SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set forth in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

Who We Are

We are a smart device and mobile Internet service provider, specializing in the design, R&D, manufacturing, sales and brand management of smart devices, with a focus on mobile phones. Through our mobile phone business, we have established brand recognition and cultivated a broad, growing user base. This foundation has allowed us to extend into (i) mobile Internet services, which refers to online services and applications delivered and accessed through smart devices and mobile Internet, and (ii) IoT products and other products, creating an interconnected ecosystem of products, services and brands.

The following is our business highlights:

Notes:

(1) In terms of our mobile phone sales volume in 2024, according to Frost & Sullivan.

(2) In terms of the number of countries and regions where we sold products and services during the Track Record Period.

(3) In terms of our mobile phone sales volume in 2025.

(4) In terms of the average MAUs of Transsion OS in 2025.

From Africa to Other Emerging Markets

We were created to meet growing yet underserved needs in emerging markets, particularly in Africa. Since our inception, we have focused on providing products tailored to the preferences and usage environments of consumers in the emerging markets. For example, in Africa, users with deeper skin tones often experience unsatisfactory photo results. To address this, we developed smartphones equipped with advanced imaging technologies optimized for deeper skin tones, significantly enhancing photo clarity and night-time image quality.

Our success in Africa has enabled us to accumulate extensive consumer insights as well as operational experience in localized markets and sales network building, enabling us to expand beyond Africa into other major emerging markets around the world and replicate our success. According to Frost & Sullivan, we have achieved the following market positions across emerging markets globally:

Region	Market Ranking[(1)]	Market Share[(1)]	Market Ranking[(2)]	Market Share[(2)]
Global emerging markets	First	24.1%	Fourth	5.2%
Africa	First	61.5%	Second	22.5%
Emerging APAC markets	First	15.4%	Seventh	3.6%
Latin America	Fourth	9.3%	Fifth	4.9%
Middle East	First	22.8%	Fourth	4.6%
Central and Eastern Europe	Third	11.2%	Fifth	3.1%

Notes:

(1) In terms of our mobile phone sales volume in 2024.

(2) In terms of our mobile phone revenue in 2024.

From Mobile Phones to (i) Mobile Internet Services and (ii) IoT Products and Others

Our persistent offering of mobile phones tailored to consumers in emerging markets has enabled us to amass a large and loyal user base, strong brand recognition and highly efficient sales and distribution channels. On this basis, we have expanded beyond mobile phones and broadened our product and service offerings to include mobile Internet services as well as IoT and other products that address various aspects of consumers' smart lifestyle needs in emerging markets, further deepening user engagement, strengthening consumer trust and enabling us to capture additional market opportunities, thereby continuing to grow our presence and market share across emerging markets worldwide.

Our Brands, Products and Services

The following table sets forth a summary of our brands, products and services.

Products and Services	Description
Mobile phones	
Smartphones	We offer smartphones primarily under three brands: • TECNO : focuses on premium design targeting middle-to-high-end consumers. • Infinix : features trendy design targeting young consumers. • itel : emphasizes affordability and reliability targeting mass-market consumers.
Feature phones	Our feature phones provide essential voice and messaging capabilities, long battery life, and easy-to-use interfaces.
Mobile Internet services . .	We offer users mobile Internet services based on our proprietary mobile operating system, Transsion OS, including application downloading, gaming and content viewing, through our application portfolio. Our mobile Internet services generate revenue primarily from third-party application developers and advertising customers. We typically monetize our user traffic through a combination of (i) application pre-installation services based on the number of activated devices, (ii) application distribution services based on the number of user installations through our platform, and (iii) in-application advertising services based on advertisement display metrics and user engagement.
IoT products and others	
IoT products	We offer a diversified range of IoT products, including (i) laptops and tablets, (ii) smart watches, (iii) smart audio devices, such as TWS earbuds, (iv) digital accessories, such as power banks, and (v) home appliances, such as smart TV and kitchen appliance.

