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Application Proof of
Transsion
Shenzhen Transsion Holdings Co., Ltd.
深圳傳音控股股份有限公司
(the “Company”)

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

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Transsion

Shenzhen Transsion Holdings Co., Ltd.

深圳傳音控股股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED] : [REDACTED] H Shares (subject to the [REDACTED] and the [REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED], the [REDACTED] and the [REDACTED])

Maximum [REDACTED] : HK\$[REDACTED] per [REDACTED], plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)

Nominal value : RMB1.00 per Share

[REDACTED] : [REDACTED]

Sole Sponsor, [REDACTED], [REDACTED], [REDACTED], [REDACTED] and [REDACTED]



CITIC SECURITIES

Financial Adviser

J.P.Morgan

[REDACTED], [REDACTED], [REDACTED]
and [REDACTED]

J.P. Morgan

CICC

Haitong

Deutsche Bank

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The [REDACTED], for themselves and on behalf of the [REDACTED], and with the consent of our Company, may, where considered appropriate, reduce the number of [REDACTED] and/or the indicative [REDACTED] range below that is stated in this document (which is HK\$[REDACTED] to HK\$[REDACTED]) at any time prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. Further details are set forth in “Structure of the [REDACTED]” and “How to Apply for [REDACTED]” in this document.

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[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

CONTENTS

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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.

SUMMARY

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.

SUMMARY

Our Brands, Products and Services

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

Products and Services	Description
Mobile phones	
<i>Smartphones</i>	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.
<i>Feature phones</i>	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	
<i>IoT products</i>	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.

SUMMARY

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

SUMMARY

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	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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

SUMMARY

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

SUMMARY

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	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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
		%		%		%
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

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
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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

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
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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%.

SUMMARY

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.

SUMMARY

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.

SUMMARY

[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

SUMMARY

[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

SUMMARY

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.”

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions have the meanings set forth below. Certain other terms are explained “Glossary of Technical Terms” in this document.

“A Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are listed for trading on the STAR Market and traded in Renminbi
“A Shareholder(s)”	holder(s) of our A Share(s)
“Accountants’ Report”	the accountants’ report of our Company for the three years ended December 31, 2024, the text of which is set out in Appendix I to this document
“AED”	the United Arab Emirates dirham, the lawful currency of the United Arab Emirates
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles” or “Articles of Association”	the articles of association of our Company, conditionally adopted on November 28, 2025 with effect from the [REDACTED], as amended, supplemented or otherwise modified from time to time, a summary of which is set out in Appendix III to this document
“Audit Committee”	the audit committee of the Board
“Bangladesh”	the People’s Republic of Bangladesh
“Bangladesh Legal Advisor”	Doulah & Doulah, our legal advisor as to Bangladesh law
“BDT”	the Bangladeshi Taka, the lawful currency of Bangladesh
“Beijing Chuanjiali”	Beijing Chuanjiali Enterprise Management Co., Ltd. (北京傳佳力企業管理有限公司), one of our Shareholders, which is a limited liability company established in the PRC on July 30, 2013 and formerly known as Shenzhen Chuanli Equity Investment Management Co., Ltd. (深圳市傳力股權投資管理有限公司), Yunnan Chuanli Enterprise Management Co., Ltd. (雲南傳力企業管理有限公司), Beijing Chuanjiali Enterprise Management Partnership (Limited Partnership) (北京傳佳力企業管理合夥企業(有限合夥)) and Xinyu Chuanjiali Enterprise Management Partnership (Limited Partnership) (新餘傳佳力企業管理合夥企業(有限合夥))

DEFINITIONS

“Board”	the board of Directors
“business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business

[REDACTED]

