI-powered smart terminals by expanding and upgrading our product portfolio and expanding. As newly launched products achieve commercialization and scale, we anticipate a more balanced revenue mix and improved operating leverage, supporting our long-term financial performance.

Strengthen Advanced Technology R&D to Reinforce Leadership

We plan to strengthen advanced technology R&D to reinforce our market leadership with focused investments in image processing, display-touch integration, automotive-grade chips, RISC-V architectures and advanced perception algorithms that support our single-chip strategy and platformization.

- **Image processing.** Leveraging our existing, robust image processing algorithms, we will continue to capitalize on edge AI technology by applying machine learning models to further enhance image quality. Additionally, we aim to expand our image processing application into applications such as Mini LED, automotive head-up display and smart lighting.

- **Sensor fusion technology.** We will continue to advance our sensor fusion technology by incorporating capacitance, impedance, pressure, temperature and other sensors into a unified architecture. This fusion approach will enhance precision, robustness and overall system perception capability. These advancements will further strengthen our multidimensional interaction, proximity sensing and comprehensive tactile functions.

- **Automotive-grade chip development.** We will enhance our automotive-grade chip capabilities to meet stringent ASIL-B and ASIL-D safety requirements. Our R&D will focus on developing more robust functional safety architectures, improving electromagnetic compatibility and ensuring greater reliability for automotive applications.

- **RISC-V architecture.** We will invest in the development of high-performance sensing-control chips by leveraging up-to-date single- and multi-core RISC-V IP to boost computational capabilities. Additionally, we will build proprietary architectures optimized for domain control applications in vehicles.

- **Development of advanced perception algorithm.** Through AI-driven algorithms, we aim to achieve multi-sensor integration (e.g., touch, gesture and proximity sensing) and enhance adaptive algorithm performance in complex environments. By employing machine learning, we will further improve recognition accuracy.

We believe these R&D investments are critical to strengthening our technology foundation and enabling the development of products with more competitive performance, functional safety, sensing accuracy and power efficiency. While such initiatives may result in a short-term increase in our research and development expenses in absolute value, such as increased costs related to advanced algorithm development, chip architecture design, testing and validation, as well as the recruitment and retention of R&D personnel, we believe these investments are necessary to sustain technological differentiation. We believe that, over time, these efforts will enhance the attractiveness of our products, reinforce our competitive advantages and ultimately support our revenue growth.

Enhance Manufacturing Capability Through Vertical Integration

We plan to leverage our expertise in edge AI chip products to move along the value chain from chips to modules and complete controllers. Starting from our proprietary AI Scaler, STDI chips, general-purpose MCUs and TMCUs, we intend to extend into application-specific module production such as SCCUs. In this way, we aim to offer customers system-level solutions that integrate our chips, algorithms and software, rather than only standalone components. To support this strategy, we plan to establish production and assembly facilities for automotive modules, which will require automated assembly lines, precision testing equipment and strict quality control systems to ensure automotive-grade reliability and performance. Through such vertical integration from chips to modules and controllers, we expect to (1) capture a larger share of the value created by our technologies; (2) strengthen our control over key supply chain nodes and delivery schedules; (3) make it easier for automotive OEMs and Tier 1 and Tier 2 suppliers to adopt our products by reducing their development and integration workload; and (4) provide differentiated, high value-added solutions to global automotive customers. While the establishment of production and assembly facilities for automotive modules may result in higher upfront capital expenditures and operating costs, we believe it will strengthen our control over product quality, supply chain coordination and delivery schedules. Over time, we can improve cost efficiency through scale, process optimization and reduced integration friction, thereby supporting margin improvement.

Further Strengthen Market Presence

We plan to continue expanding our global footprint and strengthening our sales and service network to further enhance our market presence. From a globalization perspective, we plan to expand our global operations headquarter and international capital management center in Hong Kong. Its position as a leading international hub offers us more access to global talent and allows us to attract more top-tier professionals, thereby supporting our globalization roadmap.

We will engage overseas customers in global markets where there is strong demand for edge AI chip products. We plan to progressively build regional customer support centers in global markets, such as the Asia-Pacific region, to provide timely technical assistance and strengthen after-sales service capabilities. Through these coordinated efforts, we aim to broaden customer reach, accelerate market penetration, and reinforce our brand presence across international markets.

Driven by our "market—technology—product" principle and guided by our commitment to global collaboration and technology advancement, we intend to actively pursue strategic partnerships with

leading companies across East Asia to reinforce our globalization strategy. As our products are increasingly integrated into the systems of global customers and must adapt to diverse technical ecosystems and regional standards, these partnerships will enable us to enhance localized development capabilities and accelerate innovation cycles. Such R&D collaborations will also enhance international recognition of our technological capabilities and further strengthen our global presence.

We believe this market expansion strategy will enhance our global market presence and diversify our customer base. We believe that strengthening our overseas sales, service and customer support capabilities will improve customer responsiveness and satisfaction, accelerate market penetration and increase the scalability of our international business.

OUR PRODUCTS

We are a provider of edge AI chip products. We ranked first by shipment volume in ASIC scaler industry in 2024 and ranked second in the global scaler industry in 2024. 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. Built on our MCU and ASIC architectures, our products integrate edge AI algorithms to enable local data processing and intelligent decision-making. Our products are primarily applied in consumer electronics, automotive industry, and emerging markets such as embodied intelligence.

Driven by our ongoing efforts in innovation and industry know-how, we have established a robust product portfolio and continue to broaden it in line with customer needs. We also provide ancillary technical services to our customers, including system integration support, parameter tuning and application-level debugging. These services help ensure the efficient deployment and stable operation of our products in customers' end systems. Accordingly, we provide our customers with integrated chip-based offerings that combine our products with supporting technical services. We currently offer a comprehensive portfolio of edge AI chip products, primarily including (1) display chip products, mainly comprising AI Scaler and STDI chips; and (2) sensing-control chip products, mainly including TMCUs, general-purpose MCUs, touch ICs and SCCUs.

Compared to conventional display and sensing-control chips, our display and sensing-control chips embedded intelligent processing capabilities, enabling them to automatically recognize and intelligently adapt to different application scenarios. Through embedded lightweight AI models, our products are capable of collecting image and sensing data for on-device training and optimization. For display-related applications, our AI algorithms enhance image quality through intelligent image processing and adaptive adjustment. For sensing and control applications, our lightweight on-device AI engines address technical challenges such as multimodal interaction processing and environmental tracking, including temperature drift baseline tracking, thereby enabling high-performance sensing and control functionalities under complex operating conditions.

The following table sets forth a summary of the key characteristics of each of our products, how they differ from one another, their major downstream applications, their competitive strengths and advantages, and the background of their customers and end-customers.

	Display Chip Products			Sensing-control Chip Products		
	AI Scaler	STDI Chips	TMCUs	General-purpose MCUs	Touch ICs	SCCUs
Key Characteristics	ASIC-based dedicated image processing chip; real-time image enhancement, resolution conversion and visually lossless compression; low latency and optimised power consumption.	Integrated display driving, touch sensing and selected image processing; high resolution and refresh rates; compact and low-power design.	MCU with integrated high-performance touch sensing; supports touch and proximity; automotive-grade reliability and functional safety.	32-bit MCUs with single-core and multi-core architectures; rich peripherals; RISC-V adoption; automotive-grade reliability.	Capacitive touch sensing; multi-touch and gesture recognition; ultra-low power consumption.	System-level solutions integrating MCUs, AI Scaler, STDI chips, TMCUs and software.
Differentiation within Product Portfolio	High-performance, compute-intensive image processing; standalone processing role; no display driving or touch sensing.	High system integration and cost efficiency; standalone all-in-one architecture; does not rely on AI Scaler.	Application-specific MCU for human-machine interaction; replaces MCU plus standalone touch controller.	Platform-type MCU for broad control and computation.	Dedicated touch sensing without MCU functionality; optimised for compact terminals.	Extends from standalone chips to system-level integration and turnkey delivery.

	Display Chip Products			Sensing-control Chip Products		
	AI Scaler	STDI Chips	TMCUs	General-purpose MCUs	Touch ICs	SCCUs
Major Downstream Applications	Smartphone displays; automotive cockpit displays.	Smartphones; tablets; laptops; automotive displays.	Steering wheels, door handles, HoD modules; in-vehicle HMI.	Body control modules; domain controllers; BMS; industrial and robotic control.	TWS earbuds; smart glasses; smart home devices.	Smart cockpit systems; in-vehicle human-machine interaction systems.
Competitive Strengths and Edges	Proprietary image processing algorithms and IP; strong energy efficiency.	Display-touch integration; reduced system complexity and BOM cost.	Sensor fusion and touch algorithms; automotive-grade design.	Platform-based product strategy; deep automotive and industrial application knowledge.	Strong power efficiency and reliability.	System-level integration capability; reduces customers' development and integration workload.
Our Customers[1]	Electronics systems integrators and solution providers in consumer electronics industry	Electronics systems integrators and solution providers in consumer electronics industry	Tier 1 suppliers	Tier 1 suppliers	Electronics systems integrators and solution providers in consumer electronics industry	Tier 1 suppliers
End-customers[1]	Consumer electronics brands	Consumer electronics brands	Automotive OEMs; NEV manufacturers; industrial equipment and robotics manufacturers	Automotive OEMs; NEV manufacturers; industrial equipment and robotics manufacturers	Consumer electronics brands	Automotive OEMs

(1) During the Track Record Period.

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

The sales volume of Touch ICs decreased from 11.6 million units in 2023 to 5.2 million units in 2024, primarily due to the transition of mainstream mobile touch technology to STDI chips, and we accordingly prioritized the development and sales of STDI chips.

As advised by F&S, during the Track Record Period, the ASP of our products, except for that of STDI chips and SCCUs, is in line with industry average price in China. STDI chips and SCCUs are relatively innovative products of our Company, for which there is currently no meaningful industry-wide average price benchmark. This is primarily because these products are based on our proprietary and differentiated technological approaches. For instance, our STDI chips integrate the functionalities of scaler and TDDI chips, which distinguishes them from conventional standalone TDDI chips available in the market. In addition, our SCCUs are delivered in an integrated form, combining our proprietary chips with selected third-party components and our proprietary software, and are typically sold as bundled PCBA boards together with related software packages. Such integrated and customized solution architecture does not correspond to a standardized or widely adopted industry pricing model, making it difficult to identify comparable industry benchmarks.

Our Product Portfolio

Display Chip Products

Display chips are the core control components of display panels, encompassing key functions such as image processing, display driving and high-speed data transmission. We are committed to the research, development, design and sale of display chip products. We offer a broad product portfolio covering applications such as smartphones and automotive displays. Our display chips serve as core processing units for image decompression, video format conversion, resolution and refresh rate scaling and image quality enhancement, providing customers with critical decoding and bridging functionalities between display devices of different standards and formats. Leveraging our innovative ASIC architecture and proprietary technologies, we developed the world's first ASIC-based scaler, AI Scaler, according to the F&S Report, which incorporates proprietary technologies in visually lossless compression, image quality enhancement and high-speed interface transmission. Our display product portfolio primarily includes (1) AI Scaler; and (2) STDI chips.

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. Scaler chips are widely applied in smartphone displays and automotive cockpit displays, serving as key components that bridge signal formats, enhance image quality and manage display control. We launched the world's first ASIC scaler, AI Scaler, in 2021, according to the F&S report, which 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 acts as an image processor between the video source and the display panel, and can intelligently adjust display parameters according to image content, achieving higher display quality and energy efficiency. AI Scaler, which is a commonly used broadly accepted industry terminology, generally referring to high-performance scalers

capable of meeting the application requirements of AI-enabled terminal devices, according to the F&S Report. AI scalers are predominantly based on ASIC architectures, as application-specific design enables stronger processing performance, lower power consumption and higher efficiency compared with general-purpose solutions. Our AI Scaler are powered by content-aware algorithms that dynamically analyze incoming video streams. By automatically recognizing different visual scenarios—such as differentiating high-motion gaming graphics from static text—the chip autonomously optimizes contrast, color saturation and brightness in real time. This adaptive processing maximizes visual fidelity while minimizing unnecessary power consumption without requiring manual user intervention. Compatible with multiple operating systems, proprietary image algorithms and IP, it provides support for multiple standards, high resolution and DSC decoding and high frame-rate conversion.

Our AI Scaler has the following principal features:

- ***High performance and high image quality.*** Our AI Scaler delivers outstanding computing performance and image processing capability. It supports high-resolution screens and fast refresh rates, ensuring that images and videos appear sharp, fluid and accurate in color, meeting the stringent requirements of high-end display systems for precision, speed and color accuracy. It also incorporates proprietary image processing algorithms that achieve one of the highest ratio visual lossless compression in the market, enabling precise color reproduction and visual quality while keeping the chip cost and power highly optimized, thereby enhancing competitiveness in both consumer electronics and automotive display markets. In addition, to further accommodate customers' needs, we are able to offer AI Scaler combined with panels that deliver optimized image quality through customized programming.

- ***High integration and cost efficiency.*** Our AI Scaler adopts a highly integrated five-in-one architecture that combines core components such as CPU, image algorithm module, extended random access memory ("XRAM"), flash memory and power management unit ("PMU"), that are traditionally split across several chips, into a single chip. This design significantly reduces dependency on external components, simplifies the overall hardware design and saves space on the circuit board. Compared with traditional FPGA chip products, our AI Scaler achieves superior image performance at lower power consumption and significantly BOM cost reduction, ensuring stable operation across use cases that demand both high performance and optimized cost such as smart cockpit and portable display applications.

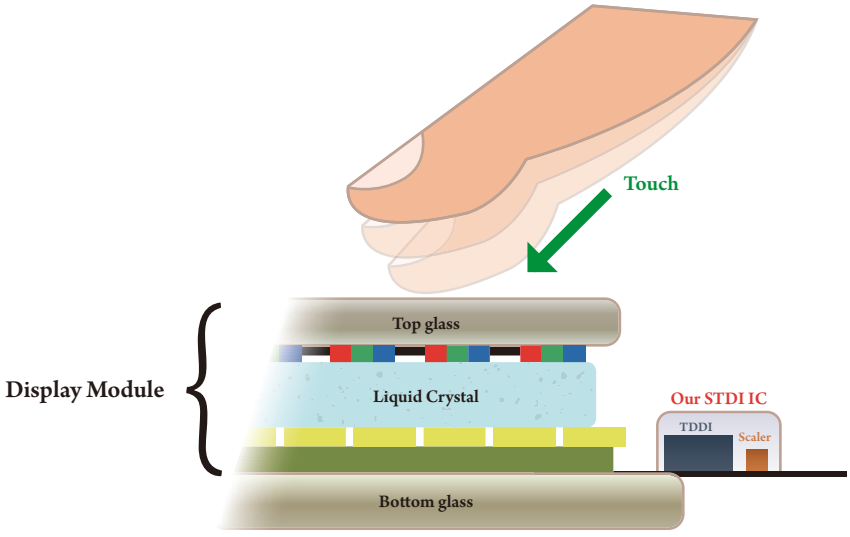
We were one of the earliest industry players to develop and commercialize ASIC scalers, and we have grown to become the largest provider in the ASIC scaler market, in terms of revenue and shipment volume in 2025, according to the F&S Report. Leveraging our early market entry and the extensive engineering expertise we have accumulated in ASIC scaler design, our AI scaler technologies and feature sets demonstrate a higher level of performance, stability and maturity compared with those offered by our industry peers, according to the same source.

STDI Chips

Display driver chips are one of the key control components of display panels, responsible for driving and controlling pixel brightness, color and other parameters to render images on the screen. Touch controller chips are also key components of display panels, designed to detect changes in capacitance generated between the user's finger and the touch sensor, and to process such signals through embedded algorithms to achieve precise touch detection. 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. According to F&S, STDI is generally used in the industry to refer to integrated display driver chip products capable of meeting the application requirements of intelligent display terminals that require display-driving, touch-sensing and image-processing capabilities. Compared with conventional display driver chip products, STDI chips are characterized by a higher level of functional integration, and the term STDI chip is commonly used in the industry to distinguish such integrated display driver chip products from conventional DDIC and TDDI products.

Our STDI chips integrate the function of extra scaler and TDDI into a single chip. Although our STDI chips incorporate touch sensing capabilities, we classify our STDI chips as display chips, because their display-related functions remain the core of their design. Image processing and display driving modules account for the majority of its chip structure. Furthermore, our STDI chips are predominantly deployed in display-related applications, where their value lies in delivering integrated image processing and display driving performance. Our STDI chips can intelligently analyze on-screen content and user interactions in real time, our STDI chips autonomously optimize display parameters—such as variable refresh rates and localized brightness—to maximize both visual responsiveness and energy efficiency. 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. Our STDI chips also offer manufacturers a highly efficient products that enables thinner devices, lower material costs and simplified system design, meeting the growing demand for high-performance display products.

Our STDI can process capacitive touch signals generated by user interactions and converts image data received from the application processor into optimized display signals, enabling responsive touch input and stable image output. The following image demonstrates how our STDI chips function within a touch display module.



Differences between AI Scaler and STDI Chips

Our AI Scaler chips and STDI chips serve different roles within a display system and are designed to address different levels of system integration.

- Our AI Scaler primarily functions as an image processing chip positioned between the video source and the display panel. It receives image or video data from upstream devices, such as application processors, and performs image processing functions, including resolution conversion and image enhancement, before outputting the processed signals for display. However, our AI Scaler do not directly drive the display panel and do not perform touch sensing functions.