Products and Services	Description
Energy storage products . . .	Our energy storage products primarily include (i) hybrid inverters, (ii) lithium battery modules, (iii) portable energy storage systems, and (iv) PV modules.
Lightweight electric mobility devices	Our lightweight electric mobility devices primarily include (i) two-wheel electric vehicles and (ii) three-wheel electric vehicles.

We protect the proprietary technologies that we consider commercially important by, among others, filing patent applications in China and other jurisdictions. As of December 31, 2025, we had over 3,000 granted patents in China and overseas, including over 1,300 invention patents. As of December 31, 2025, we had over 2,200 copyrights, over 3,500 registered trademarks, and over 600 domain names in China and overseas.

Our Production

As of the Latest Practicable Date, we had five production bases in Chongqing, Shenzhen, Nanchang, Bangladesh and Ethiopia. Our production capacity utilization rate of smartphones in our five production bases was 90.7%, 80.8% and 82.3% in 2023, 2024, and 2025, respectively. We also engage ODM and OEM providers to utilize external capacity to address seasonal order fluctuations and reduce recruitment pressure.

Our Sales Network

During the Track Record Period, we sold our products and services to over 100 countries and regions worldwide through more than 3,000 distributors, with revenue generated from sales to distributors accounting for over 99.0% of our total revenue in each period during the Track Record Period.

The following table sets forth a breakdown of our revenue by geographic regions, in absolute amounts and as percentages of the total revenue, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Africa	21,770,766	34.9	22,551,092	32.8	24,752,983	37.7
Emerging APAC markets	21,504,656	34.5	24,834,423	36.1	23,895,187	36.4
Middle East	5,629,182	9.0	6,631,828	9.7	6,155,102	9.4
Latin America	5,120,208	8.2	6,877,278	10.0	5,248,319	8.0
Central and Eastern Europe . . .	6,321,372	10.1	5,568,159	8.1	3,558,378	5.4
Other regions	1,948,693	3.3	2,252,499	3.3	1,981,267	3.1
Total	**62,294,877**	**100.0**	**68,715,279**	**100.0**	**65,591,236**	**100.0**

OUR STRENGTHS AND STRATEGIES

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth: (i) understanding of local market demands and strong local execution capability; (ii) systematic three-tier R&D structure; (iii) full-chain global deployment; and (iv) Founder, management team and global talents and culture.

We intend to implement the following strategies: (i) strengthening our leading position in Africa, continuing our expansion in global emerging markets; (ii) developing strong R&D capabilities driven by customer needs and technology; (iii) further developing (a) mobile Internet services and (b) IoT products and others; (iv) continuously enhancing the integration of operation; and (v) enhancing organizational capabilities to support strategy execution.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss

The following table sets forth our consolidated statements of profit or loss for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue	**62,294,877**	**100.0**	**68,715,279**	**100.0**	**65,591,236**	**100.0**
Cost of revenue	(47,854,979)	(76.8)	(54,374,440)	(79.1)	(53,312,965)	(81.3)
Gross profit	**14,439,898**	**23.2**	**14,340,839**	**20.9**	**12,278,271**	**18.7**
General and administrative expenses	(1,808,227)	(2.9)	(1,995,428)	(2.9)	(1,922,156)	(2.9)
Selling and marketing expenses	(4,328,548)	(6.9)	(4,835,865)	(7.0)	(5,204,017)	(7.9)
Research and development expenses	(2,255,980)	(3.6)	(2,516,625)	(3.7)	(2,950,231)	(4.5)
Net impairment (losses)/reversals on financial assets	(79,659)	(0.1)	1,577	0.0	(27,236)	(0.0)
Other income	426,543	0.7	782,117	1.1	461,280	0.7
Other gains, net	191,637	0.2	605,528	0.9	180,102	0.3
Operating profit	**6,585,664**	**10.6**	**6,382,143**	**9.3**	**2,816,013**	**4.4**
Finance income	303,984	0.5	319,638	0.4	294,162	0.4
Finance cost	(79,732)	(0.1)	(81,966)	(0.1)	(68,413)	(0.1)
Finance income, net	224,252	0.4	237,672	0.3	225,749	0.3
Share of profit or loss of investments accounted for using the equity method	(95,520)	(0.2)	57,832	0.1	141,066	0.2
Profit before income tax	**6,714,396**	**10.8**	**6,677,647**	**9.7**	**3,182,828**	**4.9**
Income tax expense	(1,127,331)	(1.8)	(1,080,320)	(1.6)	(577,592)	(0.9)
Profit for the year	**5,587,065**	**9.0**	**5,597,327**	**8.1**	**2,605,236**	**4.0**