“China,” “Chinese Mainland” or “PRC”	the People’s Republic of China (中華人民共和國) and for the purpose of this document only and for geographical reference only, except where the context requires, references in this document to “China” and the “PRC” do not apply to Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan Region
“Chongqing Transsion Technology”	Chongqing Transsion Technology Limited (重慶傳音科技有限公司), a limited liability company established in the PRC on June 1, 2017, and a wholly-owned subsidiary of our Company
“Chongqing Xiaochuan”	Chongqing Xiaochuan Industrial Co., Ltd (重慶小傳實業有限公司), a limited liability company established in the PRC on January 17, 2020, and a wholly-owned subsidiary of our Company
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Company,” “our Company,” or “the Company”	Shenzhen Transsion Holdings Co., Ltd. (深圳傳音控股股份有限公司), a company established under the laws of the PRC on August 21, 2013 and converted into a joint stock company with limited liability on November 8, 2017, whose A Shares have been listed on the STAR Market (stock code: 688036)
“Controlling Shareholder(s)”	has the meaning given to it under the Listing Rules and, unless the context otherwise requires, referring to Mr. Zhu Zhaojiang and Transsion Investment
“CSAML”	CITIC Securities Asset Management (HK) Limited — Client Funds — RMB Fund Inflow (中信證券資產管理(香港)有限公司 — 客戶資金 — 人民幣資金滙入), one of our Shareholders, which is an asset management account for a financial product structured to invest in our A Shares
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC securities markets and overseas securities activities of PRC entities
“Director(s)”	the director(s) of our Company
“DR Congo”	the Democratic Republic of the Congo
“DR Congo Legal Advisor”	Bennani & Associés RDC SAS, our legal advisor as to DR Congo law
“Ethiopia”	the Federal Democratic Republic of Ethiopia
“Ethiopia Legal Advisor”	Haymanot & Advocates, our legal advisor as to Ethiopia law
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong

[REDACTED]

DEFINITIONS

“Frost & Sullivan” or “Industry Consultant”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent professional market research and consulting company
“Frost & Sullivan Report”	the report with respect to this [REDACTED] issued by Frost & Sullivan
[REDACTED]	
“Governmental Authority”	any governmental, regulatory, or administrative commission, board, body, authority, or agency, or any stock exchange, self-regulatory organization, or other non-governmental regulatory authority, or any court, judicial body, tribunal, or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic, foreign, or supranational
“Group”, “our Group”, “the Group”, “we”, “us” or “our”	the Company and its subsidiaries from time to time (or our Company and any one or more of our subsidiaries, as the content may require), their predecessors (as the case may be), and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Guide for New Listing Applicants” or “Guide”	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024 (as amended, supplemented or otherwise modified from time to time)
“Guinea”	the Republic of Guinea
“Guinea Legal Advisor”	Thiam & Associés, our legal advisor as to Guinea law
“H Share(s)”	overseas [REDACTED] foreign share(s) in our ordinary share capital with a nominal value of RMB1.00 each, to be [REDACTED] for and [REDACTED] in Hong Kong dollars and [REDACTED] on the Stock Exchange
“H Shareholder(s)”	holder(s) of our H Share(s)

DEFINITIONS

[REDACTED]

“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$” or “HKD” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)

DEFINITIONS

[REDACTED]

“IDR”	the Indonesian Rupiah, the lawful currency of Indonesia
“IFRS”	International Financial Reporting Standards, as issued by the International Accounting Standards Board from time to time
“Independent Third Party(ies)”	any entity or person who/which, to the best of our Directors’ knowledge, information and belief, is not a connected person of our Company within the meaning ascribed to it under the Listing Rules
“India”	the Republic of India
“India Legal Advisor”	Dentons Link Legal, our legal advisor as to India law

DEFINITIONS

“Indonesia” the Republic of Indonesia

[REDACTED]

“International Trade Controls
Legal Advisor” Paul Hastings (Hong Kong) LLP, our legal advisor as to
International Trade Controls

[REDACTED]

“Iraq” the Republic of Iraq

“Iraq Legal Advisor” Nuri Yaba Law Office, our legal advisor as to Iraq law

[REDACTED]

“Kenya” the Republic of Kenya

“Kenya Legal Advisor” Anjarwalla and Khanna LLP, our legal advisor as to
Kenya law

DEFINITIONS

“Latest Practicable Date”	June 9, 2026, being the latest practicable date for ascertaining certain information in this document before its publication
“Laws”	all laws, statutes, legislation, ordinances, rules, regulations, guidelines, opinions, notices, circulars, directives, requests, orders, judgments, decrees, or rulings of any Governmental Authority (including the Stock Exchange and the SFC) of all relevant jurisdictions
“Liberia”	the Republic of Liberia
“Liberia Legal Advisor”	Pierre, Tweh & Associates, Inc., our legal advisor as to Liberia law [REDACTED]
“Listing Committee”	the Listing Committee of the Hong Kong Stock Exchange [REDACTED]
“Local Legal Advisor as to Hong Kong law”	Bird & Bird, our local legal advisor as to Hong Kong law
“Main Board”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operates in parallel with the GEM of the Hong Kong Stock Exchange
“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“Mr. Zhu” or “Mr. Zhu Zhaojiang”	Mr. Zhu Zhaojiang (竺兆江), our executive Director, chairman of the Board, general manager and one of our Controlling Shareholders
“NetEase”	NetEase Inc. and its subsidiaries
“NGN”	Nigeria Naira, the lawful currency of Nigeria
“Nigeria”	the Federal Republic of Nigeria
“Nomination Committee”	the nomination committee of the Board