- By contrast, our STDI chips are highly integrated display driver chip products. In addition to incorporating selected image processing functions similar to those performed by AI Scaler, STDI chips further integrate display driving components, such as panel driving and timing control modules, as well as touch sensing and related signal processing functions. As a result, STDI chips can directly interface with and drive the display panel while simultaneously enabling touch input detection.

- In terms of structural components, our AI Scaler focus on image processing and data handling and therefore require additional external components to complete display and touch functions. Our STDI chips integrate multiple functions that would traditionally be implemented by several separate chips into a single chip, thereby simplifying system architecture, reducing component count and improving overall system efficiency.

Sensing-Control Chip Products

Sensing-control chips form the core neural system for smart end devices, responsible for perceiving the physical world, processing information and executing commands. Leveraging our deep expertise in high-precision capacitive sensing and low-power MCU design, we have successfully extended our technologies from the consumer electronics industry to the high-barrier automotive industry. Our products are designed to simplify system integration for our customers, shorten their development cycles and enhance overall system reliability and functional safety, adhering to stringent automotive standards such as AEC-Q100 and ISO 26262. Our products are widely applied in cockpit systems of EVs, consumer wearable devices and robotics. Our sensing-control product portfolio primarily includes (1) TMCUs; (2) general-purpose MCUs; (3) touch ICs; and (4) SCCUs.

The following table sets highlights the differences among TMCUs, general-purpose MCUs and touch ICs.

	TMCUs	General-purpose MCUs	Touch ICs
Architecture . .	Integration of automotive-grade computing, and touch and sensing 1. Innovative touch AFE module with a built-in smart signal processing module. 2. Support up to 30 channels of capacitive detection (primarily self-capacitance, secondarily mutual capacitance). 3. Use an automotive-grade ARM® architecture.	Focus on automotive-grade computing and control 1. Use an automotive-grade ARM® architecture. 2. Built-in data encryption/decryption module meeting information security requirements. 3. Include general automotive interfaces.	Focus on high resolution and gesture recognition 1. Dedicated touch AFE (Analog Front-End) module. 2. Suitable for displays; support up to 800 capacitive touch nodes (primarily mutual capacitance, secondarily self-capacitance). 3. Built-in CPU core, SRAM, and external Flash; use SPI, I2C, and other peripheral interfaces to transmit touch results or raw detection data back to the host controller.
Technology . . .	Combination of high-specification touch and automotive-grade safety 1. Core technology includes touch AFE, touch data processing, and algorithm recognition. Specifications for automotive touch detection (e.g., load capacity, anti-interference, waterproofing) are significantly higher than those of consumer products. 2. Fully satisfy automotive-grade MCU functions. 3. Utilize automotive-compliant manufacturing processes, feature ISO 26262 compliant functional safety design, and pass automotive safety and reliability certifications.	Focus on automotive-grade safety and reliability 1. Utilize manufacturing processes that meet automotive requirements. 2. Feature an automotive-grade design compliant with ISO 26262 functional safety standards. 3. Pass automotive functional safety and reliability certification standards.	Focus on touch algorithms and peripheral interaction 1. Core technology is touch AFE, along with corresponding touch data processing and algorithm recognition functions. 2. The CPU, memory and peripherals are primarily used to execute basic control and interact with the host controller.

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 TMCUs achieves solid sensing performance and MCU platform with rich peripherals and control outputs. Our TMCUs have intelligent intent recognition and adaptive environmental capabilities. Equipped with temperature compensation algorithms and on-chip parasitic-capacitance cancellation, these chips can actively process complex data inputs to autonomously distinguish deliberate human interactions from environmental interferences. This enables the system to maintain high detection accuracy and stability, dynamically calibrating sensor sensitivity in real time even under varying environmental conditions. Our TMCU has obtained ASIL-B functional safety certification and meets high reliability standards of the automotive industry. Set forth below are two application scenarios of our TMCUs.

Scenario 1 – Steering Wheel HoD+Touch-key Solution

Our TMCUs have been widely adopted in steering wheels vehicles. Our TMCU enables an integrated steering HoD and touch-key control solution that deeply combines monitoring of the driver's hand status with multi-function interaction. In driving scenarios, HoD continuously safeguards the safety baseline, while touch keys allow the driver to complete various operations without removing both hands from the wheel, enhancing driving safety and optimizing the human-machine interactions. HoD systems is a critical function in ADAS that monitors whether the driver is holding the steering wheel to determine driving intention and takeover readiness. This design has become a core solution in the era of intelligent driving by balancing safety and convenience. It is a mandatory feature in the U.S. and European automotive market, and China also issued Draft National Safety Standards for L2 Driver Assistance in September 2025, proposing hands-off detection.

The following sets forth key features and advantages of our steering wheel HoD+Touch-key solution.

- Realizing three functions in the same controller. Our solution integrates main control and capacitive sensing functions within a single chip, enabling HoD, steering-wheel heating and button control to be implemented under one controller. This high level of integration simplifies circuit design, enhances reliability and reduces system complexity.

- Using composite sensor pads and supporting multi-zone hands-off detection, which allows the hand-grip position to be determined by the distribution of detection electrodes.

- Supporting load capacitance range up to 4nF without external compensation capacitors, which provides strong compatibility with various steering-wheel designs.

Equipped with temperature compensation algorithms and on-chip parasitic-capacitance cancellation, our TMCUs maintain high detection accuracy and stability even under varying environmental conditions. Certified to ASIL-B functional safety level, our TMCUs meet stringent automotive safety and reliability requirements. Leveraging their high integration and algorithmic precision, our TMCUs have been adopted by multiple leading OEMs and are now mass-produced as the core control chips in smart steering-wheel HoD systems.

Scenario 2 – Touch Door Handle Solution

Our TMCUs have also been widely applied in touch door handle systems for vehicles, enabling capacitive touch functions for door locking and unlocking. Our TMCU is embedded in a door handle to detect whether a user's hand is approaching or touching the handle. When a person approaches or touches the handle, the sensor sends a signal to the main controller; otherwise it remains in standby. Vehicles with keyless entry create strong demand for door handle sensors, enabling convenient lock and unlock operations. Such applications require reliable performance under extreme outdoor conditions such as heavy rain, snow and temperature fluctuations, while maintaining high responsiveness and low power consumption.

The following sets forth key features and advantages of our touch door handle solution.

- Integrated proprietary waterproof algorithm.
- Unified self-capacitance and mutual-capacitance detection architecture with dual sampling, which significantly improving touch precision and noise immunity.
- Supporting active shielding to mitigate the impact of flowing water, which effectively mitigates the influence of water flow and environmental noise to ensure reliable operation under extreme weather conditions.
- Hundreds-pF-level load-capacitance detection range, which facilitates the design of large-area sensors, especially for anti-pinch on the inner side of hidden/retractable door handles.
- Femtofarad-level sampling precision and high signal-to-noise ratio, which enables single-finger detection.
- Passed electromagnetic compatibility testing and supporting bulk current injection testing, which enables stable operation and preventing false triggering in automotive environments.

General-purpose MCUs

MCU is a compact IC that combines a scaled-down version of a CPU with memory, timers and other functional circuits on a single chip. It enables control solutions tailored to various application scenarios including automotive electronics. 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 RISC-V structure. Our CVM014x series, based on Cortex-M4F, has higher operating frequency and larger on-chip memory, enabling efficient execution of control algorithms and sensor data processing in applications with higher computational and communication demands. It 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, based on Cortex-M0+, adopts an ultra-low power architecture with a compact code and memory footprint and essential real-time control peripherals, enabling 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.

Our general-purpose automotive-grade MCUs are developed in strict compliance with functional safety ASIL-D development process and have obtained AEC-Q100 qualification. They are designed to operate reliably in harsh automotive conditions, with stable performance over a wide temperature range from -40°C to 125°C. These design and qualification standards help ensure that our general-purpose MCU products can meet the stringent safety, reliability and durability requirements of global automotive OEMs.

The following sets forth two application scenarios of our general-purpose MCUs.

- ***Automotive headlamp.*** Our automotive-grade general-purpose MCUs can support high-beam and low-beam lighting, daytime running lights, static cornering lights and turn signals of the automotive headlamp. It provide matrix headlights, as well as headlamp height and brightness adjustment functions.
- ***Automotive seat controller.*** Our automotive-grade general-purpose MCUs can support four to eight channels of electric seat position adjustment, two channels of seat heating and two channels of seat ventilation. It also supports seat position memory functions, as well as extended features such as seat welcome and massage functions.

Differences between TMCUs and general-purpose MCUs

Both of our TMCUs and general-purpose MCUs are automotive-grade and are primarily used in automotive applications. However, they are designed to serve different purposes.

- Our general-purpose MCUs be used as flexible control units across a wide range of automotive systems. They usually rely on external sensors, peripheral circuits and system-level design to support specific sensing or interaction functions.

- Our TMCUs are developed on the basis of general-purpose MCUs and build upon their core computing and control capabilities. Our TMCUs further integrate dedicated touch sensing and signal processing functions on a single chip, enabling high-precision detection of capacitive, temperature and pressure signals, including applications that require large load capacitance and stable sensing performance.

- In terms of structural components, our TMCUs retain the fundamental functional modules of an MCU while additionally integrating dedicated touch analog front-end circuits, signal processing modules and intelligent algorithm engines, allowing them to directly acquire and process sensing signals without relying on multiple external components.

- In terms of technological requirements and industry standards, both of our TMCUs and general-purpose MCUs meet all core automotive-grade standards, such as automotive reliability standards such as AEC-Q100, functional safety requirements under ISO 26262 and automotive electromagnetic compatibility standards. In addition to the aforementioned standards, as our TMCUs are used in touch-based and sensing-control applications, they also satisfy application-specific requirements, such as enhanced waterproof performance, resistance to environmental interference and other customer-defined validation standards imposed by automotive manufacturers.

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. Our touch ICs can process capacitive data through embedded algorithms, transforming simple physical contact into intelligent, context-aware digital commands. Rather than merely registering a touch, these chips dynamically filter out environmental noise to accurately decipher genuine user intent. 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.

Our touch ICs primarily include wearable touch ICs, SAR sensors and TPICs.

- *Wearable touch ICs*. Our wearable touch IC is designed to enable intuitive touch interactions on wearable devices, such as tapping to answer calls or control playback. It leverages capacitive sensing technology to detect whether a device is worn and to recognize gestures like press, double-click and slide. In addition, it offers superior resistance to water and sweat. Built on our proprietary architecture, it supports seamless designs without openings, enhancing durability and waterproof performance in applications such as earbuds.

- *SAR sensors*. Our SAR sensor offers ultra-high capacitive detection resolution and multi-channel detection capability. It employs an adaptive environmental compensation algorithm to maintain stable operation in complex environments. When a human body is detected near the antenna, the system promptly notifies the main control chip to reduce the transmit power, ensuring electromagnetic emissions remain compliant with international safety standards.

- *TPICs*. Our TPIC features reliable performance, high integration and broad adaptability for 3.5-inch to 15-inch screens with leading signal-to-noise ratio, ultra-low power consumption and strong anti-interference capability. It is equipped self-cap and mutual-cap touch sensing combined technology to perform up to 10 fingers simultaneous touch and gesture detection, with strong water resistance performance and meeting EMC and other industrial requirements.

The following table sets forth the principal application scenarios of our touch ICs in consumer electronics devices.

Consumer electronics devices	Functions
TWS earbuds	Integrate in-ear detection and user-interaction control functions within a single IC, enabling accurate wearing detection and supporting multiple touch and gesture operations such as tap, long press and sliding gestures for volume adjustment, track switching and call control. Our touch ICs eliminates the need for optical openings and avoids the use of traditional certain traditional sensors, such as optical proximity sensors, thereby simplifying structural design, reducing calibration and assembly complexity.
Smart glasses	Able to support multiple touch gestures on the temples or frame such as long press, tap and swipe, enabling users to answer calls, wake up voice assistants, adjust volume and control music playback through intuitive touch operations on the glasses.
Smartphones	Can be used in capacitive SAR proximity detection solutions connected to the handset antenna to accurately determine whether the device is close to the human body and dynamically reduce or adjust radio frequency transmission power, thereby lowering radiation exposure and helping satisfy SAR requirements.

SCCUs

Leveraging our leading capabilities in edge AI chips, we have continued to extend our applications and software solution offerings and have established SCCUs under our edge smart system strategy, which represents our strategic expansion from chips to systems. We are building a unified smart platform with our self-developed chips as the core, integrating device-side computing, sensing and interaction capabilities with system software. This platform is replicable and scalable, enabling system-level integration for multiple scenarios such as smart cockpits systems.

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. 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. We use third-party display chips in our SCCUs primarily because in-vehicle display systems are subject to higher performance, safety and reliability requirements than those in the consumer market, which require longer validation and integration cycles. Delivered in the form of integrated hardware boards (PCBAs), our SCCU combines a customized operating system with algorithms and software embedded in our proprietary chipsets to centralize vehicle control, thereby laying a critical foundation for software-defined vehicles.

Our SCCUs are designed for general applications based on standardized platforms, rather than being bespoke for specific automobile models. To cater to diverse vehicle models and market demands, we achieve compatibility primarily through interface adaptation, software configuration and peripheral adjustments. This scalable approach eliminates the need for bottom-up, architectural-level bespoke development for individual vehicle models. 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. We take full responsibility for the entire development and delivery cycle. We offer a turnkey solution spanning from initial chip selection and hardware/software development to mass production and critical after-sales technical support.

Benefiting from our long-standing accumulation in edge AI sensing-control industry, we have established strong advantages in system-level algorithm optimization, real-time control and signal fusion. This enables us to provide highly integrated, cost-efficient and deployment-ready SCCUs to global automotive OEMs and Tier 1 suppliers.

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.

A key pillar of our strategy is to provide not only standalone chips but also integrated, turnkey solutions tailored to our customers' specific needs. Leveraging our deep industry know-how, we deliver comprehensive solutions that bundle our proprietary chips with foundational software, development kits and critical algorithms. This approach enables us to address complex customer challenges more effectively, significantly shorten their product development cycles and foster deep, long-term partnerships. By embedding our technology more deeply into our customers' systems, we enhance customer stickiness and increase the value we provide within the industry ecosystem.

The following diagram illustrates our fabless business model.

18C Designation and Commercialization

The table below sets forth a summary of how each of our products fall within acceptable sectors of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules:

Specialist Technology Industry Acceptable Sector	Products
Advanced hardware and software—Semiconductors	Display chip products Sensing-control chip products

Our industry consultant, Frost & Sullivan, confirms and our Directors are of the view that based on the above, each of our products falls 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. Accordingly, we meet the definition of a Specialist Technology Company under Chapter 18C of the Listing Rules.

We have adopted a transaction-based model for the sales of our products. The following table sets forth the timeline of our commercialization and major iterations of each of our product series.

Product Series	Commencement of Revenue Generation	Major Iterations[1]
AI Scaler	2022	Our fourth generational AI Scaler commenced in May 2025.
STDI	2024	Our second generational STDI chip commenced in November 2025.
TMCU	2024	N/A[2]
General-purpose MCU	2023	Our CVM014x series, based on Cortex-M4F, and our CVM011x series, based on Cortex-M0+, both commenced in 2023.
Touch IC	2021	N/A[2]
SCCU	2025	N/A[2]

(1) During the Track Record Period.

(2) Does not have major iterations.

OUR TECHNOLOGIES

The edge AI chip industry is characterized by rapid technological evolution and intense market competition. We must continuously launch new products while advancing our core technologies, necessitating sustained R&D investments to drive innovation and meet market demands efficiently.

Technology Foundation

Our technology foundation primarily encompasses capacitive sensing, signal processing, image processing, display driver technologies, edge AI engines and automotive-grade standards, underpinned by a range of core intellectual properties developed in-house. We have accumulated deep expertise in these domains, which enables our chips to achieve high detection precision, fast response and low power consumption under complex operating environments, and provide the foundation for their deployment in automotive, consumer and emerging smart device applications.

- **Capacitive sensing** provides high-precision touch and proximity detection through low-noise analog front ends, adaptive baseline tracking and environmental compensation, enabling stable performance under varying materials and humidity. Low-noise analog front ends help improve detection accuracy, while adaptive baseline tracking and environmental compensation allow the system to automatically adjust to changes in surrounding conditions. As a result, devices can maintain consistent sensing performance without frequent recalibration, even in environments with moisture, temperature variation or material differences. Our proprietary capacitive sensing technology enable us to achieve industry leading high resolution and large capacitive loading.

- **Signal processing** converts raw sensor outputs into actionable signals by applying filtering, calibration and sensor diagnostics with time alignment across modalities to enable reliable fusion. Filtering and calibration help remove interference and correct deviations in raw data, while sensor diagnostics support stable long-term operation. Time alignment across different sensing modalities ensures that data from multiple sources can be processed together in a reliable and coordinated manner. Our proprietary signal processing algorithms perform on-the-fly processing to suppress noise, extract and enhance target signals, significantly improve signal-to-noise ratio and support complex gesture and positioning recognition.

- **Image processing** provides scaling, enhancement and artifact mitigation through hardware-assisted pipelines that improve visual quality and reduce latency for edge displays. By performing these functions through dedicated hardware, the processing load on the main system is reduced, enabling faster response and smoother visual output. We incorporate our proprietary real-time visually lossless compression and decompression IP with available image processing technologies, which achieves four to one compression ratio, one of the highest compression ratios in the market, while maintaining high image quality.