The following table sets forth a breakdown of our revenue by product type, in absolute amounts and as percentages of the total revenue, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Mobile phones	**57,348,058**	**92.0**	**63,196,562**	**92.0**	**58,447,549**	**89.1**
Smartphones	51,406,072	82.5	57,906,047	84.3	54,820,768	83.6
Feature phones	5,941,986	9.5	5,290,515	7.7	3,626,781	5.5
Mobile Internet services	**791,097**	**1.3**	**834,959**	**1.2**	**942,032**	**1.4**
IoT products and others	**4,155,722**	**6.7**	**4,683,758**	**6.8**	**6,201,655**	**9.5**
IoT products	1,954,909	3.1	2,112,708	3.1	3,306,783	5.0
Energy storage products	4,178	0.0	66,067	0.1	357,927	0.5
Lightweight electric mobility devices	1,864	0.0	20,487	0.0	143,884	0.2
Others[1]	2,194,771	3.6	2,484,496	3.6	2,393,061	3.8
Total	**62,294,877**	**100.0**	**68,715,279**	**100.0**	**65,591,236**	**100.0**

Note:

(1) Others primarily include (i) mobile phone accessories and other electronic products, such as data cables, chargers and power strips, (ii) electronic components representing surplus materials, and (iii) after-sales services.

Our revenue increased by 10.3% from RMB62,294.9 million in 2023 to RMB68,715.3 million in 2024, primarily attributable to an increase in revenue generated from our smartphones. Our revenue decreased by 4.5% from RMB68,715.3 million in 2024 to RMB65,591.2 million in 2025, primarily due to a decrease in revenue generated from our smartphones and feature phones.

The following table sets forth the sales volume and average selling price of our major products for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	'000	*RMB*	*'000*	*RMB*	*'000*	*RMB*
Mobile phones	**194,371**	**295.0**	**201,440**	**313.7**	**169,036**	**345.8**
Smartphones	96,547	532.4	106,476	543.8	96,810	566.3
Feature phones	97,824	60.7	94,964	55.7	72,226	50.2
IoT products and others	**16,160**	**121.3**	**21,692**	**101.4**	**23,625**	**161.2**
IoT products	16,159	121.0	21,658	97.5	23,314	141.8
Energy storage products	0	8,441.0	25	2,691.7	254	1,407.0
Lightweight electric mobility devices	1	2,944.3	9	2,270.6	57	2,546.5

The following table sets forth a breakdown of our key raw materials in the cost of inventories, in absolute amounts and as percentages of our total cost of inventories sold for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Memory chips	9,684,160	20.9	13,182,295	25.0	14,454,779	28.0
SoCs	8,284,309	17.9	8,229,286	15.6	9,106,339	17.7
Screen	6,049,306	13.1	6,765,780	12.8	6,466,662	12.5
Camera	3,090,397	6.7	3,759,590	7.1	3,141,422	6.1
Total	**27,108,172**	**58.6**	**31,936,951**	**60.7**	**33,169,202**	**64.3**

The following table sets forth a breakdown of our gross profit and gross profit margin by product for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Mobile phones	**13,115,845**	**22.9**	**12,761,721**	**20.2**	**10,513,435**	**18.0**
Smartphones	11,561,045	22.5	11,326,570	19.6	9,710,705	17.7
Feature phones	1,554,800	26.2	1,435,151	27.1	802,730	22.1
Mobile Internet services	**570,628**	**72.1**	**680,267**	**81.5**	**753,437**	**80.0**
IoT products and others	**753,425**	**18.1**	**898,851**	**19.2**	**1,011,399**	**16.3**
Total	**14,439,898**	**23.2**	**14,340,839**	**20.9**	**12,278,271**	**18.7**

See "Financial Information—Results of Operations" for details.