DEFINITIONS

[REDACTED]

DEFINITIONS

[REDACTED]

“Overseas Listing Trial Measures”	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及五項配套指引) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023
“Pakistan”	the Islamic Republic of Pakistan
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“Philippines”	the Republic of the Philippines
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, modified and/or otherwise supplemented from time to time
“PRC GAAP”	generally accepted accounting principles in the PRC
“PRC Legal Advisor”	AllBright Law Offices, our legal advisor on PRC laws
“PRC Securities Law”	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time

[REDACTED]

“QIBs”	qualified institutional buyers within the meaning of Rule 144A under the U.S. Securities Act
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“RMB or Renminbi”	Renminbi, the lawful currency of China

DEFINITIONS

“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE”	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“SFC”	Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Transsion”	Shanghai Transsion Co., Ltd. (上海傳英信息技術有限公司), a limited liability company established in the PRC on June 29, 2012, and a wholly-owned subsidiary of our Company
“Shanghai-Hong Kong Stock Connect”	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shanghai Stock Exchange, HKSCC and China Securities Depository and Clearing Corporation Limited for mutual market access between Hong Kong and Shanghai
“Share(s)”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, comprising our A Shares and our H Shares
“Shareholder(s)”	holder(s) of our Share(s)
“Shenzhen Tecno”	Shenzhen Tecno Technology Co., Ltd. (深圳市泰衡諾科技有限公司), a limited liability company established in the PRC on May 5, 2010, and a wholly-owned subsidiary of our Company
“Shenzhen Transsion Manufacture”	Shenzhen Transsion Manufacture Limited (深圳傳音製造有限公司), a limited liability company established in the PRC on December 19, 2016, and a wholly-owned subsidiary of our Company
“Singapore”	the Republic of Singapore

DEFINITIONS

“Singapore Legal Advisor”	Bird & Bird ATMD LLP, our legal advisor as to Singapore law
“Sole Sponsor”	the sole sponsor as named in the section headed “Directors and Parties Involved in the [REDACTED]” in this document
[REDACTED]	
“STAR Market”	the Science and Technology Innovation Board of the Shanghai Stock Exchange (上海證券交易所科創板)
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Strategy and Sustainable Development (ESG) Committee”	the strategy and sustainable development (ESG) committee of the Board
“Takeovers Code” or “Hong Kong Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Tanzania”	the United Republic of Tanzania
“Tanzania Legal Advisor”	Winstlaw Attorneys, our legal advisor as to Tanzania law
“Tencent”	Tencent Holdings Limited and its subsidiaries
“Track Record Period”	the three years ended December 31, 2025
“Transsion Investment”	Shenzhen Transsion Investment Company Limited (深圳市傳音投資有限公司), a limited liability company established under the laws of the PRC on July 30, 2013, and one of our Controlling Shareholders
“treasury shares”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“UAE Legal Advisor”	Winson Partners and Legal Consultants FZ-LLC, our legal advisor as to United Arab Emirates law
“Uganda”	the Republic of Uganda
“Uganda Legal Advisor”	ENS Advocates, our legal advisor as to Uganda law
“UGX”	the Uganda shilling, the lawful currency of Uganda

[REDACTED]

“United Arab Emirates” or “UAE”	the United Arab Emirates
“U.S.”, “US” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollars” or “USD” or “US\$”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“VAT”	value-added tax
“Zambia”	the Republic of Zambia
“Zambia Legal Advisor”	Corpus Legal Practitioners, our legal advisor as to Zambia law
“%”	per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

In this document, the terms “associate(s),” “close associate(s),” “connected person(s),” “connected transaction(s),” “core connected person(s),” “controlling shareholder(s),” “subsidiary(ies)” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

DEFINITIONS

Certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain technical terms used in this document in connection with our Company and its business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