- **Display driver technology** manages timing, brightness and color accuracy with integrated power and interface control, supporting compact form factors and reduced BOM. The integration of multiple display-related functions on a single chip helps simplify system architecture and reduce the number of external components required. It integrates the panel's timing control, source and gate drivers, delivering high refresh rates with low power and a small silicon area.

- Our **edge AI engine** is a customized lightweight neural processing unit for sensing and image processing applications. It enables key perception and control tasks to be processed directly on the device, reducing reliance on cloud computing and minimizing processing latency. It provides on-chip acceleration for perception and control workloads, enabling lightweight AI models and traditional signal-processing and control algorithms to run on-device with low latency under stringent power budgets, with improved responsiveness and privacy protection. Designed as an accelerator embedded in our MCU and ASIC architectures, it delivers a balanced trade-off among silicon area, power and performance.

- We possess capabilities to meet **automotive-grade standards**. Automotive-grade standards embed design-for-reliability, process control and qualification against automotive-grade requirements. Our products satisfy the key requirement for automotive-grade chips. For example, our products can meet the stringent automotive-grade requirement including ASIL-D functional safety certification and AEC-Q100 standard.

Architecture Innovation

Building upon the aforementioned core technological capabilities, we have developed integrated technology platforms including our *Sparrow* SoC Platform, sensor fusion technology and *Cheetah* Software Platform. The *Sparrow* SoC Platform enables the efficient integration of control, computation and signal interaction functions within a unified architecture. Our sensor fusion technology coordinates multi-source sensor data to improve real-time perception accuracy and robustness. Through the *Cheetah* Software Platform, we offer flexible algorithm configuration, parameter tuning and application development support. Together, these platforms enable a highly efficient development process, rigorous quality control and flexible, innovative product delivery, allowing us to continuously advance product performance and accelerate commercialization across diverse application scenarios.

- ***Sparrow SoC Platform.*** We have developed our *Sparrow* SoC Platform, a multimodal SoC architecture designed to enable edge AI across diverse human-machine interaction scenarios. Our *Sparrow* SoC Platform integrates (1) a RISC-V processor for control, (2) AI and image-algorithm accelerators for computation, and (3) a comprehensive sensing front end that covers a sensor hub, touch, fingerprint and IR modules. It further embeds a high-level security encryption module that complies with EAL4+ and PRC national standards, together with an ultra-high-speed system data architecture, ultra-low-power modules and abundant interface options, enabling efficient local processing with low latency and enhanced privacy protection. Leveraging our *Sparrow* SoC Platform, we have developed multiple products, including AI

Scaler, automotive-grade general purpose MCUs, STDI chips, wearable touch ICs and SAR sensors. This platform approach allows us to address multiple end markets from the same architectural base and to iterate products quickly to customer requirements.

- ***Sensor fusion technology.*** Unlike traditional sensor fusion approaches that rely on multiple discrete sensors, our sensor fusion technology integrates multimodal physical signal acquisition and fusion processing at the chip level. By performing fusion processing within the chip rather than across discrete external sensors, our products achieves high-precision perception in compact form factors, with lower system complexity, reduced component count and improved robustness under diverse environmental environments. Leveraging our sensor fusion technology, our multi-dimensional interaction and proximity sensing capabilities allow us to perform proximity detection, pressure and temperature measurement and comprehensive tactile function.

- ***Cheetah Software Platform.*** Our *Cheetah* Software Platform is designed to support the development and testing of multiple chip families through a single, consolidated platform. It offers a unified software development kit, algorithm libraries and development tools that enable fast customization, efficient deployment and lifecycle maintenance across product variants.

Edge AI Chip Products

We leverage our chip-level capabilities and platform architecture to deliver edge AI chip products for multiple downstream applications, including smart cockpit systems, STDI chips, AI Scaler and smart tactile interaction systems. By integrating perception, computation and control with AI capability at the edge device, our products achieve high integration, optimized power efficiency and improved user experience, while reducing system development complexity and time-to-market for our customers.

RESEARCH AND DEVELOPMENT

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-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.

We have been committed to investing into our R&D talents and initiatives. We incurred research and development expenses of RMB124.7 million, RMB86.8 million and RMB93.5 million in 2023, 2024 and 2025, respectively. Our research and development expenses decreased by 30.3% from RMB124.7 million in 2023 to RMB86.8 million in 2024, mainly as a result of our strategy in streamlining an automotive-grade sensing-control chip R&D project, with longer expected commercialization timeline, and allocating our R&D resources to focus on our main business lines, for a more focused and efficient R&D investment structure. See "Financial Information—Period to Period Comparison of Results of Operations—Year ended December 31, 2024 Compared to Year ended December 31, 2023." During the Track Record Period, while we conduct a vast majority of our R&D activities in-house, we also collaborated with various academic institutions and research institutions in China such as Shenzhen Tsinghua University Research Institute and Xidian University, on research projects related to image processing and automotive-grade MCUs to explore various cutting edge technologies to enhance our core competence. We have not in-licensed any material intellectual property rights. Our Directors confirm that during the Track Record Period, all of our research and development costs were related to display and sensing-control chip products, which fall within a Specialist Technology pursuant to paragraph 2(ii) under Chapter 2.5 of the Guide.

Our collaborations with third-party institutions are mutually beneficial, with researchers involved benefiting from academic or industry recognition for their contribution. For the R&D collaboration, we have entered into written agreements with the collaborating parties. The following sets forth the key terms of our R&D collaboration arrangements.

- ***Roles and responsibilities.*** We are usually responsible for supplying the materials and data required for the R&D projects as well as providing financial support. For collaborations

involving co-owned patents, we are generally responsible for the drafting and filing of the patent applications and the upkeep of the relevant patent rights. The collaborating academic institute is normally responsible for appointing a lead professor and research staff for the project and for achieving the agreed project milestones.

- ***Responsible personnel.*** Each party shall assign sufficient personnel to the joint development.

- ***Funding.*** We are typically responsible for the funding of the collaborative projects, as well as expenses in relation to intellectual property applications and intellectual property rights maintenance.

- ***Intellectual property.*** Intellectual property rights created through substantially all of our R&D collaboration will be either (1) solely owned by us, in which case the economic interests of commercializing intellectual property belong entirely to us, or (2) co-owned by our collaborating academic institute and us.

- ***Confidentiality.*** Each party must preserve the confidentiality of information obtained in the course of the collaboration, and refrain from using such information for any unrelated purposes.

We perform all of our core technology R&D in-house, allowing us to focus on our proprietary and differentiating technologies. Our R&D collaborations are primarily undertaken to facilitate downstream application development based on our existing products, rather than develop core or foundational technologies. For example, we had an R&D collaboration on the development of a multifunctional automotive seat control solution, creating software copyrights relating to platforms such as electric seat fault diagnosis and management, as well as precision adjustment and control systems, which are application-oriented intellectual properties built upon our existing chip architecture. Our Directors confirm that no material intellectual property rights have resulted from our collaborations with third-party institutions that are related to or significant to our products. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material legal claims or proceedings that may have an influence on the R&D of our products.

Our R&D Team and Core Members

As of December 31, 2025, we had assembled an R&D team of 84 personnel, accounting for approximately 50% of our workforce, and 44% of whom held a master's degree or above. Our dedicated and experienced R&D team is led by our CTO, Mr. Bai Songrong. Each of our core R&D team members has more than 15 years of industry experience. The following table sets forth the details of our core research and development members.

Core research and development members	Profile
Mr. Bai Songrong	Mr. Bai is our co-founder and Chief Technology Officer. He is responsible for overseeing all of our engineering and R&D activities. He obtained a bachelor's degree in engineering and a master's degree in science, from the National University of Singapore. With over 25 years of global semiconductor industry experience, Mr. Bai has profound expertise in SoC design, mixed-signal processing and smart sensing. He has played a pivotal role in the development of our core products, including our TMCUs, AI Scaler and STDI chips, contributing to our receipt of multiple national-level scientific and technological achievement awards from the MIIT.

Core research and development members	Profile
Mr. Zhang Haiyue	Mr. Zhang is our R&D director. He is responsible for overseeing digital chip design, verification, algorithms and systems development. He obtained a bachelor's degree and a master's degree in microelectronics and solid-state electronics, respectively, from Harbin Institute of Technology. With over 23 years of experience, Mr. Zhang has successfully led the development of multiple large-scale SoC and MCUs and possesses a systematic understanding of the entire chip lifecycle.
Mr. Fan Shuo	Mr. Fan is our Analog Design director. He is responsible for our analog chip design. He holds a bachelor's degree in electronic engineering from the University of Electronic Science and Technology of China and a master's degree in microelectronics from the University of Twente. With 19 years of experience, Mr. Fan is an expert in analog design and SoC development processes. He independently developed a novel SAR ADC architecture with a Figure of Merit that ranks among the best in the industry, demonstrating exceptional innovation capabilities.
Mr. Lin Jianjun	Mr. Lin serves as our director of Software and Applications, overseeing the development from FPGA verification to mass production firmware, covering our AI Scaler and touch IC product lines. He holds a bachelor's degree in biomedical engineering from Xidian University, with 21 years of industry experience, including over 15 years of in-depth expertise in the display and touch IC sector. He has led the R&D of multiple products, supporting the cumulative shipments of over 100 million units in relevant product lines.
Dr. Sun Binxuan	Dr. Sun serves as the head of our Algorithm Department. He holds a bachelor's degree in applied physics and a doctoral degree in pattern recognition and intelligent systems from Donghua University. Boasting over 15 years of professional experience in the field, Dr. Sun is a seasoned expert specializing in image processing, data compression and deep learning model optimization. He has led the R&D of multiple core algorithms that are pivotal to enhancing the market competitiveness of our AI Scaler and STDI chips. Notably one of the image compression algorithms developed under his leadership has achieved a 50% reduction in module area while maintaining competitive performance metrics.

Mr. Bai and Mr. Zhang are the key personnel responsible for the Specialist Technology Company, as referred to in Rule 18C.14 of the Listing Rules. See "History and Corporate Structure — Lock-up Period."

We retain key management and technical staff with competitive remuneration packages and welfare benefits. We maintain ongoing communication with key management or technical staff to identify and mitigate potential departure risks, coupled with structured retention efforts during exit processes. We also invest in training programs to upskill our key staff. We also recruit candidates with relevant knowledge and skills by online recruitment, campus recruitment and internal referrals, among others, to avoid the negative impact that could be caused by attrition.

The salient terms of agreements with management and technical staff are set out below.

- *No conflict.* During the employment, the employee shall not engage in any other job, whether full-time or part-time, without our written consent.

- *Non-competition.* We have the right to unilaterally initiate a non-competition period of up to two years following the termination of employment. During the term of employment and the non-competition period initiated by us, the employee shall not engage in any competitive behavior.

- *Non-solicitation.* During the employment and for two years thereafter, the employee shall not, directly or indirectly, solicit or attempt to solicit our current and former employees to leave their employment or solicit or otherwise influence our relationships with our customers or suppliers.

- *Inventions arrangement.* We own all rights, titles and interests (including patent rights, copyrights, trade secret rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), designs, know-how, ideas and information made, conceived or reduced to practice, in whole or in part, by the employee during the term of the employment contract to the fullest extent allowed by applicable laws and the employee shall promptly disclose all inventions to us.

- *Proprietary information arrangement.* All inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) the employee develops, learns or obtains during the term of the employment contract that relate to us or our business or demonstrably anticipated business, or that are developed in whole or in part during the employment or using our equipment, supplies, facilities or confidential information, or that are received by or for us in confidence, constitute proprietary information. The employee shall hold in confidence and not disclose or, except within the scope of the employment, use any proprietary information. The employee shall maintain confidentiality obligations indefinitely after the expiration or termination of employment until we declare such information declassified or that such information becomes publicly available. The expiration or termination of the employment agreement shall not release employees from the continued confidentiality obligations.

Our Research and Development Process

Our R&D process followed the framework of the integrated product development process. Factors such as product definition, feasibility analysis, product developments, field applications, and customer support are taken into consideration. We have established a comprehensive process to ensure strict control and oversight of our R&D activities. Our R&D process primarily encompasses the key steps of (1) concept, (2) planning, (3) design and verification, and (4) launch. The process from formulation of product concepts to the commencement of mass production may vary from approximately 270 days for our display chips to approximately one year for our sensor and control chips, depending mainly on the complexity and novelty of the products, as well as the requirements of relevant customers. We have implemented rigorous control protocols over our research and development process to ensure full-cycle quality control.

- *Concept phase.* At the initial stage, we collect and confirm market demands, conduct pre-project research and form a project charter. Based on the charter, our team defines the product package requirements, evaluates alternative concepts and assesses the overall attractiveness of the product opportunity. This stage concludes with the creation of a market requirement document and a preliminary project plan, which are subject to a technology review or needs assessment review.

- *Planning phase.* In this phase, we clearly define the product and its competitive advantages. Our team develops a detailed project and resource plan to ensure that risks are reasonably managed. This involves breaking down market requirements into a specific product requirement document and defining the overall system architecture. The phase is marked by key internal reviews, including a specification review and a product review, to ensure the feasibility and robustness of the plan before committing to full-scale development.

- *Design and verification phase.* Following the planning phase, our R&D personnel proceed with detailed development tasks, including chip architecture design, circuit design and simulation. The design process is segmented into "Bronze," "Silver" and "Gold" milestones to ensure quality at each sub-stage. After the design is finalized and passes our rigorous design review, we proceed with the tape-out process by coordinating with our third-party wafer foundries to produce engineering samples. Once the samples are returned, they undergo comprehensive functional and performance validation, including verification and testing review, to ensure alignment with our product specifications.

- *Launch phase.* After successful internal and customer validation, the product enters into the launch phase. This stage involves small-scale trial production runs, which are evaluated through a trial production review. Upon successful completion, we conduct a final pre-mass production review to ensure all manufacturing systems, quality standards and supply chain logistics are in place. We then proceed to mass production, manufacturing products in sufficient quantities to meet customer and quality requirements, followed by lifecycle maintenance.

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 in Chinese mainland. As of the same date, we had 38 software copyrights and 35 registered trademarks in Chinese mainland. As of the same date, we had filed two invention patents in the United States.

Examples of patents held by us in connection with our core technologies which we consider to be material to our business include the following.

No.	Relevant core technologies	Patent name	Place of registration	Patent number	Major function
1.	Capacitive sensing technology . . .	A capacitance detection circuit, related method, module, apparatus and device (一種電容檢測電路、相關方法、模塊、裝置及設備)	China	202110541314.2	Provides a capacitance detection circuit that effectively reduces circuit noise and increases the signal-to-noise ratio, thereby improving detection sensitivity and accuracy.
2.	Image processing technology . . .	Image processing method, apparatus and storage medium (圖像處理方法、裝置及存儲介質)	China	202110910656.7	Provides an image processing method that improves image quality when down-sampling by identifying content categories and performing targeted regional processing.
3.	Capacitive sensing technology . . .	Mutual capacitance detection circuit, touch chip and electronic device (互容檢測電路、觸控晶片和電子設備)	China	2023231016424.4	Provides a mutual capacitance detection circuit that avoids signal amplifier saturation, thereby expanding the detection range and improving the precision of touch sensing.

No.	Relevant core technologies	Patent name	Place of registration	Patent number	Major function
4.	Image processing technology . . .	An image conversion method, apparatus, device, medium and program product (一種圖像轉換方法、裝置、設備、介質及程序產品)	China	202410286177.6	Provides a method to convert Pentile images to RGB images while reducing color artifacts (pseudo-color), thereby solving a common issue in image generation.
5.	Capacitive sensing technology . . .	Capacitance detection circuit, method, touch chip and electronic device (電容檢測電路、方法、觸控晶片和電子設備)	China	202311526584.1	Provides a capacitance detection circuit that can automatically identify the type of capacitor being measured (self or mutual) and adapt its detection method accordingly, catering to diverse application scenarios.
6.	Capacitive sensing technology . . .	A capacitance detection method and circuit based on a delay-locked loop (一種基於延遲鎖相環路的電容檢測方法及電容檢測電路)	China	202211187746.9	Provides a capacitance detection method that improves the signal integrity and locking range of the detection circuit, leading to higher precision in capacitance measurement.
7.	Image processing technology . . .	A local image processing method, apparatus, electronic device and storage medium (一種局部圖像處理方法、裝置、電子設備及存儲介質)	China	202110913072.5	Provides a method for local image updates that fills in edge data to eliminate defects, thereby improving the quality of the updated image.
8.	Image processing technology . . .	Image processing method and related apparatus (圖像處理方法及相關裝置)	China	202110916296.1	Provides an image processing method that improves image quality after down-sampling by performing edge detection and enhancement prior to the sampling process.
9.	Capacitive sensing technology . . .	A detection method, apparatus, touch device and storage medium (一種檢測方法、裝置、觸控裝置以及存儲介質)	China	202410751280.3	Provides a detection method for touch devices that determines the touch position by measuring horizontal and vertical coordinates separately, reducing cost and complexity.
10.	Signal processing .	SAR ADC and Electronic Device (逐次逼近型數字模數轉換器SAR ADC和電子設備)	United States	18/276,977	Converts an analog input voltage into a digital code by successively approximating it using a capacitive DAC controlled by SAR logic.
11.	Capacitive sensing technology . . .	Antenna self-capacitance variation detection method, apparatus, and related application (天線自電容變化檢測方法、裝置及相關應用)	United States	18/134,299	Detects changes in antenna self-capacitance caused by nearby objects and determine proximity, enabling accurate adjustment of the antenna's transmission power.
12.	Capacitive sensing technology . . .	Signal processing methods and related apparatus for demodulated signals in a capacitive sampling circuit (電容採樣電路中對解調信號的信號處理方法及相關裝置)	China	202310029858.X	Provides a signal processing method that ensures the accurate estimation of demodulated signals even when the sampling frequency changes, enhancing signal reliability.