Summary of Selected Items of Financial Positions

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

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	5,989,063	6,253,281	6,642,896
Total current assets	40,131,938	38,809,119	37,739,365
Total assets	**46,121,001**	**45,062,400**	**44,382,261**
Total non-current liabilities	888,427	731,482	672,880
Total current liabilities	27,055,710	23,985,382	23,060,701
Total liabilities	**27,944,137**	**24,716,864**	**23,733,581**
Net current assets	13,076,228	14,823,737	14,678,664
Net assets	**18,176,864**	**20,345,536**	**20,648,680**

Our net current assets increased by 13.4% from RMB13,076.2 million as of December 31, 2023 to RMB14,823.7 million as of December 31, 2024, primarily due to a decrease in trade and notes payables and accruals and other payables. Our net current assets decreased by 1.0% from RMB14,823.7 million as of December 31, 2024 to RMB14,678.7 million as of December 31, 2025, primarily due a decrease in financial assets at FVPL and prepayments and other receivables, partially offset by an increase in trade receivables. Our net assets increased by 11.9% from RMB18,176.9 million as of December 31, 2023 to RMB20,345.5 million as of December 31, 2024, primarily due to profit for the year of RMB5,597.3 million, partially offset by dividends declared of RMB2,622.8 million. Our net assets remained relatively stable at RMB20,345.5 million as of December 31, 2024 and RMB20,648.7 million as of December 31, 2025.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow statement information for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows from operating activities	11,848,684	2,794,998	1,349,953
Net cash flows (used in)/from investing activities	(6,092,788)	837,817	1,799,429
Net cash flows used in financing activities	(3,389,723)	(3,289,925)	(3,097,863)
Net increase in cash and cash equivalents	**2,366,173**	**342,890**	**51,519**
Cash and cash equivalents at the beginning of the year	8,646,387	11,029,112	11,310,093
Effects of exchange rate changes on cash and cash equivalents	16,552	(61,909)	(239,052)
Cash and cash equivalents at the end of the year	**11,029,112**	**11,310,093**	**11,122,560**

See "Financial Information—Liquidity and Capital Resources—Cash Flows Analysis."

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios as of or for the periods indicated.

	As of or for the year ended December 31,		
	2023	2024	2025
Current ratio(1)	1.5	1.6	1.6
Gearing ratio(2)	12.4%	14.0%	11.0%
Return on equity(3)	32.8%	29.1%	12.7%
Net profit margin(4)	9.0%	8.1%	4.0%

Notes:

(1) Current ratio is calculated based on total current assets divided by total current liabilities.

(2) Gearing ratio is calculated based on total indebtedness (including borrowings and lease liabilities) divided by total equity and multiplied by 100%.

(3) Return on equity is calculated based on profit for the year divided by average balance of total equity at the beginning and the end of that year multiplied by 100%.

(4) Net profit margin is calculated using profit for the year divided by revenue and multiplied by 100%.

OUR CUSTOMERS AND SUPPLIERS

Our major customers primarily consisted of our distributors during the Track Record Period. Revenue generated from our five largest customers in each period during the Track Record Period accounted for 12.7%, 14.5% and 13.4% of our total revenue for the respective periods. Revenue generated from our largest customer in each period during the Track Record Period accounted for 3.5%, 4.0% and 3.1% of our total revenue for the respective periods.

Our major suppliers primarily consisted of electronic components suppliers during the Track Record Period. Purchases from our five largest suppliers in each during the Track Record Period accounted for 36.7%, 37.0% and 34.5% of our total purchases for the respective periods. Purchases from our largest supplier in each period during the Track Record Period accounted for 10.8%, 12.3% and 9.2% of our total purchases for the respective periods.