“3D”	three-dimensional
“4G LTE”	4G long term evolution, a standard for wireless communication of high-speed data for mobile phones and data terminals, offering increased capacity and speed over previous generations
“4K”	a resolution standard for ultra-high-definition video, with a horizontal resolution of approximately 4,000 pixels
“5.5G”	an advanced version of 5G technology, offering enhanced capabilities such as higher data rates, lower latency, and improved connectivity
“AI”	artificial intelligence
“AIGC”	artificial intelligence generated content, referring to content created using AI technologies
“AMOLED”	active matrix organic light emitting diode, a type of display technology that uses an active matrix to control the pixels
“Average MAUs for Transsion OS”	the average number of monthly active users for a given period, calculated by summing the MAUs for each month during the period and dividing by the number of months in the same period
“EIS”	electronic image stabilization
“emerging APAC markets”	emerging APAC markets refer to markets in the Asia-Pacific region excluding Chinese Mainland, Hong Kong, Macao, Taiwan, Japan, South Korea, Singapore, Australia and New Zealand
“emerging markets” or “global emerging markets”	primarily including (i) Africa, (ii) the emerging APAC markets, (iii) Latin America, (iv) the Middle East and (v) Central and Eastern Europe
“FHD”	full high definition
“FM”	frequency modulation

GLOSSARY OF TECHNICAL TERMS

“fps”	frame per second
“FRAND”	the commitment made by a holder of standard essential patents to grant licenses to such patents on “fair, reasonable, and non-discriminatory” terms and conditions to any implementer of the relevant technical standard
“HD”	high definition
“Hz”	hertz, a unit of frequency
“IoT”	internet of things
“IP54”	ingress protection rating, indicating that the product is protected against limited dust ingress and water splashes from any direction
“IP64”	ingress protection rating, indicating that the product is dust-tight and protected against water splashes from any direction
“IP68”	a rating under the ingress protection code, indicating that the product in question is dust-tight and is protected against continuous immersion in water
“IP69”	a rating under the ingress protection code, indicating that the product in question is dust-tight and is protected against high-pressure and high-temperature water jets, with the specific test conditions for temperature, pressure and distance agreed between the manufacturer and user
“K”	kelvin
“KOL”	key opinion leader
“mAh”	milliampere-hour, a unit of electrical charge commonly used to measure the capacity of a battery
“MAU”	monthly active users, a measure of the number of unique users who have logged into a service or application at least once during a month
“narrow-bezel”	refers to a design where the frame around the display screen is minimized
“ODM”	original design manufacturer, a company that designs and manufactures a product which is then sold under another company’s brand

GLOSSARY OF TECHNICAL TERMS

“OEM”	original equipment manufacturer, a company that uses its brand advantages, core technologies and sales channels to have products produced by a manufacturer with production capabilities and then sells them to the market
“OS”	operating system, the software that manages computer hardware and software resources and provides common services for computer programs
“RAW”	a file format that contains minimally processed data from the image sensor of a digital camera
“REACH”	registration, evaluation, authorization, and restriction of chemicals, a European Union regulation aimed at improving the protection of human health and the environment from the risks posed by chemicals
“Retention rate of paying customers of mobile Internet services”	calculated by dividing the number of customers who generated revenue in both the current calendar year and the preceding calendar year by the total number of customers in the preceding calendar year, based on our internal management accounts
“RoHS”	restriction of hazardous substances, a European Union directive restricting the use of certain hazardous substances in electrical and electronic equipment
“SoC”	system-on-chips, an integrated circuit that integrates components of a computer or other electronic system on to a single microchip
“TWS”	true wireless stereo, a technology that allows wireless earbuds to operate independently without being physically connected to each other or a device
“W”	watts, a unit of power
“Wh”	watt-hour, a unit of energy equivalent to one watt of power expended for one hour

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements and information relating to our Company and its subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words “aim,” “anticipate,” “believe,” “could,” “estimate,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “seek,” “should,” “target,” “will,” “would” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following: (i) our business prospects; (ii) future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand; (iii) our business and operating strategies and plans to achieve these strategies; (iv) general economic, political and business conditions in the markets in which we operate; (v) changes to the regulatory environment, operating conditions and general outlook in the industry and geographical markets in which we operate; (vi) the effects of the global financial markets and economic crisis; (vii) our financial condition and performance; (viii) our ability to reduce costs; (ix) our dividend policy; (x) the amount and nature of, and potential for, future development of our business; (xi) capital market developments; (xii) the actions and developments of our competitors; and (xiii) change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

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

In this document, statements of or references to our intentions or those of our Directors are made as of the date of this document. Any such information may change in light of future developments. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section.

RISK FACTORS

An [REDACTED] in the [REDACTED] involves various risks. You should consider carefully all the information set out in this document and, in particular, the risks described below before making an [REDACTED] in the [REDACTED].

The occurrence of any of the following events could materially and adversely affect our business, financial condition and results of operations. If any of these events occurs, the [REDACTED] of the Shares could decline, and you may lose all or part of your [REDACTED]. You should seek professional advice from your relevant advisors regarding your prospective [REDACTED] in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

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.