No.	Relevant core technologies	Patent name	Place of registration	Patent number	Major function
13.	Image processing technology . . .	Real-time resolution switching control method and apparatus (分辨率實時切換控制方法及裝置)	China	202310139122.8	Provides a control method for switching display resolutions in real-time while avoiding screen flickering or tearing, ensuring a smooth visual output.
14.	Image processing technology . . .	Frame rate conversion method and apparatus for video mode (針對視頻模式的幀率轉換方法及裝置)	China	2023100242014	Provides a method that enables the conversion of input frame rates to different output frame rates by managing buffer conflicts, allowing for flexible frame rate adaptation.

As advised by our PRC Legal Advisor, pursuant to the Patent Law of the PRC (中華人民共和國專利法), an invention patent registered in China is valid for a term of 20 years from the date of filing of the application for the patent, an utility model patent registered in China is valid for a term of ten years from the date of filing of the application for the patent, and since June 1, 2021, a design patent registered in China is valid for a term of 15 years from the date of filing of the application for the patent. Despite our precautions, however, third parties may obtain and use our intellectual property without our consent. Unauthorized use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights from such unauthorized use may adversely affect our business and results of operations. See "Risk Factors—Risks Relating to the Research and Development and Intellectual Property Rights of Our Products." Our Directors confirm that we did not have any material disputes or any other pending material legal proceedings of intellectual property rights with third parties during the Track Record Period and up to the Latest Practicable Date.

SALES AND MARKETING

During the Track Record Period, we primarily sold our products to customers located in Chinese mainland. In 2023, 2024 and 2025, our revenue from sales to customers located outside Chinese mainland was RMB8.0 million, RMB1.6 million and RMB8.7 million, respectively, representing 5.4%, 0.6% and 2.5% of our total revenue for same respective periods.

We adopted hybrid sales channels and sold our products through both direct sales and distributors. The following table sets forth a breakdown of our revenue by distribution channels 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)					
Distributorship	**94,470**	**62.9**	**170,885**	**70.0**	**126,740**	**36.6**
Direct sales	**55,642**	**37.1**	**73,186**	**30.0**	**219,619**	**63.4**
Solution providers in the consumer electronics industry	18,850	12.6	46,039	18.9	108,783	31.4
Electronic integrators in the consumer electronics industry . .	36,793	24.5	27,147	11.1	39,361	11.4
Tier 1 suppliers in the automotive industry.	–	–	–	–	71,475	20.6
Total	**150,112**	**100.0**	**244,071**	**100.0**	**346,359**	**100.0**

Our revenue contribution from direct sales increased from 30.0% in 2024 to 63.4% in 2025, primarily driven by (1) the increase in revenue from Tier 1 suppliers in the automotive industry, mainly resulting from our revenue from SCCUs, which we launched in June 2025 and generated revenue of RMB70.7 million in 2025; and (2) the increase in revenue from solution providers in the consumer electronics industry, resulting from our active expansion of our direct sales customers. As our SCCUs business continue to expand, we expect our revenue contribution from direct sales customers will continue to increase.

Our sales force is essential to build, maintain and promote our brand image by interacting, introducing and demonstrating the features of our products directly to our customers. As of December 31, 2025, we had assembled a dedicated sales and technology support team of 36 members with strong expertise in the sales of our products. The technically complex nature of our product requires our sales force to possess specialized expertise. Our sales and technology support team is equipped with knowledge of our products and is primarily responsible for frequently communicating with our customers and understanding their feedback on the quality, improvements and market demand of our products. To encourage and incentivize our sales force, we have implemented a compensation structure combines a fixed salary with performance-based assessments and special incentives.

Our Sales Arrangements

Direct Sales

We sell our products to customers via direct sales at their demand. Our direct sales customers primarily include Tier 1 suppliers in the automotive industry and electronic integrators and solution providers in the consumer electronics industry, a significant portion of which were leading companies in their respective fields. We believe that our direct engagement with these customers and our proactive efforts to develop and strengthen relationship with them can enable us to address their demands in a satisfactory and efficient manner, accumulate critical know-hows and enhance our market penetration and positioning in the relevant downstream sectors. Driven by our commitment to product-market-fit, we primarily attract and retain direct sales customers leveraging our ability to offer products that effectively meet their requirements, as well as evolving industry standards and technology advancements. In particular, we have fostered strong and sustainable collaborative relationship with certain direct sales customers by maintaining regular communications with them and providing customized products.

The following table sets forth certain key metrics of our direct sales customers for the years indicated.

	Year ended December 31,		
	2023	2024	2025
Number of direct sales customers at the beginning of the year	22	46	35
Number of new direct sales customers	37	25	147
Number of exiting direct sales customers	(13)	(36)	(22)
Number of direct sales customers at the end of year	46	35	160
Number of transactions with direct sales customers	90	117	562
Average direct sales customer value[(1)] (RMB in thousands)	1,210	2,091	1,373
Average transaction value of direct sales customers[(2)] (RMB in thousands)	618	626	391
Direct sales customer retention rate[(3)]	41%	22%	37%
Net dollar retention rate of direct sales customers[(4)]	174%	90%	152%

(1) Calculated by dividing the revenue generated from direct sales in a given year by the number of direct sales customers who purchased our products in the same year.

(2) Calculated by dividing the revenue generated from direct sales in a given year by the number of transactions by our direct sales customers in the same year.

(3) Calculated by dividing the number of direct sales customers of both current and previous periods by the number of direct sales customers of the previous period, multiplied by 100%.

(4) Calculated by dividing the revenue of a current period from direct sales customers of both current and previous periods by the revenue of the previous period of such direct sales customers, multiplied by 100%.

Our number of exiting direct sales customers increased from 13 in 2023 to 36 in 2024, primarily because we streamlined our direct sales customer base to strategically allocate our resources to pursuing customers in the automotive industry, such as offering customers in the automotive industry more

concentrated customer support. The number of our direct sales customers increased from 35 in 2024 to 160 in 2025, primarily due to our commercialization of SCCUs, which brought us numerous new direct sales customers. Our average direct sales customer value decreased from RMB2.1 million in 2024 to RMB1.4 million in 2025, primarily due to our expansion of smart cockpit business, through which we have acquired a larger base of new customers, who mainly made small batches of purchases that lowers the average transaction value.

Principal Terms of Sales Agreements with Direct Sales Customers

We typically enter into framework agreements and subsequent purchase orders or purchase order only with our direct sales customers. The following paragraphs set forth a summary of the salient terms of our arrangements with direct sales customers.

- ***Term and termination.*** The term of the framework agreement is typically one to three years. Parties may terminate the sales agreement in the event of a material breach of contract. During the Track Record Period, the framework agreements entered into with our direct sales customers were primarily related to our display chip products.

- ***Product specification.*** Our customers typically set forth specific product specification requirements for the products ordered, including chip model, technical parameters such as interface protocols and system configurations to ensure compatibility with different terminal devices, quantity and packaging requirements, without changing the core functionality of our products.

- ***Pricing and payment term.*** We sell our products to direct sales customers at agreed levels as stipulated in the relevant agreements. Except for certain major direct sales customers with good credit profile and collaborative relationship with us, we generally require prepayments from our direct sales customers before delivery. For the sales on credit to direct sales customers, we typically grant a credit term ranging from 30 to 90 days.

- ***Purchase commitment.*** Under the framework agreements, we shall provide the relevant products exclusively to the corresponding customers, provided that certain purchase volume thresholds are met. However, if the customers' actual purchases fall below the agreed levels, we are entitled to adjust or terminate such exclusivity and supply the relevant products to other customers. We offer conditional exclusivity under our framework agreements with direct sales customers mainly because the product under customization are typically designed for specific application scenarios. For example, they may need to be compatible with certain terminal platforms or adapted to the display requirements of particular smartphone brands. This type of customization is intended to meet the common needs of a defined market segment, rather than the unique needs of any single customer. In this context, conditional exclusivity gives our direct sales customers a dedicated window to develop their market, and the purchase commitment motivates them to actively promote the customized products and meet agreed-upon purchase targets in order to retain exclusivity. This mechanism protects customers' market development efforts during the exclusivity period and enhances the efficiency of commercializing the our products. Ultimately, it supports broader adoption within the target market segment.

- ***Supporting services.*** We are responsible for providing supporting services to the direct sales customers.

- ***Product warranty, return and exchange.*** We provide a product warranty for a period of 12 months from the date of delivery. Our policy for returns and exchanges is stringent: a return or exchange is granted only after a joint analysis confirms that the issue is unequivocally due to a defect in our product.

Sales Through Distributors

We have adopted a distributorship model for a portion of the sales and distribution of our products to end customers, under which we remain principally responsible for maintaining relationship with the end customers, formulating the product specifications and providing technical supporting services, while the

distributors are responsible for delivery to end customers and settlement with us. According to the F&S Report, the engagement of distributors for the sales of products is industry norm in the semiconductor industry. Such distribution model streamlines our operations by enabling us to focus on the R&D of our products and strengthen our core advantages, improving our operational leverage by reducing inefficient sales and administrative procedures and improving our financial flexibility.

Our relationship with distributors is categorized as seller-buyer relationships, as they buy out our products from us and then resell the products to the end customers. We recognize sales revenues from distributors when the control over our products is transferred to such distributors, which occurs when distributors sign the acceptance receipt confirming completion of product delivery. During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, we were not aware of any sub-distributors of our products.

The following table sets forth the key metrics of our distributors for the years indicated.

	Year ended December 31,		
	2023	2024	2025
Number of distributors at the beginning of the year	7	16	37
Number of new distributors	11	26	25
Number of exiting distributors	(2)	(5)	(20)
Number of distributors at the end of the year	16	37	42
Number of transactions with distributors	93	145	314
Average distributor value[(1)] (RMB in thousands)	5,904	4,619	3,018
Average transaction value of distributors[(2)] (RMB in thousands)	1,016	1,179	404
Distributor retention rate[(3)]	71%	69%	46%
Net dollar retention rate of distributors[(4)]	138%	177%	73%

(1) Calculated by dividing the revenue generated from distributorship in a given year by the number of distributors who purchased our products in the same year.

(2) Calculated by dividing the revenue generated from distributorship in a given year by the number of transactions with our distributors in the same year.

(3) Calculated by dividing the number of distributors of both current and previous periods by the number of distributors of the previous period, multiplied by 100%.

(4) Calculated by dividing the revenue of a current period from distributors of both current and previous periods by the revenue of the previous period of such distributors, multiplied by 100%.

We had 26 new distributors in 2024, primarily due to the expanded sales of our MCUs and AI Scaler. We had 25 new distributors in 2025, primarily due to the expanded sales of our TMCUs. The launch of new products typically will lead to the addition of new distributors, primarily because, during the initial rollout phase, we actively expand our distribution network to increase market coverage. The number of exiting distributors increased from five in 2024 to 20 in 2025, primarily due to our proactive strategic adjustment regarding our new AI Scaler, which is in its late lifecycle stage. This adjustment involved terminating partnerships with 12 related distributors to reallocate resources in our sales channels towards newer, higher-growth products such as TMCUs. Our average distributor value decreased from RMB4.6 million in 2024 to RMB3.0 million in 2025, primarily due to the decrease in our revenue from distributorship, mainly as a result of our efforts to expand our direct sales channels. Our average transaction value of distributors decreased from RMB1.2 million in 2024 to RMB0.4 million in 2025, primarily due to our early-stage cooperation with the newly introduced distributors for our TMCUs, who mainly made small batches of purchases that lowers the average transaction value.

Our historical sales through distributors were generally recurring, except for circumstances where we terminated our relationship with certain distributors. During the Track Record Period and up to the Latest Practicable Date, we did not experience material breach of distribution agreements that had a significant impact on our business, nor did we have any material disputes with or experience any return or exchange of products from our distributors that had a material adverse effect on our business. In 2023, 2024 and 2025, the amount of returned products from our distributors was nil, nil and RMB0.5 million, respectively, accounting for nil, nil and 0.4% of the total revenue generated from our distributors in the same respective periods.

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, except for the business relationship with us pursuant to the distribution arrangements, there is no other relationship between the distributors and each of our Company, our subsidiaries, our Shareholders who own 5% or more of our total issued Shares, Directors or senior management or any of their respective associates.

Principal Terms of Distribution Agreements

We typically work with our distributors on a purchase order basis. The following paragraphs set forth a summary of the salient terms of our arrangements with distributors.

- ***Term***. Our transactions are governed by individual purchase orders.

- ***Pricing and payment term.*** We determine our selling price to the distributors based on prevailing pricing policies and quotations. Our standard payment term with distributors is payment before delivery. We do not generally grant credit terms to distributors.

- ***Sales amount and sales target.*** The distributors confirm the purchase amount with us in written purchase orders specifying product model, specifications, quantity and total amount. We do not set any minimal sales and purchase amount for our distributors.

- ***Supporting services.*** While distributors handle logistics and payment settlement with end customers, we, as the original chip designer, remain responsible for providing essential technical support services directly to the end customers. This ensures product performance and allows us to efficiently address any technical issues that may arise.

- ***Return and exchange.*** We allow for remedies if a product is confirmed to have functional defects or quality issues that prevent its use in mass production. In such cases, the customer may be entitled to apply the full payment made for the defective batch towards the purchase of other chip products from us. We generally do not provide a warranty period for products sold, and returns or exchanges are subject to joint analysis confirming the issue is unequivocally due to a defect in our product.

Distributor Management

We have implemented certain measures to monitor and manage our distributors, including those on distributor selection. We maintain strong oversight of our sales channels to prevent issues such as channel stuffing, as our internal production plan is formulated based on customers' production cycles and procurement forecasts.

- ***Distributor selection.*** Distributors are involved in our sales arrangements mainly at the request of specific end customers, particularly in the automotive industry where a distributor model is common. We may also recommend distributors when end customers do not designate one. We select distributors primarily based on their industry reputation, customer relationships and financial stability. For qualified distributors, we may issue distributor certificates to them.

- ***Channel stuffing risk management.*** To mitigate the risk of channel stuffing, we have implemented a dynamic inventory management mechanism that is driven by end customer demand. We set rolling sales targets for our distributors to avoid pressuring them to place large orders, particularly at the end of a quarter or fiscal year. We typically advise our distributors to maintain a standing inventory of approximately one to three months based on historical sales data and market forecasts, which is subject to dynamic adjustments. We will collect and review the sales and inventory information of our distributors with annual transaction amounts in either current or previous year exceeding RMB1.0 million, on a monthly basis. Distributors above the threshold contributed over 90% of our revenue from distributors in each year in 2023, 2024 and 2025. According to the F&S Report, the threshold of RMB1.0 million is consistent with industry practices. For distributors below the aforementioned revenue threshold, we primarily monitor their inventory level through regular communications conducted by our sales personnel, such as routine customer visits, phone communications and online meetings. If a distributor's sales volume increases, we advise a moderate increase in

their inventory; conversely, if sales slow down, we reduce their replenishment volume. In the event of order cancellations from end customers, we proactively adjust the distributor's procurement plan and prioritize the sale of existing inventory. These measures ensure that our channel inventory levels remain at a healthy and reasonable state, as determined based on multiple factors, including historical sales volume, order backlog and sales forecasts. As a result, inventory monitoring of the distributors above the threshold identifies no abnormal inventory levels, with end-of-period inventory level consistently maintained within the target range of one to three months during the Track Record Period, effectively mitigating the risks of price erosion and excess stock. At the end of each year during the Track Record Period and as of the Latest Practicable Date, based on the forgoing, to the best knowledge of our Company, there was no significant unsold inventory held by our distributors.

- ***Anti-cannibalization.*** We manage cannibalization risks among distributors by assigning distributors to end customers based on a customer-oriented matching principle, adhering to a rule of no cross-selling or customer poaching to minimize conflicts arising from inconsistent objectives. If the distributor breaches such arrangement, we have the right to terminate the agreement, and the distributor shall bear full liability for all direct and indirect losses incurred by us as a result thereof.

Marketing and Branding

We believe that the competitive advantages of our products, close ties with key players in relevant downstream sectors, mass production experience and our commitment to market-technology-product have played a significant role in appealing to customers and enhancing our market penetration. Due to the nature of our products and customers, we have adopted an efficient and targeted go-to-market approach, focusing on constructive ongoing communications with key players in relevant downstream sectors, including topics on product development, technology trends and supply chain strategies. During such process, we identify and address evolving customer needs and pain points, which provides critical insights to support our new product development while simultaneously enhancing customer stickiness.

To further enhance our visibility and cultivate our brand image, our sales and marketing personnel regularly visits customers' sites to conduct communication and promotion activities, and we also hold workshops and product sharing sessions from time to time with our major customers. In addition, we also selectively participate in industry symposiums and exhibitions, and share our latest developments, industry insights and product information through multiple online media channels. These platforms serve as important tools to demonstrate the capabilities of our products, share technical insights and build connections with our end customers.