COMPETITION

We operate in a competitive and rapidly evolving market. Driven by rapid technological advancements and increasingly diversified demands, global mobile phone market and mobile Internet service market in emerging markets have continued to develop in recent years and are expected to grow rapidly in the future. We believe that our ability to be differentiated from our competitors depends upon many factors, including, but not limited to, our ability to maintain diversified product portfolio, to manage an extensive sales and distribution network, and to enhance and sustain our advanced technological capabilities. See "Industry Overview" for more details.

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks as set out in "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to [**REDACTED**] in our Shares. Some of the major risks we face include: (i) the industry in which we operate is highly competitive. If we fail to compete against other market players, our business, results of operations and financial condition may be materially and adversely affected; (ii) we may not be able to manage our business as a whole effectively as our business covers multiple countries and regions; and (iii) if we fail to manage our growth and expansion effectively, our business, financial condition and results of operations may be materially and adversely affected.

LEGAL PROCEEDINGS AND COMPLIANCE

From time to time, we have been and will be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in some cost and diversion of our resources, including our management's time and attention.

During the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. See "Business—Legal Proceedings and Compliance."

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was held as to 46.71% by Transsion Investment. Pursuant to the articles of association of Transsion Investment, Mr. Zhu Zhaojiang is entitled to exercise 67.00% of its voting rights, despite holding only 20.68% of its equity interests. Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] and the [**REDACTED**] are not exercised), Mr. Zhu, through Transsion Investment, will be entitled to exercise [**REDACTED**]% of the voting power at general meetings of our Company. Therefore, upon [**REDACTED**], each of Transsion Investment and Mr. Zhu will together constitute a group of our Controlling Shareholders under the Listing Rules.

The remaining 33.00% of the voting rights of Transsion Investment are shared by its other 37 shareholders pro rata based on their respective percentage of equity interest in Transsion Investment. As of the Latest Practicable Date, the other 37 shareholders included (i) Suhai Information, whose beneficial owner is Mr. Arif, an executive Director, with approximately 7.36% of its equity interests, or approximately 3.06% of its voting rights; (ii) Mr. Yan Meng, an executive Director, with approximately 7.36% of its equity interests, or approximately 3.06% of its voting rights; (iii) Mr. Ye Weiqiang, an executive Director, with approximately 5.29% of its equity interests, or approximately 2.20% of its voting rights; (iv) Mr. Zhang Qi, an executive Director, with approximately 5.29% of its equity interests, or approximately 2.20% of its voting rights; (v) Mr. Lei Weiguo, a connected person at our subsidiary level, with approximately 2.77% of its equity interests, or approximately 1.15% of its voting rights; (vi) Ms. Yang Hong, an executive Director, with approximately 2.77% of its equity interests, or approximately 1.15% of its voting rights; (vii) Mr. Wu Wen, a connected person at our subsidiary level, with approximately 1.55% of its equity interests, or approximately 0.65% of its voting rights; (viii) Mr. Xia Chunlei, a connected person at our subsidiary level, with approximately 1.13% of its equity interests, or approximately 0.47% of its voting rights; and (ix) other 29 shareholders of Transsion Investment, each with less than 5% of its voting rights, who are Independent Third Parties. For further details of our corporate structure and the shareholding of our Controlling Shareholders, please refer to the paragraphs headed "History and Corporate Structure" and "Relationship with Our Controlling Shareholders" in this document.

[**REDACTED**]

DIVIDENDS AND DIVIDEND POLICY

Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, as appropriate. During the Track Record Period, we declared and paid dividends of RMB3,866.8 million, RMB4,130.2 million and RMB2,622.8 million in 2023, 2024 and 2025, respectively. See "Financial Information—Dividends and Dividend Policy" for more details.

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] range), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the

[**REDACTED**] and other estimated expenses paid and payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised. See "Future Plans and Use of [**REDACTED**]" for more details.