Pricing

The price range of our products tend to vary depending on different functions and complexity and customer specifications. We primarily determine our product pricing through negotiations with our customers. We consider factors such as our costs, desired profit margin, pricing of similar products of competitors and degree of market competition in formulating our pricing policies. We also continuously track market dynamics, and regularly optimize our pricing strategy in combination with cost fluctuations, industry price trends and changes in customer needs to ensure the rationality and market competitiveness of our price.

CUSTOMERS

Our customers during the Track Record Period primarily include distributors, as well as 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. Our products are distributed to Tier 2 suppliers in the automotive industry primarily through our distributors. Our products are ultimately incorporated into end products sold to (1) automotive OEMs, such as BYD, SAIC and Chery Automobile; and (2) consumer electronics brand owners, such as Philips, Oppo, Vivo and Baseus. In the automotive industry, Tier 1 suppliers integrate our chips into modules or subsystems that are supplied to automotive OEMs for vehicle integration. In the consumer electronics industry, electronic system integrators and solution providers integrate our chips into complete products or modules that are delivered to consumer electronics brand owners. Our Directors confirm that we did not have any material

indirect reliance with such automotive OEMs and consumer electronics brand owners during the Track Record Period and up to the Latest Practicable Date. 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, and 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 respective periods. 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.

The following tables set forth the details of the five largest customers in each year during the Track Record Period.

Customer	Revenue amount	Percentage of revenue contribution	Commencement of collaboration	Customer type	Primary payment term
	(RMB in thousands)	(%)			
For the year ended December 31, 2023					
Customer A[2]	86,898	57.9%	2020	Distributor	Prepayment
Customer B[1][3]	8,924	5.9%	2022	Solution provider	Prepayment
Customer C[4]	8,048	5.4%	2021	Electronic system integrator	Prepayment
Customer D[5]	7,258	4.8%	2022	Electronic system integrator	Prepayment
Customer E[6]	6,932	4.6%	2022	Solution provider	Prepayment
Total	**118,060**	**78.6%**			
For the year ended December 31, 2024					
Customer A[2]	162,275	66.5%	2020	Distributor	Prepayment
Customer F[7]	41,605	17.0%	2022	Solution provider	Prepayment
Customer G[8]	5,736	2.4%	2024	Electronic system integrator	Prepayment
Customer H[9]	3,768	1.5%	2023	Electronic system integrator	Prepayment
Customer I[10]	3,297	1.4%	2024	Electronic system integrator	Prepayment
Total	**216,681**	**88.8%**			
For the year ended December 31, 2025					
Customer A[2]	114,702	33.1%	2020	Distributor	Prepayment
Customer F[7]	95,005	27.4%	2022	Solution provider	Prepayment
Customer J[11]	43,458	12.5%	2025	Tier 1 supplier	Prepayment
Customer B[1][3]	12,957	3.7%	2022	Solution provider	Prepayment
Customer K[12]	5,581	1.6%	2025	Electronic system integrator	Prepayment
Total	**271,703**	**78.3%**			

(1) The revenue amounts included amounts from the entities it controls.

(2) A company located in Shenzhen, Guangdong Province, primarily engaged in the provision of integrated chip solutions, with a registered capital of RMB6.2 million. According to the latest publicly available information, it had approximately 30 employees in 2024.

(3) A company located in Shenzhen, Guangdong Province, primarily engaged in the design, research and development, and sales of integrated circuit chips and software, with a registered capital of RMB1.0 million.

(4) A company located in Hong Kong, primarily engaged in micro-electronics process technology and silicon optical chip development.

(5) A company located in Shenzhen, Guangdong Province, primarily engaged in the manufacturing and sales of electronic components, display devices, and smart home consumer equipment, with a registered capital of RMB5.0 million.

(6) A company located in Shenzhen, Guangdong Province, primarily engaged in the manufacturing and sales of electronic components, display devices, and communication equipment, with a registered capital of RMB30.0 million.

(7) A company located in Shenzhen, Guangdong Province, primarily engaged in the development and sales of electronics, digital products, integrated circuits and software, with a registered capital of RMB20.0 million.

(8) A company located in Shenzhen, Guangdong Province, primarily engaged in the design, manufacturing and sales of integrated circuits, optoelectronic devices and electronic components, with a registered capital of RMB1.0 million.

(9) A company located in Shenzhen, Guangdong Province, primarily engaged in the manufacturing and sales of electronic components, display devices and communication equipment, with a registered capital of RMB1.0 million.

(10) A company located in Shenzhen, Guangdong Province, primarily engaged in the research, design, manufacturing and sales of electronics and communication products, with a registered capital of RMB0.5 million.

(11) A company located in Shenzhen, Guangdong Province, primarily engaged in the manufacturing and sales of smart automotive equipment, automotive parts, and electronics, with a registered capital of RMB5.0 million.

(12) A company located in Shenzhen, Guangdong Province, primarily engaged in the sales of electronic components, communication equipment, and automotive parts, with a registered capital of RMB10.0 million.

To the best of our knowledge, all of our five largest customers in each year during the Track Record Period were independent third parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

Our Relationship with Customer A

Background

In 2023, 2024 and 2025, Customer A was our largest customer in each year during the Track Record Period. Revenue generated from Customer A amounted to RMB86.9 million, RMB162.3 million and RMB114.7 million, respectively, accounting for 57.9%, 66.5% and 33.1% of our total revenue in the same respective periods.

Customer A is an integrated chip solution provider in China, established in 2020, with a registered capital of RMB6.2 million. The downstream customers of Customer A primarily include module manufacturers, OEMs and solution providers that incorporate chips and related components into their end products. Its downstream customers are mainly distributed across industries such as consumer electronics and other smart hardware applications.

We commenced our business relationship with Customer A in 2020 through our ordinary course of business development activities and Customer A became our largest customer in 2022. Our collaboration was driven by a mutual interest in the development of the display chip industry, such as ASIC scaler. At that time, Customer A had established experience in the display panel industry, with its core management team possessing over 15 years of relevant industry experience. Our transactions with Customer A were initially governed by a three-year cooperation development agreement entered into in December 2020 in relation to the joint development and commercialization of a customized AI Scaler. Following the completion of the initial development project, from 2023 onwards, our sales to Customer A have been conducted on a purchase order basis. During the Track Record Period, we primarily provided customized AI Scaler to Customer A. Customer A has played a significant role in the development and growth of our business. As one of our distributors, Customer A is mainly responsible for delivery of products to end customers and settlement with us and we remain principally responsible for maintaining relationship with the end customers, formulating the product specifications and providing technical supporting services. Customer A distributes our AI Scalers to module manufacturers, OEMs and solution providers, which then integrate our display chips into complete products or modules, such as display modules (i.e. phone screens integrated with our AI Scaler), that are delivered to consumer electronics brand owners. For details of our distributorship arrangements, see "— Sales and Marketing — Our Sales Arrangements — Sales Through Distributors." Customer A does not perform any processing on our products. However, it may address certain basic and routine technical issues in the course of its distribution activities, which is in line with industry practice, as confirmed by the F&S Report.

The key terms of the cooperation development agreement primarily include the following. For details of the key terms of the purchase order between Customer A and us, please see "—Sales and Marketing—Our Sales Arrangements—Distributor Management."

- ***Products and pricing.*** We supply customized AI Scaler in accordance with technical specifications agreed between Customer A and us. The selling price is determined through arm's length negotiations with reference to the then prevailing market prices of comparable products, taking into account factors such as production cost, order volume and market conditions.

- ***Purchase commitment.*** Customer A has exclusive distribution rights for the customized AI Scaler if it met certain purchase volume thresholds. If Customer A's actual purchases fell below the agreed levels, we were entitled to adjust or terminate such exclusivity and to supply the customized AI Scaler or its derivatives to other customers. During the Track Record Period, Customer A had remained as the exclusive distributor of the customized AI Scaler.

- ***Intellectual property.*** The intellectual property rights arising from the design and development of the customized AI Scaler, including relevant chip designs and technical documentation, were owned by us, while Customer A was granted the right to use and sell the customized AI Scaler within the agreed application field and area.

- ***Delivery.*** Products are delivered on a self pick-up basis. We are required to place the products at the delivery location specified in the purchase orders within the agreed delivery period, and Customer A shall arrange its own logistics service providers to pick up the products at such location and bear the relevant transportation and other subsequent costs.

- ***Risk allocation.*** All significant risks are transferred to Customer A upon pick-up.

- ***Termination.*** Either party could terminate the agreement upon material breach by the other party or upon the occurrence of certain events such as force majeure as specified in the agreement.

During the Track Record Period and up to the Latest Practicable Date, we maintained a stable relationship with Customer A and there was no material interruption or dispute in respect of our cooperation with Customer A. To the best of our knowledge, Customer A and its ultimate beneficial owners do not have any past or present relationships (whether family, employment, business, financing, trust, shareholding or otherwise) with us, our subsidiaries, our shareholders, directors or senior management, or our respective associates, other than being a customer of our Group. Given our substantial revenue concentration on Customer A, if Customer A decides to terminate or decrease the level of its cooperation with us in the future, it may result in a material and adverse effect on our business, financial condition and results of operations. For details, see "Risk Factors—Risks Relating to Our General Operations and Industry—Our business may be negatively affected if we fail to maintain stable relationship with our major customers."

Reasons for Our Customer Concentration on Customer A

We believe that the high customer concentration on Customer A is attributable to the following factors.

- ***Early stage of commercialization and product focus.*** Our customer concentration on Customer A during the Track Record Period primarily reflected our early stage of commercialization and the initial focus of our products on a limited number of application scenarios. We are still at the relatively early stage of the commercialization of certain of our major products. For instance, we achieved the mass production of most of our major product series began in or after 2022. In order to secure stable initial demand for our new products, shorten the validation and mass production ramp-up cycles and build a proven track record in the market, we adopted a strategic approach of allocating more resources to serve a small number of key customers, in particular Customer A, rather than spreading our efforts thinly across a wide base of smaller customers, to ensure effective commercialization and market penetration. Specifically, we consider that Customer A met our requirements at that stage in light of their resources, business scope and scale and their collaborative relationship with us.

- ***Large-scale supply of customized chip products.*** According to the F&S Report, our cooperation model with Customer A is consistent with common industry practice in the semiconductor sector. It is a prevalent business model to develop customer-specific customized chips funded by customers, according to the same source. Under this model, the customer or solution provider typically pays a one-time engineering development fee and provides market development and technical services while the chip design house focuses on chip design and mass production. Our initial project with Customer A adopted such a risk-sharing customized chip model, following which Customer A naturally became the major customer of such chips.

Risk Mitigation Measures

Given the revenue concentration on Customer A, any decision by Customer A to reduce or terminate its cooperation with us could materially and adversely affect our business, financial condition and results of operations. For details, see "Risk Factors—Risks Relating to Our General Operations and Industry—Our business may be negatively affected if we fail to maintain stable relationship with our major customers." However, our Directors believe that the risk of Customer A significantly reducing or ending its cooperation with us is relatively low for the following reasons:

- ***Mutually beneficial relationship with Customer A.*** We commenced our business relationship with Customer A in 2020. We had maintained a close and stable partnership with Customer A with no material interruptions or disputes during the Track Record Period and up to the Latest Practicable Date. This longstanding collaboration enables us to maintain a mutual understanding and trust, which serves as the foundation for continued cooperation and growth. We envision no material obstacles to our collaborations with Customer A. Our relationship with Customer A is mutual, as we are highly familiar with Customer A's specific needs and requirements. To the best knowledge of the Company, during the Track Record Period, the amount of purchases from our Company as a percentage of the total purchases of Customer A was approximately 80% in each respective periods. Leveraging years of strong and stable relationship and deep insights over Customer A's needs, and our ability to provide comprehensive and cost effective offerings at scale, we have become a strategic edge AI chip products provider of Customer A. Such accumulation allows us to deliver value to Customer A while also driving innovation and operational efficiency and exploring front-line business initiatives. Furthermore, to the best knowledge of our Directors, we remained the largest supplier of AI Scaler to Customer A for each year during the Track Record Period.

  Even if alternative options emerge in the future, the switching costs associated with transitioning to a new domestic supplier would remain high for Customer A. Should other suppliers became capable of providing similar chip products in the coming years, Customer A would still need to invest significant time, resources and effort into developing compatibility with the new offerings. This process would require extensive re-engineering, re-testing and potential disruptions to the existing supply chain. In addition, engaging new suppliers introduces significant risks and uncertainties, such as potential product quality concerns, divergence in commercial terms and risks of delay in product delivery, any such instability could have substantial negative impacts on Customer A's production processes and downstream relationships.

- ***Diversifying customer base.*** We have been actively diversifying our customer base to mitigate risks associated with customer concentration. Leveraging our technological capabilities and industry experience, we have secured new partnerships with other companies, which we believe will contribute to our future growth and reduce our reliance on Customer A over time. As of December 31, 2023, 2024 and 2025, we had 46, 35 and 160 direct sales customers, respectively, among which 37, 25 and 147 are our new direct sales customers, respectively, and we had 16, 37 and 42 distributors, respectively, among which 11, 26 and 25 are our new distributors, respectively. Our percentage revenue contribution from Customer A had decreased from 57.9% in 2023 to 33.1% in 2025. Going forward, we expect percentage revenue contributions from other customers to increase. As a result of this diversification, we expect that the revenue contribution from Customer A to our total revenue from all customers will decrease.

- ***Diversifying our product portfolio.*** We have also been actively expanding and diversifying our product portfolio to reduce reliance on a limited number of product lines. By developing products targeted at a wider range of application scenarios and industry segments, we expect to attract a broader spectrum of customers, increase the resilience of our revenue sources and mitigate the risk associated with concentration on any single major customer. Leveraging the technological capabilities and experience accumulated from our consumer electronics product lines during the Track Record Period, we have successfully expanded into the automotive industry. As of December 31, 2025, we had achieved a comprehensive portfolio of two major product lines with 17 chip models. We intend to further extend our product offerings to additional industry verticals over time. We expect that our reliance on Customer A will decrease as our customer base further diversify and expand along with the such product and industry coverage extension.

SUPPLIERS

Procurement Model and Supplier Management

Under our fabless model, we outsource wafer fabrication and chip packaging and testing processes to third-party business partners. Our procurement primarily includes (1) wafer, and (2) chip packaging and testing services. We typically engage reputable suppliers to ensure the quality of our products.

We have established a dedicated procurement team responsible for planning, arranging and executing our procurement activities, including the purchase of raw materials, equipment and devices. Our procurement team formulates procurement plans and oversees supplier development, evaluation and management, as well as demand analysis, price comparison, negotiation and procurement cost control. In addition, we have implemented a comprehensive supplier management system to standardize the processes of supplier selection, assessment and exit management, with an aim to ensure that our supply chain meets our strategic objectives in quality, cost, delivery and service. We have adopted supplier qualification procedures to standardize our supplier selection process. For foundry partners, we require proven mass production experience at key project stages, and the capability to provide complete product design kits and design reference flows. For packaging and testing service providers, we require ISO 9001 certification and ISO 16949 certification for automotive-grade products, adequate production capacity that meets our qualification standards, and stable and sustainable output that aligns with our cost targets.

In selecting suppliers, we primarily consider their technological capabilities, production capacity, quality control systems, pricing and overall service performance. For admitted suppliers, we conduct annual or quarterly performance reviews to ensure their continued compliance with our requirements. For suppliers that fail to meet our standards, such as encounter major incidents or breach contractual obligations, we implement an exit mechanism which includes transitional management and risk control measures to maintain supply continuity and minimize potential disruptions to our operations.

Major Suppliers

Our suppliers primarily consist of (1) wafer foundries and (2) packaging and testing service providers. During the Track Record Period and up to the Latest Practicable Date, there was no shortage in raw materials used by our partnered wafer foundries and 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, and 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.

The following tables set forth the details of our top five suppliers in each year during the Track Record Period.

Supplier	Purchase amount	Percentage of purchase contribution	Commencement of collaboration	Primary payment term	Supplier background	Products and/or services purchased
	(RMB in thousands)	(%)				
For the year ended December 31, 2023						
Supplier A . . .	74,852	49.4%	2021	20% down payment, 80% within 30 days of receipt	A company located in Shanghai, primarily engaged in providing foundry services and technology solutions for 8-inch and 12-inch wafers.	Wafer and mask
Supplier B . . .	17,298	11.4%	2021	Prepayment	A company located in Singapore, primarily engaged in the wholesaling of electronic components.	Wafer and mask
Supplier C . . .	16,496	10.9%	2022	30 days	A company located in Shenzhen, Guangdong Province, primarily engaged in the research, development and sales of optoelectronic products and modules and electronic components.	Modules
Supplier D . . .	12,368	8.2%	2022	Prepayment	A company located in Shanwei, Guangdong Province, primarily engaged in the production and operation of PCBA modules, displays and modules and other consumer electronics.	Modules
Supplier E . . .	5,767	3.8%	2022	30 days	A company located in Ningbo, Zhejiang Province, primarily engaged in the design, manufacturing and sales of integrated circuits and electronic components.	Testing services
Total	**126,781**	**83.7%**				

Supplier	Purchase amount	Percentage of purchase contribution	Commencement of collaboration	Primary payment term	Supplier background	Products and/or services purchased
	(RMB in thousands)	(%)				
For the year ended December 31, 2024						
Supplier A . . .	122,465	65.6%	2021	20% down payment, 80% within 30 days of receipt	A company located in Shanghai, primarily engaged in providing foundry services and technology solutions for 8-inch and 12-inch wafers.	Wafer and mask
Supplier D . . .	13,018	7.0%	2022	Prepayment	A company located in Shanwei, Guangdong Province, primarily engaged in the production and operation of PCBA modules, displays and modules and other consumer electronics.	Modules
Supplier E . . .	7,925	4.2%	2022	30 days	A company located in Ningbo, Zhejiang Province, primarily engaged in the design, manufacturing and sales of integrated circuits and electronic components.	Testing services
Supplier C . . .	6,321	3.4%	2022	30 days	A company located in Shenzhen, Guangdong Province, primarily engaged in the research, development and sales of optoelectronic products and modules and electronic components.	Modules
Supplier B . . .	6,316	3.4%	2021	Prepayment	A company located in Singapore, primarily engaged in the wholesaling of electronic components.	Wafer and mask
Total	**156,045**	**83.6%**				

Supplier	Purchase amount	Percentage of purchase contribution	Commencement of collaboration	Primary payment term	Supplier background	Products and/or services purchased
	(RMB in thousands)	(%)				
For the year ended December 31, 2025						
Supplier A . . .	114,224	32.6%	2021	20% down payment, 80% within 30 days of receipt	A company located in Shanghai, primarily engaged in providing foundry services and technology solutions for 8-inch and 12-inch wafers.	Wafer and mask
Supplier F . . .	41,479	11.8%	2025	15 days	A company located in Dongguan, Guangdong Province, primarily engaged in the manufacturing of printed circuit board assembly.	Wafer
Supplier D . . .	39,293	11.2%	2022	Prepayment	A company located in Shanwei, Guangdong Province, primarily engaged in the production and operation of PCBA modules, displays and modules and other consumer electronics.	Modules
Supplier G . . .	27,790	7.9%	2024	50% prepayment and remaining 50% before delivery	A company located in Hefei, Anhui Province, primarily engaged in providing 12-inch wafers, display driver chips, CMOS image sensors and power management chips.	Wafer and mask
Supplier H . . .	19,564	5.6%	2025	Prepayment	A company located in Shenzhen, Guangdong Province, primarily engaged in the R&D and sales of AI, robotics and IoT products and software, and wireless communication technologies.	Modules
Total	**242,350**	**69.1%**				

To the best of our knowledge, all of our five largest suppliers in each year or period during the Track Record Period were independent third parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our top five suppliers in each year during the Track Record Period.

Our Relationship with Supplier A

During the Track Record Period, we primarily procured wafers and mask from Supplier A. Supplier A primarily engage in the provision of foundry services and technology solutions. We started business collaboration with Supplier A in 2021. According to F&S, it is commonly seen and in line with industry practice for chip design companies to rely on a limited number of foundry partners for procurement of most of the wafers.

In 2023, 2024 and 2025, our purchases from Supplier A amounted to RMB74.9 million, RMB122.5 million and RMB114.2 million, representing 49.4%, 65.6% and 32.6% of our total purchase amount in the same respective periods. During the Track Record Period, the increase in the absolute value of our purchase amount from Supplier A was primarily driven by the growth in our sales of products. As we source a significant portion of foundry-manufactured wafers from Supplier A, if our relationship with Supplier A is terminated, interrupted or modified in any way adverse to us, there may be material interruptions to our operations and business. 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."

We have expanded our procurement network to include other wafer manufacturers to ensure the stability and flexibility of our wafer supply capacity. We have been collaborating with other wafer manufacturers that possess the necessary manufacturing technology and production capacity to meet our technical and quality requirements. As of the Latest Practicable Date, we had established stable relationships with eight major wafer foundries and 13 packaging and testing suppliers, enabling production capacity stability and cost competitiveness and advancing localization of our chip supply chain. These manufacturers have demonstrated the ability to meet industry standards and our operational needs, manufacturing capacity and product quality requirements under reasonable commercial terms. We understand there are additional alternative suppliers with the technical knowledge to produce products as currently supplied by Supplier A with certain variations in prices and specifications to achieve similar functions under reasonable commercial terms.

Our Directors are of the view that our relationship with Supplier A is unlikely to materially adversely change or terminate, because (1) we have maintained a long-term and stable collaboration relationship with Supplier A, and (2) during the Track Record Period and up to the Latest Practicable Date, we did not have any disputes with Supplier A.

Principal Terms of Agreements with Major Suppliers

We typically enter into framework agreements with our major suppliers, such as our foundries and packaging and testing partners, and subsequently place individual purchase orders or processing orders on a case-by-case basis. For other suppliers, we generally engage with them through standalone purchase orders. The following is a summary of the salient terms of our arrangements with suppliers.

- ***Term.*** The term of our framework agreements, particularly for wafers and services like packaging and testing, is typically around three to eight years. For standalone purchase orders, the effective term is generally one year.

- ***Pricing.*** Our framework agreements generally do not stipulate fixed unit prices. The specific quantity and price for products or services are determined and set out in separate purchase orders or quotations, which allows for flexibility based on market conditions and specific product requirements.

- ***Payments.*** The purchase orders set out specific payment terms depending on the type of products and/or services to be procured. Payment terms are specified in individual purchase orders and vary depending on the supplier and the nature of the procurement. Our payment terms may include payment in advance, a deposit with the balance settled upon delivery or monthly settlement with a credit period.

- ***Principal obligations.*** Our suppliers are responsible for the timely delivery of products or services and for ensuring that their quality complies with our mutually agreed-upon technical specifications and quality assurance agreements. Suppliers are liable for defects resulting from their materials or workmanship. In our agreements, we specify detailed acceptance criteria and quality standards.

Our Directors confirm that we had not experienced any material fluctuations in prices set by our suppliers, material breach of contract on the part of our suppliers or material delay in delivery of our orders from our suppliers during the Track Record Period and up to the Latest Practicable Date.

QUALITY CONTROL

Product Quality and Standards

Product quality is critical to our sustainable success, and we have placed great emphasis on quality assurance. We have designed and implemented stringent monitoring and quality control systems to manage our operations. We have established a dedicated quality control department within our organization to manage our quality control system, ensure the quality of our suppliers, customers and R&D activities and oversee the reliability and failure analysis of our products.

Our internal quality control system is based on ISO 9001 standard for quality management systems, ISO 4001 for environmental management systems and ISO 26262 ASIL D for road vehicles functional safety. Our quality control system encompasses critical aspects of our operations, such as our product design and development, procurement and production, and incorporates a series of key industry standards:

- ***Product design and development.*** With respect to our product design and development, we implement control procedures on project objectives, evaluations and modifications during the R&D process, and we set forth product and quality targets to evaluate the performance of our key outputs, to ensure our product meet our target and customer satisfaction.

- ***Procurement and production.*** We implement a rigorous process for selecting, evaluating, and monitoring external suppliers to ensure they meet our stringent quality standards. In production, which is conducted through outsourced partners, we enforce detailed control measures including process validation, product identification and traceability, and comprehensive inspection and testing activities. We also ensure proper handling and protection of products throughout the production and delivery stages to maintain conformity with requirements.

Product Warranty and Returns

Our warranty term is usually 12 months, and covers quality-related issues arising during the warranty period under normal use. To ensure accountability across our supply chain, our agreements with key suppliers mandate that they bear full financial responsibility for all warranted failures attributable to their materials or components, including the relevant after-sales service costs and any consequential damages we incur. In case of product failure within the warranty period, we will arrange for repair or replacement of products and/or services without extra charge. After the warranty period expires, we may provide maintenance and repair services at a reasonable cost. For details of our product return and exchange policies with distributors, see "—Sales and Marketing—Our Sales Arrangements—Sales through Distributors."

During the Track Record Period and up to the Latest Practicable Date, (1) we had not received any material complaints relating to product quality; (2) we had not experienced any material product returns, refunds or recalls; and (3) we had not been involved in any material incidents or been subject to any material claims, proceedings or liabilities concerning safety issues of our products.

INVENTORY AND LOGISTICS

Our inventory consists of raw materials, work-in-progress items and finished goods. We operate one leased warehouse at our Shenzhen office, which is used primarily for storing engineering samples and certain finished goods. Additionally, we utilize factory-managed warehouses at our supplier sites for the storage of our raw materials, work-in-progress items and mass-produced finished goods. We retain the title to our inventories through explicit contractual agreements, which also define the supplier's obligations and liability for any loss or damage. We also maintain operational control via real-time remote monitoring of our inventory level and strict authorization procedures for all inventory movements. We regularly evaluate our stock with reference to historical production and sales data, sales forecasts and market conditions. To ensure supply stability, we typically maintain a safety inventory level of finished goods of one to one and half months for our consumer electronics products, and two months for our automotive-grade products, respectively. Our safety inventory level of finished goods is also adjustable subject to actual supply situation and future sales prediction.

We established standardized logistics procedures for domestic delivery, involving order verification through our system and shipment tracking, and we engage established logistics providers to ensure safe and timely delivery to customers. We partner with qualified third-party logistics providers for overseas procurement and delivery and the related customs clearance. We enforce rigorous transportation standards and consistently evaluate their performance to ensure efficient and reliable product delivery. We also purchase transportation insurance that covers the delivery of our products. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any significant delay or inappropriate handling of goods that materially and adversely affected our business operations.

PATH TO PROFITABILITY

We are still at the relatively early stage of the commercialization of certain of our major products. For instance, we achieved the mass production of most of our major product series began in or after 2022. We achieved continuous revenue growth as we successfully developed and launched new products during the Track Record Period. Our proactive endeavors in product commercialization and market expansion have contributed to our revenue growth during the Track Record Period. Our revenue amounted to RMB150.1 million, RMB244.1 million and RMB346.4 million in 2023, 2024 and 2025, respectively, with a CAGR of 51.9% from 2023 to 2025. We are a provider of edge AI chip products, ranked first globally in the scaler industry and the ASIC scaler industry, as measured by shipment volume, in 2025. According to the F&S Report, our latest automotive-grade TMCU maintains a leading position in specifications and performance for sensing and compute control in China. Our TMCUs have been deployed in multiple mass-produced vehicle models of mainstream automotive OEMs and have been recognized by the global automotive industry.

We recorded accumulated loss of RMB248.3 million as of January 1, 2023, primarily because (1) we had not achieved large-scale commercialization for some of our products during the early stage of our operations, such as AI Scaler. We achieved commercialization of our touch ICs in 2021 and our AI Scaler in 2022, while certain other products were still under development and in the process of commercialization; and (2) since our inception in 2018, we have made significant upfront investments in research and development, which involved substantial expenditures on research, testing and validation prior to mass production, as well as continuous investments in R&D personnel, primarily to attract and retain core professional and technical talent. Our adjusted loss for the year (non-IFRS measure), which represents our net losses as adjusted by (1) equity-settled share-based payments, and (2) [**REDACTED**], was RMB[**REDACTED**] million, RMB[**REDACTED**] million and RMB[**REDACTED**] million in 2023, 2024 and 2025, respectively, primarily due to (1) our relatively small business scale as a company with short operating history and limited commercialization in which we achieved the mass production of most of our major product series began in or after 2022, which led to lower operating leverage; and (2) the significant investments in our R&D efforts, which led to research and development expenses of RMB124.7 million, RMB86.8 million and RMB93.5 million for the same respective periods. We recorded loss for the year of RMB153.4 million, RMB80.8 million and RMB94.5 million in 2023, 2024 and 2025, respectively, primarily as a result of the combination of the aforementioned factors.

The following table illustrates the key outcomes of our R&D investments since our inception in 2018:

Year	Milestone
2021	We achieved mass production of our wearable touch ICs and SAR sensors.
2022	We achieved mass production of our full-range (high-, mid-, and low-end) layout of the AI Scaler series. We were certified under the TÜV Rheinland ISO 26262 ASIL-D automotive-grade functional safety process system certification.
2023	We achieved mass production of our automotive-grade general-purpose MCUs which were certified under ASIL-B functional safety certification.
2024	We achieved mass production of our automotive-grade TMCUs which were certified under ASIL-B functional safety certification.
2025	We achieved mass production of our first SCCU. We achieved mass production of our HoD solution, as the first and only chip supplier in the PRC. We successfully upgraded our TÜV Rheinland ISO 26262 functional safety certification from L2 to L3. We expanded our business to embodied intelligence business.

We intend to take the following initiatives to enhance our profitability and achieve sustainable business growth.

Driving Our Revenue Growth

We expect to drive our revenue growth through the following major measures:

- We intend to deepen our relationship with existing customer and further diversify our customer base. Strengthening our relationships with existing customers is a cornerstone of our revenue growth strategy. By capitalizing on established relationships, we can efficiently introduce different or new products to our loyal customer base, driving revenue growth while avoiding the additional expenses and time required to attract new customers. In particular, we have established a close partnership with Customer A since 2020 and our revenue derived from Customer A amounted to RMB86.9 million, RMB162.3 million and RMB114.7 million in 2023, 2024 and 2025, respectively. Our well-established and stable relationship with Customer A provides a robust and reliable foundation for our business. Simultaneously, we are prudently diversifying our customer base by penetrating new markets and industries, which are designed to broaden our market presence and mitigate customer concentration risk for sustainable long-term growth. As of December 31, 2023, 2024 and 2025, we had 46, 35 and 160 direct sales customers, respectively, among which 37, 25 and 147 are our new direct sales customers, respectively and we had 16, 37 and 42 distributors, respectively, among which 11, 26 and 25 are our new distributors, respectively.

- We intend to further deepen the penetration and adoption of our products and enlarge our market share in the downstream markets. We consistently pursue strategic partnerships with industry-leading clients, covering a wide range of top-tier flagship customers. We have entered the supply chains of the nine out of ten leading automotive OEMs in China in terms of sales volume in 2025, according to the F&S Report, and collaborated with multiple leading global consumer electronics brands. Collaborations with these reputable companies not only validate our technological capabilities but also help strengthen our brand influence and attract a broader customer base. We will continue to collaborate closely with these customers and precisely address their demand through co-development, technology exchanges and other initiatives that promote synergistic partnership, and increase the adoption and procurement of our edge AI chip products in their downstream products.

  We aim to upgrade the features of our products to capture opportunities in application scenarios with more advanced technical requirements. For example, we intend to launch our next-generation STDI chips, which are expected to deliver enhanced performance, lower

power consumption and improved compatibility with advanced display specifications as compared with our existing STDI chip. While our existing STDI chip products have primarily been used in mainstream touch and display applications, these upgraded chips are expected to enable us to further expand into more advanced application scenarios, including high-refresh-rate smartphones and smart cockpit display panels, meet the needs of high-value customers such as (1) leading system integrators and brand owners in the consumer electronics industry, and (2) leading Tier 1 suppliers and automotive OEMs in the automotive industry, and thereby increase the adoption of our products in downstream markets.

We also expect to promote the adoption of our products in overseas markets along with the overseas expansion initiatives of our customers. For instance, for our display chip products such as AI Scaler, we typically provide our AI Scaler to system integrators based in China, who then sell partial of the products incorporating our AI Scaler to markets outside China. As these customers continue to expand their overseas sales channels and shipment volumes, our AI Scaler is increasingly being adopted in overseas markets. For our sensing-control chip products, we expect to enter into high-potential overseas markets, such as Europe, along with the overseas expansion initiatives of our customers in the automotive industry. According to the F&S Report, along with the development of the automotive industry and the rising penetration of NEVs in Europe, the European automotive-grade MCU market is highly concentrated, with approximately six leading international semiconductor manufacturers collectively accounting for over 95% of the market share in 2025. However, we do not foresee material impediments specific to Chinese market participants entering the European market, as our European expansion is closely aligned with existing customer relationships and project needs, rather than direct competition with incumbent European suppliers in saturated segments. In addition, we plan to expand our global operations headquarter and international capital management center in Hong Kong and intend to actively pursue strategic partnerships with leading companies across East Asia to reinforce our globalization strategy. For details, see "—Our Growth Strategies" and "Future Plans and Use of [**REDACTED**]—Use of [**REDACTED**]."

- We intend to pursue growth opportunities with products of strong benefits and advanced features, including through the launch of innovative new products. During the Track Record Period, we demonstrated our ability to translate product innovation into revenue growth through the launch and commercialization of our SCCUs in 2025, which contributed to the significant increase in revenue from our sensing-control chip products from RMB6.4 million in 2024 to RMB82.2 million in 2025. Furthermore, with the rising penetration of smart cockpits, autonomous driving and body-control systems, the global market size of automotive-grade MCUs is expected to grow at a CAGR of 13.6% from 2026 to 2030, reaching approximately RMB68.2 billion in 2030, according to the F&S Report. We expect the strong momentum of our SCCUs will continue to drive our revenue growth.

  In the future, we plan to further launch AMOLED touch ICs, a new subcategory of our touch ICs which enable touch-input detection for AMOLED display panels, and audio drivers, which are used as audio power amplifier chips in automotive applications. For AMOLED touch ICs, we plan to complete the development of core IPs and key technologies for AMOLED touch applications in 2026, followed by the development and planned mass production of AMOLED touch ICs supporting flexible AMOLED displays in 2027. For audio drivers, we plan to develop automotive audio driver, and expect to achieve mass production in 2026. AMOLED touch ICs and automotive audio drivers target the high-end display and automotive markets, respectively. Leveraging our established technological expertise in display and audio signal processing, we are able to develop these products with relatively high R&D efficiency. In addition, the higher technical complexity of such products generally supports higher average selling prices, which in turn contributes to margin improvement. According to the F&S Report, supported by the increasing adoption of high-end displays, the continuous evolution of video interface standards and the growing maturity of the terminal repair ecosystem, the global scaler shipments are expected to reach 498.0 million units in 2030, at a CAGR of 16.3% from 2026 to 2030. More specifically, the market share of ASIC-scaler is expected to rise rapidly from 37.6% in 2025 to 45.7% in 2030, due to their advantages in energy efficiency, stability and cost.