[**REDACTED**]

Our [**REDACTED**] mainly include (i) [**REDACTED**] expenses, such as [**REDACTED**], and (ii) non-[**REDACTED**] expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the [**REDACTED**] and the [**REDACTED**], and other fees and expenses. See "Financial Information—[**REDACTED**]" for more details.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the latest balance sheet date of our consolidated financial statements, and there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this document.

OUR A SHARE LISTING

Since September 2019, our A Shares have been listed on the STAR Market. Our Directors confirm that, since our A Share Listing and up to the Latest Practicable Date, there had been no instances of our material non-compliance with the applicable rules of the Shanghai Stock Exchange and other applicable PRC securities laws and regulations. To the best knowledge of our Directors, there are no material matters in relation to our compliance record on the Shanghai Stock Exchange that should be brought to the attention of the Stock Exchange or potential [**REDACTED**] of the [**REDACTED**]. Our PRC Legal Advisor is of the view that, since our A Share Listing and up to the Latest Practicable Date, there had been no instances of our material non-compliance with the applicable rules of the Shanghai Stock Exchange and other applicable PRC securities laws and regulations. Based on the independent due diligence conducted by the Sole Sponsor, no material matter has come to the Sole Sponsor's attention that would cause them to disagree with our Directors' confirmation with regard to the compliance records of our Company on the Shanghai Stock Exchange.

SANCTIONS AND EXPORT CONTROLS, U.S. TARIFFS, AND FINAL RULE

International Sanctions

During the Track Record Period, we have sold our mobile phones products and IoT products to certain regions subject to sanctions imposed by the United States, the European Union or the United Nations, including Burundi, Central African Republic, Democratic Republic of the Congo, Ethiopia, Guinea, Guinea-Bissau, Iraq, Lebanon, Libya, Mali, Myanmar, Niger, Russia, Somalia, South Sudan, Syria, Turkey, Ukraine, Yemen, and

Zimbabwe (the "**Relevant Regions**"). As advised by our International Trade Controls Legal Advisor, our sales and procurement activities in the Relevant Regions did not constitute Primary Sanctioned Activities or Secondary Sanctionable Activities. See "Business—The Impact of Sanctions, Export Controls, U.S. Tariffs, and Final Rule."

U.S. Export Controls

In recent years, the United States has increased export controls restrictions on China through the Export Administration Regulations (the "**EAR**"), which includes a list of foreign persons on which certain trade restrictions are imposed (the "**Entity List**"). The export, re-export and in-country transfer of items subject to the EAR to a listed foreign person is generally prohibited unless the specified license requirements are met. As advised by our International Trade Controls Legal Advisor, the current U.S. government export controls should not have any material adverse effect on our business. See "Business—The Impact of Sanctions, Export Controls, U.S. Tariffs, and Final Rule."

U.S. Tariffs Policies

Our products exported from China to the U.S. are subject to U.S. tariffs. Since early 2025, the United States government announced a series of tariff increases on imports from China. As of the Latest Practicable Date, it remained uncertain how the Sino-U.S. and the global trade situation will develop. Given that the revenue we generated from the U.S. represented an immaterial amount of our total revenue during the Track Record Period, our International Trade Controls Legal Advisor is of the view that U.S. tariff policies concerning China did not have any material adverse effect on our business operations and financial conditions. See "Business—The Impact of Sanctions, Export Controls, U.S. Tariffs, and Final Rule."

Final Rule

On October 28, 2024, the U.S. Department of the Treasury (the "**Department of Treasury**") issued the "Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern" (the "**Final Rule**"). The Final Rule became effective on January 2, 2025. The Outbound Investment Security Program ("**OISP**") applies to an investment by a U.S. person involving "covered foreign person", who are persons associated with a "country of concern" and engaged in one or more "covered activities" in three sectors pertaining to national security technologies and products (such an investment is a "covered transaction"): (1) semiconductors and microelectronics, (2) quantum information technologies, and (3) artificial intelligence. As advised by our International Trade Controls Legal Advisor, we are not a "covered foreign person" under the Final Rule, as we do not engage in any "covered activity" as defined therein. See "Business—The Impact of Sanctions, Export Controls, U.S. Tariffs, and Final Rule."