- We intend to expand the application of our products into emerging markets such as robotics and AI-powered smart terminals. We are developing general-purpose MCUs that enable robotic

motion control and in-vehicle AI interactive hardware terminal with integrated display and motion control capabilities. Our MCU products are currently being adapted for the motion control system by a few leading Chinese embodied robot companies. For example, our general-purpose MCUs have been applied in inertial navigation modules of humanoid robots, where they are used to control and monitor positional changes of different parts of the robot, supporting coordinated and stable movement. In addition, we are evaluating and conducting R&D for several embodied intelligence products and related modules. These include dexterous hand multi-modal sensing modules, in which our TMCUs are integrated into robotic dexterous hands to enable tactile sensing capabilities, allowing robots to detect touch and better interact with objects. We are also developing in-vehicle AI robots with our customers, which integrate our TMCUs to enable sensing, processing and control functions of such in-vehicle AI robots. These applications and projects represent our initial commercial validation and technical collaboration in the robotics and AI-powered smart terminal markets.

We incurred RMB10.3 million of R&D expenses in 2025 related to the development of robotics and AI-powered smart terminal applications. With respect to commercialization progress, our general-purpose MCUs used in inertial navigation modules have entered mass production and shipment, and are expected to begin generating revenue in 2026. In parallel, we have established collaboration with domestic embodied intelligence robotics companies in relation to our TMCUs for dexterous hand multi-modal sensing modules, and expect to commence product sampling and subsequent mass production in 2027. For our TMCUs used in in-vehicle AI robots, as of the Latest Practicable Date, we were still in the early R&D stage. According to the F&S Report, demand for display chips and sensing-control chips will increase as a result of rising terminal device shipments and higher chip usage per device. According to the same source, (1) the market size of the global robot industry is expected to increase from RMB579.0 billion in 2025 to RMB976.9 billion by 2030, driven by the development of AI technologies and diversified sensing capabilities; and (2) the global shipment of major AI-powered smart terminals, consisting of AI smartphones, AI earphones, AI-powered AR/VR devices and smart vehicles, is expected to increase from 301.6 million units in 2025 to 1,439.0 million units in 2030, driven by the accelerated integration of on-device AI models, dedicated AI chips and intelligent interaction features across smart terminals.

Improving Our Gross Margin

Our gross profit margin of different product lines fluctuated during the Track Record Period, due in part to our direct materials costs, which were subject to supply chain changes. We are also subject to gross margin fluctuations due to the relatively small scale of our commercialization and sales, as our cost level and gross margin could be more volatile when we have relatively low sales volume. Going forward, we intend to drive sales volume of our products through aforementioned various initiatives, including the launch of next-generation products such as our next-generation STDI chips, which can address more advanced application scenarios and expand the adoption of our products in downstream markets. As our sales volume of our products increases, we expect to achieve greater economies of scale, enhance our cost absorption capability and improve the stability of our gross profit margin. We intend to build a more stable, resilient and diversified supply chain to enhance our cost control. During the Track Record Period, we primarily procured wafers and masks from Supplier A. Our purchase amount from Supplier A amounted to RMB74.9 million, RMB122.5 million and RMB114.2 million in 2023, 2024 and 2025, respectively. We have commenced our business collaboration with Supplier A since 2021. Going forward, we intend to (1) diversify our product portfolio and acquire more high-value customers to optimize our product mix. High-value customers refer to customers with (1) high industry visibility, (2) a relatively large procurement scale, and (3) products that are applied in more technically demanding or sophisticated application scenarios, such as leading system integrators and brand owners in the consumer electronics industry, and Tier 1 suppliers and automotive OEMs in the automotive industry. High-value customers tend to place greater emphasis on product performance, reliability and technical support, and make purchasing decisions based on overall solution value; (2) along with our business expansion, broaden, diversify and optimize our supply chain sources to retain other suppliers that can meet our needs in an efficient and satisfactory manner, and balance our reliance on certain major suppliers; and (3) maintain and strengthen our relationship with our existing suppliers to secure more favorable terms, including pricing term, and anchor stable production capacity. We have already established long collaborations with a number of leading wafer foundries, and packaging and testing service providers. As of the Latest Practicable Date, we had established stable relationships with eight major wafer foundries and 13

packaging and testing suppliers, enabling production capacity stability and cost competitiveness and advancing localization of our chip supply chain. We expect that we can obtain greater bargaining power in the course of our supply chain management along with our expanded operating scale and enhanced market position, such as with our costs for wafers, where we have secured discounts from certain suppliers with our increased purchase volume of wafers, which in turn lowers the unit cost for us.

Moreover, we expect to further improve the manufacturing techniques in respect of our products, as well as our engineering capabilities, to achieve enhanced manufacturing efficiency and optimization of our cost structure. In the past, we have enhanced our manufacturing techniques and engineering capabilities through collaboration with our suppliers, such as packaging and testing service providers. For instance, our chip engineers work closely with the technical teams of packaging service providers, to resolve issues with packaging and ensure the efficiency of the packaging process. Going forward, we plan to continuously optimize packaging processes, improve yield rates, shorten testing cycles, and dilute unit manufacturing costs through deep cooperation with packaging and testing service providers. With respect to the packaging process, process optimization and efficiency improvements are implemented on a standardized basis across factories and production lines, and are generally applicable to all of our products. With respect to the testing process, we adopt product-specific cost-reduction measures based on the characteristics of different products. These measures include test program optimization, streamlining of test items, increasing parallel testing capacity, and the use of advanced testing equipment, which together enable differentiated cost optimization. We expect to continue strengthening our capabilities across these manufacturing and testing procedures, thereby further improving operating efficiency and supporting sustainable cost control.

Enhancing Operating Efficiency

We believe that we have implemented effective management of our operating expenses in the past and we expect to continue to maintain and further enhance our operating efficiency and keep our operating expenses at a reasonable level commensurate with the needs of our business expansion.

In 2023, 2024 and 2025, our research and development expenses were RMB124.7 million, RMB86.8 million and RMB93.5 million, respectively, representing 83.1%, 35.6% and 27.0% of our revenue for the same periods, respectively. The average revenue of our R&D personnel increased from RMB1.4 million in 2023 to RMB4.1 million in 2025, which was generally in line with the advancement of the commercialization progress of our products. While R&D is the pillar of our competitive advantages and we expect to continue to devote significant resources to our R&D efforts, we also intend to focus on elevating the efficiency of our R&D activities and retaining a productive and outcome-oriented R&D team, to ensure that our R&D investment contributes to our business and commercial success. At the early stage of our R&D, we made significant upfront investments to build our integrated technology platforms including our *Sparrow* SoC Platform, sensor fusion technology and *Cheetah* Software Platform, which form the backbone of our product development and commercialization, enabling our later R&D work to efficiently leverage established architectures, reusable IPs and development tool-chains. We will also leverage our existing core technologies such as image and video processing, sensing, control and system integration capabilities, to expand into new application scenarios such as robotics and AI-powered smart terminals. While our research and development expenses are expected to remain at a relatively high level to support product iterations, technology upgrades and expansion into new application scenarios, we believe that the efficiency and effectiveness of our R&D activities will continue to improve over time, as incremental development can be achieved with lower marginal costs and shorter development cycles compared to our initial development stage.

In 2023, 2024 and 2025, our administrative expenses amounted to RMB43.3 million, RMB45.8 million and RMB54.6 million, respectively, representing 28.8%, 18.7% and 15.8% of our revenue for the same respective periods. Although the absolute amount of our administrative expenses increased during the Track Record Period, as our business scale expanded, the percentage of our administrative expenses of our revenue continued to decrease, from 28.8% in 2023 to 18.7% in 2024, and further to 15.8% in 2025. This decreasing trend reflects improvements in our operational efficiency, which was supported by our adoption of system-based office and management tools that enhanced internal workflow efficiency and reduced manual administrative processes. We intend to continually improve our management of operating expenses through detailed budget management and performance monitoring and expect to maintain streamlined management team and general operations team and implement stringent control of relevant expenditures.

In 2023, 2024 and 2025, our selling and distribution expenses amounted to RMB28.4 million, RMB26.8 million and RMB27.9 million, respectively, representing 18.9%, 11.0% and 8.1% of our revenue for the same respective periods. The percentage of our selling and distribution expenses of our revenue continued to decrease, from 18.9% in 2023 to 11.0% in 2024, and further to 8.1% in 2025. We expect that we will remain able to keep our selling and distribution expenses at a relatively low level, by virtue of the enhanced market recognition of our products and brand, the close collaboration and solid relationship with our customers and the robust downstream demand of our products.

EMPLOYEES

As of December 31, 2025, we had a total of 167 full-time employees, all of whom are based in China. Our employees are located across our offices in Shenzhen, Shanghai, Hefei, Chengdu and Beijing, with the majority based at our headquarters in Shenzhen. Approximately 33% of our employees held a master's degree or above as of the same date.

	Number of employees
Research and development	84
General administration and management	39
Sales and technology support staff	36
Procurement and others	8
Total	**167**

Our success deeply rests with our ability to attract, retain and motivate qualified talents, with the belief that our high-quality talent pool is one of our core strengths and competitive advantages. We recruit talents, with high standards and rigorous procedures and through various methods, including online recruitment, internal referrals and third-party recruiters, to select the best-fit personnel for the corresponding positions in response to various talent demands. We offer competitive remuneration package to our employees, which are generally based on their qualifications, industry experience, position and performance. We regularly evaluate the performance of our employees and reward well-performing employees with bonus and promotion. In addition, we provide training programs to our employees, including corporate-wide and department-specific training to improve their professional knowledge and management skills and keep abreast with market developments.

As required under PRC labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, non-compete arrangements and grounds for termination. In addition, we generally enter into standard confidentiality agreements with our key employees. As required under PRC laws and regulations, we participate in and make contributions to social insurance and housing provident funds. During the Track Record Period, we failed to make social insurance and housing provident fund contributions for certain employees in full compliance with applicable PRC laws and regulations. See "Risk Factors—Risks Relating to Our General Operations and Industry—We may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations."

None of our employees are represented by labor unions as of the Latest Practicable Date. We believe that we maintain a good working relationship with our employees, and we had not experienced any material labor dispute or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by PRC laws and regulations and in accordance with the commercial practice in our industry. Our employee-related insurance includes the social insurance and housing provident fund as required by PRC laws and regulations. In addition, we provide supplemental commercial insurance for our employees. Furthermore, we purchase additional commercial insurance from insurance companies for all of our employees, covering life insurance, critical illness insurance, accident insurance and medical insurance. For our automotive-grade chips, we have purchased a dedicated product liability insurance, which covers claim liability and recall liability.

However, in line with general market practice, we do not maintain any business interruption insurance, which are not mandatory under PRC laws. During the Track Record Period and up to the Latest Practicable Date, we had not made or been the subject of any material insurance claims. Any uninsured occurrence of business disruption, litigation or natural disaster could have a material adverse effect on our results of operations. For details, see "Risk Factors—Risks Relating to Our Business and Industry—The insurance coverage we have may not adequately protect us against all operating risks."

PROPERTIES

As of the Latest Practicable Date, we operated our businesses through eight leased properties in cities including Shenzhen, Shanghai, Hefei, Chengdu and Beijing, with a total gross floor area of approximately 4,798.8 square meters. All such properties have been used for non-property activities as defined under Rule 5.01(2) of the Listing Rules and are primarily used as office premises for our business operations, with our headquarters located in Shenzhen. Our lease agreements in respect of the abovementioned eight leased properties generally have expiration dates ranging from August 2026 to September 2029. We plan to renew our leases or negotiate new terms when the existing leases expire. All lessors are independent third parties. We did not experience material difficulties in negotiating renewal of our leases with our landlords during the Track Record Period and up to the Latest Practicable Date.

As of the Latest Practicable Date, none of the properties leased or owned by us had a carrying amount of 15% or more of our consolidated total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our Group's interests in land or buildings.

Pursuant to the applicable PRC laws and regulations, property lease agreements must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部). The registration of such leases will require the cooperation of our lessors. As of the Latest Practicable Date, we had not obtained lease registration for six of our leased properties in China, primarily due to the difficulty of procuring our lessors' cooperation to register such leases. We will take all practicable and reasonable steps to ensure that such leases are registered. As advised by our PRC Legal Advisor, the lack of the abovementioned registration of the lease agreements will not affect the validity of such lease agreements, according to applicable PRC laws and regulations as of the Latest Practicable Date. According to the relevant PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. As of the Latest Practicable Date, we had not received any such request or suffered any such fine from the relevant government authorities. We undertake to cooperate fully to facilitate the registration of lease agreements once we receive any requirements from relevant government authorities.

LICENSES, APPROVALS AND PERMITS

We are required to maintain various licenses, permits and approvals in order to operate our business. We continually monitor our compliance with the requirements related to licenses, permits and approvals in order to ensure that we have all such licenses, permits and approvals which are necessary to operate our business. Our PRC Legal Advisor has advised us that during the Track Record Period and up to the Latest Practicable Date, we had obtained all licenses, permits and approvals necessary to conduct our operations in all material respects from the relevant government authorities in China, and such licenses, permits and approvals remained in full effect.

The following table sets out a list of material licenses, permits and approvals held by us as of the Latest Practicable Date.

License/permit/approval	Holder	Grant date	Expiry date
High-tech Enterprise Certificate . . .	Our Company	October 16, 2023	October 15, 2026
High-tech Enterprise Certificate . . .	Shanghai Blue Whale	November 15, 2023	November 14, 2026

The following table sets forth the major industry standards applicable to our products and the major requirements of our downstream industries, respectively. Our products satisfied the requirements of each of the corresponding industry standards. As of the Latest Practicable Date, there was no relevant industry standard applicable to our AI Scaler, STDI, touch IC and SCCU.

Products	Industry Standards Applicable to Our Products and Downstream Industries
TMCU	AEC-Q100, ISO 26262 ASIL-B
General-purpose MCU	AEC-Q100, ISO 26262 ASIL-B

AEC-Q100 is the Automotive Electronics Council Qualification Test for Integrated Circuits, one of the key quality certifications required before automotive-grade chips enter mass production. It is an automotive industry standard used to assess the reliability and durability of integrated circuits for in-vehicle applications. It sets out a suite of qualification tests to verify performance stability under extreme temperature, vibration and electrical stress.

ASIL-B, Automotive Safety Integrity Level B, is a risk classification system defined by the ISO 26262 standard for the functional safety of road vehicles. ASIL-B signifies a moderate safety requirement, meaning failures are not severe but demand structured development processes and safety mechanisms.

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we received a number of awards and recognitions in connection with our business. Some of the significant awards and recognitions we have received are set forth below.

Awards and Recognition	Awarding Parties	Year of Award
National-level Specialized, Refined, Distinctive and Innovative "Key Little Giant" Enterprise (專精特新重點"小巨人"企業)	Ministry of Industry and Information Technology	2025
Guangdong Provincial Engineering Technology Research Center for Smart Sensing and Computing Control Chip Design (廣東省智能感知與計算控制晶片設計–工程技術研究中心)	Department of Science and Technology of Guangdong Province (廣東省科學廳)	2025
Gazelle Enterprise (瞪羚企業)	Shenzhen Gazelle and Unicorn Enterprise Evaluation Committee (深圳市瞪羚獨角獸企業評價委員會)	2025
Green Channel Enterprise of Nanshan District, Shenzhen (深圳市南山區綠色通道企業)	Nanshan District People's Government of Shenzhen (深圳市南山區政府)	2025
Annual Influential Automotive Chip Award (年度影響力汽車晶片獎)	China Automotive Chip Alliance & 21IC (中國汽車晶片聯盟與21IC)	2025
Scientific and Technological Achievement Certificate for "TMCU" product ("TMCU"產品獲國家工信部科學技術成果認證)	Ministry of Industry and Information Technology	2024
National High-Tech Enterprise (國家高新技術企業)	Shenzhen Science and Technology Innovation Commission, Finance Bureau of Shenzhen, Shenzhen Tax Administration	2023
Shenzhen Top 100 High-Growth Enterprises (2nd Place) (深圳市高成長企業TOP100(第二名))	Shenzhen Enterprise Evaluation Association	2023
Venture50 (Venture50 榜單)	Zero2IPO	2023

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

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. As of the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings pending or threatened against us

or any of the Directors which could have a material and adverse effect on our financial condition or results of operations. During the Track Record Period and up to the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings against us or any of the Directors which had caused a material and adverse effect on our business, results of operations or financial condition.

Compliance

We are subject to a number of regulatory requirements and guidelines issued by the regulatory authorities in China. During the Track Record Period and up to the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, or experience any systemic non-compliance incident which, taken as a whole, in the opinion of our Directors, is likely to have a material adverse effect on our business, results of operations and financial condition. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant PRC laws and regulations in all material respects.

U.S. Export Control

Although our Supplier A is subject to certain U.S. export control and economic sanctions restrictions, namely, that it has been listed on the U.S. BIS Entity List with a Footnote 5 designation and included on the U.S. DoD's CMC List, our International Sanctions Advisor is of the view that the relevant transactions between us and Supplier A are neither prohibited nor restricted, as the wafers supplied by Supplier A are not subject to the EAR. In particular: (1) such wafers are fabricated in the PRC, are not located in the U.S., and are not of U.S. origin; (2) although certain U.S.-origin intellectual property is involved, such intellectual property is classified as EAR99 and does not constitute controlled content under the EAR; accordingly, the wafers do not incorporate U.S.-origin content in a manner that would trigger the de minimis rule; (3) no applicable Foreign Direct Product rules are triggered; and (4) such transactions do not involve any prohibited end-users or end-uses under applicable export control laws. Accordingly, the supply of such wafers does not give rise to U.S. export control licensing requirements or related transaction restrictions.

Other than Supplier A, none of our other suppliers are listed on any U.S. export control or sanctions lists. Our wafer procurement cooperation with other suppliers conducted on a similar basis is likewise not subject to U.S. export control restrictions. Moreover, none of our customers are listed on any U.S. export control or sanctions lists, and we have not exported our products directly to the United States or comprehensively sanctioned jurisdictions such as Iran, Cuba and North Korea. In January 2025, the BIS issued an interim final rule titled "Implementation of Additional Due Diligence Measures for Advanced Computing Integrated Circuits; Amendments and Clarifications; and Extension of Comment Period" (the "DD IFR"), which introduced enhanced due diligence and compliance requirements aimed at preventing customers of "front-end fabricators" and "OSAT" companies from circumventing export controls applicable to advanced computing integrated circuits through misrepresentations regarding the performance capabilities of IC designs. According to the DD IFR, unless the presumption is overcome pursuant to the conditions set forth therein, certain applicable advanced logic ICs, specifically those produced using the "16/14 nanometer node" or below, or those produced using a non-planar transistor architecture and destined for an item whose "aggregated approximated transistor count" exceeds the applicable thresholds specified in the DD IFR, will be presumed to be 3A090.a items designed or marketed for a data center. We consider the impact of the DD IFR on us is immaterial because (i) our products are manufactured using mature process nodes of 40nm and above, which do not meet the advanced process node threshold of 16/14nm or below, nor do they adopt any non-planar transistor architecture, and (ii) in practice, our wafer foundries and packaging and testing service providers have not imposed any more stringent compliance reviews, information disclosure requirements, or transaction restrictions on us as a result of the implementation of the DD IFR. While U.S. trade restriction policies have been evolving and, in certain respects, becoming more stringent, we have not experienced any disruptions or adverse effects on our upstream foundries and suppliers that would impair their ability to supply us. Similarly, we have not observed any reduction in or adjustment to procurement volumes by our customers attributable to the U.S. trade restriction measures. Even if material restrictions were to be imposed on our existing suppliers, we consider that our production needs can be met by multiple domestic suppliers, as we do not have any material reliance on any single supplier and have established a mature localization capability.

Based on the foregoing facts and the analysis of our International Sanctions Advisor, our Directors and Sponsor hold the view that our business activities do not violate U.S. export control laws and

regulations, and that U.S. restrictions on the export of chips to China have not had a material adverse effect on our operations or financial condition.

U.S. Outbound Investment Rule

Our principal business consists of the design of integrated circuits. Under the OIR, we are regarded as engaging in a "covered activity" that falls within the "notifiable transaction" category. If so characterized, we would be deemed a "covered foreign person," and any U.S. investment in us, including the acquisition of our non-public Shares in connection with the proposed [**REDACTED**], would be subject to notification requirements under the OIR. Notwithstanding the foregoing, the OIR sets forth specific exceptions applicable to certain categories of investments. In particular, passive investments in publicly traded securities, except to the extent that such investments confer rights beyond minority shareholder protections, are expressly excluded from the scope of "covered transactions". Pursuant to 31 C.F.R. § 850.501(a)(1)(i), investments in publicly traded securities on both U.S. and non-U.S. exchanges constitute excepted transactions, provided that such investments do not afford U.S. persons rights beyond standard minority shareholder protections. Accordingly, the acquisition of our Shares in the [**REDACTED**] and [**REDACTED**] of our Shares after the [**REDACTED**] fall within such exception and are not subject to notification requirements under the OIR. Furthermore, the U.S. Department of the Treasury confirmed in its FAQs published on December 23, 2025 that so long as the equity interest is publicly traded at the time of acquisition, the timing of the relevant subscription agreement does not affect its qualification as a "publicly traded security." This clarification confirms that subscription agreements entered into prior to the [**REDACTED**] may fall within the exception, provided that the relevant equity interests are publicly traded at the time of acquisition.

As U.S. persons are not prohibited from investing in the [**REDACTED**] and their notification duty does not apply to the trading of our Shares on the Stock Exchange after the completion of the [**REDACTED**], as well as the execution of the subscription agreement prior to the [**REDACTED**], our Directors and International Sanctions Advisor are of the view that the OIR does not have a material impact on our business or operations, nor adversely affect our suitability for [**REDACTED**].

DATA SECURITY AND PRIVACY

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 believe that the confidentiality, integrity and availability of data are vital to our business operations. To mitigate data security risks, we have implemented a comprehensive approach that includes stringent data encryption, secure data storage protocols and strict transmission policies to ensure the confidentiality and integrity of sensitive information.

We setup a comprehensive internal data protection framework which is designed to manage and control access to confidential information effectively. To this end, we have established clear and detailed protocols that govern the use, storage and sharing of corporate data, ensuring that only employees with the appropriate authorization can access sensitive information on a need-to-know basis. Employees are granted access to data strictly according to their roles and are required to use this data solely for the performance of their job duties. Furthermore, our employees are required to sign confidentiality agreements as part of their employment, which strictly prohibit the unauthorized disclosure of any company-related confidential information. This policy ensures that our employees understand the critical nature of safeguarding company data and are held accountable for maintaining confidentiality. We also implement stringent technical safeguards such as hardware-level encryption and the SM4 encryption protocol for internal data transmission, ensuring the confidentiality and integrity of sensitive information throughout its lifecycle.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss, nor did we experience any material unauthorized use of customers' or distributors' personal information.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

We believe the effective management of environmental, social and corporate governance ("ESG") matters is important to our long-term success. In line with global sustainable development trends, we are

committed to integrating material ESG considerations into our strategy, operations and risk-management processes. Our aim is to create sustainable value by promoting responsible growth, strengthening governance transparency, supporting a skilled and inclusive workforce, and minimizing our environmental impact. We believe that a disciplined ESG approach enhances our resilience, reinforces stakeholder confidence and contributes to positive, lasting outcomes for our business and the broader community.

ESG Governance

We have developed a structured ESG governance framework to ensure that ESG factors are fully embedded in our strategy, risk management and day-to-day operations. Our Board holds ultimate responsibility for overseeing ESG matters, conducts regular reviews of key material topics, evaluates potential business and financial implications and steers the company's risk-response efforts, while also periodically examining ESG-related risks and opportunities and provides direction on appropriate response measures.

Our Board Directors possess professional management capabilities and risk prevention and control capabilities in ESG matters. Our Board identifies and analyzes ESG material topics by first determine the scope based on the guidelines such as the ESG regulatory guidelines of the Stock Exchange of Hong Kong Limited, combined with benchmarking analysis of practices of peer companies in the same industry. Our Board then ranks the topics through materiality assessment by distributing ESG material topic questionnaires to stakeholders. Finally, our Board establishes a materiality topic matrix by analyzing the survey results, in combination with expert judgments and risk identification and assessment by our various departments. Based on the results, our Board identifies topics which require attention.

As our business grows and regulatory expectations evolve, we continue to strengthen our governance structure. Going forward, we will further enhance Board and management oversight of ESG issues and refine our governance and implementation processes to reinforce overall sustainability management.

Environmental Protection

Due to our fabless business model, our operations do not involve operational production facilities or manufacturing links. Nevertheless, we still attach great importance to the potential environmental impacts of office operations and indirect business activities. We are committed to green and low-carbon operations, with the core goal of minimizing the impact of daily operations on the ecological environment and natural resources. Based on our business characteristics and operational conditions, historical operating data, future business expansion and management plans, and with reference to the environmental management practices of peer companies in the same industry, we have formulated environmental management goals for the next three years focusing on greenhouse gas emission management, energy use, and water resource utilization to promote long-term green development. Specific goals are as follows:

		Year ended December 31,		
Type	**Indicator**	**2026**	**2027**	**2028**
Emission Goals	Carbon dioxide emission intensity (tCO_2e/RMB10,000 of revenue)	8% reduction compared to 2024	12% reduction compared to 2024	18% reduction compared to 2024
Energy Use Goals . . .	Electricity consumption intensity (kWh/RMB10,000 of revenue)	6% reduction compared to 2024	9% reduction compared to 2024	13% reduction compared to 2024
Water Resource Utilization Goals .	Water consumption intensity (tons/RMB10,000 of revenue)	5% reduction compared to 2024	7.5% reduction compared to 2024	12% reduction compared to 2024

To achieve the above goals, we plan to promote implementation through the following measures: (1) install smart electricity and water meters in office areas to monitor energy and water consumption in real time; (2) formulate and implement standardized energy-saving systems to reduce unnecessary energy consumption; and (3) formulate green procurement standards and establish a green supplier list to cooperate with suppliers that meet environmental protection requirements for a long time.

Greenhouse Gas Emissions

The greenhouse gas emissions generated in our daily production and operations mainly come from: (i) energy consumption from purchased electricity used for our operations; (ii) indirect greenhouse gas emissions generated from various other business activities, such as waste paper treatment, sewage treatment, general operational waste disposal, and employees' business air travel. In the future, we plan to further strengthen the data collection of Scope 3 greenhouse gas emissions and contribute to the country's goal of achieving "carbon peaking and carbon neutrality." Our greenhouse gas emissions in 2023, 2024 and 2025 are as follows:

		Year Ended December 31,		
Indicator	**Unit**	**2023**	**2024**	**2025**
Scope 1 Greenhouse Gas Emissions	tCO_2e	0.00	0.00	0.00
Scope 2 Greenhouse Gas Emissions – Purchased Electricity	tCO_2e	155.05	171.89	176.78
Scope 3 Greenhouse Gas Emissions – Category 5: Waste Generated from Operations	tCO_2e	28.74	21.83	15.06
Scope 3 Greenhouse Gas Emissions – Category 6: Business Travel	tCO_2e	–	47.77	73.30
Total Greenhouse Gas Emissions	tCO_2e	183.79	241.49	265.14
Greenhouse Gas Emission Intensity	tCO_2e/RMB10,000 of revenue	0.0122	0.0099	0.0077

(1) The above indicators are calculated in accordance with relevant regulations such as *the Greenhouse Gas Protocol* (溫室氣體核算體系) and the IPCC Guidelines for National Greenhouse Gas Inventories. Scope 1 direct greenhouse gas emissions do not involve direct energy consumption due to our Company being a non-manufacturing enterprise and in combination with our actual operational conditions. Scope 3 Greenhouse Gas Emissions – Category 6: Business Travel only covers employees' air business travel. Since our Huilianyi system was officially launched in 2024 to standardize internal data management, data records of employees' business travel were established as a data book and calculated in 2024.

Comparing our environmental performance in 2024 with that of peer companies in the same industry during the same period, our environmental management practices are at a normal level among peer companies.

Addressing Climate Change

We have always paid attention to global and regional climate-related regulatory policies and attached importance to the potential impact of climate change on our daily operations, business development, and financial performance. In the daily operation and management process, combined with actual management links, we sort out the potential impacts of physical risks and transition risks on our development and formulates corresponding response methods.

Physical risks include acute risks such as global warming and extreme weather events, and chronic risks such as high-temperature weather, that may increase our operating costs, additional investment in equipment maintenance and office premises maintenance, and rising insurance premiums. Transition risks include legal and policy risks, market risks, technology risks and reputation risks, that may increased operating costs, compliance costs, intensified market competition and customer loss, and ultimately adversely affect the competitiveness of our products. To mitigate these risks, we formulate internal emergency response plans, strengthen our management of cooling and heatstroke prevention work, and enhance energy conservation. Furthermore, we improve our employees' compliance awareness, strengthen our screening of green and low-carbon supply chain, improve existing technology and strengthen public opinion monitoring and management to support regulatory compliance and long-term stability.

During the Track Record Period and up to the Latest Practicable Date, we did not incur a material cost of compliance with relevant environmental protection laws and regulations. Our Directors believe that our cost of compliance with the relevant environmental protection laws and regulations is not expected to be material going forward.

Social Responsibility

Employee Rights and Benefits

We have built a comprehensive benefits system to support the health and well-being of our employees. We provide a range of additional welfare programs such as holiday allowances and team-building subsidies. For compensation, we have adopted a structured incentive framework that incorporates performance bonuses, position-based allowances and long-term incentive plans. This approach helps maintain a fair, transparent and competitive remuneration system that balances market competitiveness with internal motivation. As our operations are primarily office based, overall workplace risks are low. We have established comprehensive safety measures to fully comply with occupational health and safety requirements.

We also place significant importance on employee development and career advancement through a structured training system that includes onboarding programs, skills enhancement, professional training and leadership development. In addition, we foster diversity and inclusion by upholding fair and transparent recruitment practices.

Supply Chain Management

We have put in place comprehensive policies and procedures to support the development of a sustainable supply chain, such as Supplier Management System, Procurement Control Procedure and Procurement Application Guidelines and Instructions. We conduct supplier evaluations and involve due diligence through document reviews, assessing qualifications, financial stability, technical capacity and overall reputation. In terms of business ethics, we have implemented an anti-bribery compliance system that mandates suppliers to sign an integrity agreement, strictly prohibiting bribery, kickbacks or improper benefits. We also maintain an independent reporting channel, and any substantiated misconduct leads to immediate termination of cooperation and potential legal action, thereby reinforcing the effectiveness and accountability of our integrity management framework.

We classify our suppliers into five levels based on factors such as technical capabilities, quality level, delivery cycle, price competitiveness and service response. We formulate differentiated access standards for different types of suppliers to ensure that supplier capabilities match our business needs. We conduct inspections on the supplier's financial status and production capacity, and organize an evaluation team to assess the supplier's technical capabilities through online or on-site audits. For suppliers applicable to sample testing, small-batch IP or material verification is carried out to confirm that product performance meets standards.

We integrate the concept of sustainable development into the full-process management of the supply chain and build a green supply chain management system covering upstream procurement and downstream collaboration. We prioritize the procurement of safe, environmentally friendly and sustainable raw materials and products that meet environmental standards to reduce potential environmental negative impacts of the supply chain from the source. We incorporates energy efficiency indicators into procurement technical specifications and gives priority to electrical equipment certified by authoritative energy efficiency certifications such as Energy Star to effectively reduce energy

consumption during the operation phase. Furthermore, we pay attention to and urge downstream suppliers to adopt new energy transport vehicles, optimize transportation route planning, and jointly build a low-carbon, efficient, and sustainable supply chain collaboration network.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material claim or penalty in relation to health, safety, social and environmental protection, or been involved in any significant workplace accident or fatality. As advised by our PRC Legal Advisor and confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, we had complied with applicable health, work safety and environmental laws and regulations in all material respects.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

We have designated responsible personnel in our Company to monitor the ongoing compliance by our Company with the relevant PRC laws and regulations that govern our business operations and oversee the implementation of necessary measures. We have adopted internal rules and policies governing various aspects of our business operations and management, such as our sales practices, research and development, procurement, production, information system, legal compliance, financial reporting and human resources.

We have engaged an independent internal control consultant to review our risk management and perform an initial review in September 2025 in selected areas of our internal controls, including, among others, financial reporting and disclosure controls, sales, accounts receivable and collection, procurement, accounts payable and payment, cash and treasury management, research and development, information technology general controls and compliance management, inventory management (including logistics), human resources and compensation management, fixed assets, and intangible assets and intellectual property management. Our internal control consultant put forward recommendations based on such review. We have implemented rectification and improvement measures, as the case may be, in response to their findings and recommendations. The internal control consultant performed follow-up procedures on our remedial measures in November 2025 and did not identify any material deficiency in our internal control system. Having considered the report prepared by our internal control consultant, our Directors confirmed that all of the major recommendations provided by the internal control consultant have been followed and corrective actions were taken accordingly to address our internal control deficiencies and weaknesses. Our Directors are of the view that our enhanced internal control measures are adequate and effective to ensure compliance with relevant laws and regulations going forward.

We have appointed Rainbow Capital (HK) Limited as our external compliance advisor with effect from the date of the [**REDACTED**] to advise on ongoing compliance with the Listing Rules and other applicable securities laws and regulations in Hong Kong.

Risk Management

We are exposed to various risks in the ordinary course of our business operations. Key operational risks faced by us include, among others, our ability to respond to technological changes, competition in the relevant industries, our ability to retain and grow our customer base and usage, our ability to enhance or upgrade our existing products and introduce new ones, our ability to maintain and expand our sales and distribution network and our ability to successfully expand to and develop market recognition in various industry sectors. See "Risk Factors" for disclosures on various risks we face. In addition, we also face certain market risks, such as foreign currency risks, credit risk and liquidity risk related to our financials. See "Financial Information—Quantitative and Qualitative Disclosure of Market Risks" for details. We have implemented policies and procedures for risk management in each aspect of our operations, including administration of daily operations, data security, financial reporting procedures, employee conduct and legal compliance. Our Board oversees and manages the overall risks associated with our operations. We have established an Audit Committee to review and supervise the financial reporting process and internal control system of our Group. See "Directors and Senior Management—Board Committees—Audit Committee" for the qualifications and experience of these committee members as well as a detailed description of the responsibility of our Audit Committee.