The mobile phone industry in emerging markets in which we primarily operate is highly competitive. There are approximately two hundred competitors in the industry, and market share is primarily concentrated among the leading competitors. We primarily compete with other companies that focus on developing and commercializing similar products and services. If we compete with players that offer competitive products and services at lower prices, or if we do not have or in the future fail to gain more financial resources and sophisticated technological capabilities and broader customer base and relationships than our competitors, we may not be able to respond as quickly and effectively to customer demand, new opportunities, technologies, regulatory requirements or industry standards as our competitors. We may also face competition from new entrants who may offer competitive products and services at lower prices in the future. Such new entrants may increase industry competition and adversely impact the sales, price, and profit margins of our products and services and our market share. Further, we may be required to make substantial additional investments in research, development, marketing and sales, recruiting and retaining talents, and acquiring technologies complementary to, or necessary for, our current and future products and services in order to respond to such potential competitions, and we cannot assure you that such measures will be effective. If we are unable to compete successfully, or if competing successfully requires us to take costly actions in response to the actions of our competitors, our business, results of operations and financial condition may be materially and adversely affected.

We may not be able to manage our business as a whole effectively as our business covers multiple countries and regions.

Headquartered in China, we market and sell our products and services to multiple regions and countries, primarily in Africa, the emerging APAC markets, Latin America, the Middle East, and Central and Eastern Europe. As of December 31, 2025, we had established subsidiaries in 30 overseas countries and regions. During the Track Record Period our products were sold to over 100 countries and regions. Pursuant to our expansion plan, our business may further expand to other countries.

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Managing a multinational business poses a number of challenges. For example, we are subject to various laws and regulations of a wide range of countries, with which we must constantly keep ourselves updated. When formulating business strategies, we need to take into account the situations of a wide range of countries, such as their economic, geopolitical and social conditions, market trends, consumer habits, competitive landscape, customs, culture and languages, with which we may not be entirely familiar and updated, making it difficult to make accurate and effective decisions and predictions. We may face difficulties in effectively managing a large pool of staff who speak different languages and come from different cultural background, as well as coordinating different teams and departments under a complex organizational structure. As our business grows, we may face even more challenges. If we are not able to manage our business as a whole effectively, our business, financial performance and future prospects may be adversely and materially affected.

If we fail to manage our growth and expansion effectively, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to continue growing at the same rate as we did, or as expected, or at all. Our results of operations may be affected by factors such as the supply and cost of raw materials that we use in our products. Specifically, if there is a shortage of or an increase in the cost of some of our raw materials, we may experience increases in the cost of our products. Our gross profit margin may decrease as a result of these cost increases.

In addition to the supply and cost of raw materials, our results of operations depend to a large extent on our ability to execute our growth plan and manage our expansion and growth successfully. The execution of our expansion plans may also require significant investment of capital and other resources and management attention, and we may face challenges in implementing them effectively or within the expected time frame. As a result, we may experience delays, cost overruns or other obstacles that may limit our ability to realize the full benefits of these initiatives. If we are unable to successfully execute our business initiatives and strategies, or if the benefits we realize are less than we estimate, our business, financial condition and results of operations may be adversely affected.

Our business and prospects depend on our ability to build our brands and reputation, which could be harmed by negative publicity regarding us, our Directors, employees, branding or products. Any negative publicity, whether warranted or not, could adversely affect our business.

We believe that our brands are integral to the success of our business. Since we operate in a highly competitive market, brand maintenance directly affects our ability to maintain our market position. Any loss of trust in our products and services could harm the value of our brands, which could reduce our revenue and profitability. The successful maintenance of our brands depends on our ability to provide high-quality and competitive products and services, customers’ satisfaction with our products and services and after-sale services, our ability to maintain and strengthen business relationship with our customers and the increase in brand awareness through marketing activities. In addition, any negative publicity about us, our Directors, employees, brands, products and services, whether warranted or not, may adversely

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affect our reputation and business. Even if it is factually incorrect or based on isolated incidents, such negative publicity could damage our reputation and undermine the trust and credibility we have established with our customers and have a negative impact on our ability to attract new customers or retain our existing customers. If our brands and reputation is damaged, we may face challenges in maintaining our current business relationships with our customers and in entering into new markets, which may adversely affect our business, financial condition, results of operations and prospects.

If we fail to successfully manage frequent product introductions and transitions, we may not remain competitive or be able to stimulate consumer demand.

Due to the competitive nature of the industries in which we compete, we need to continually introduce new products, services and technologies, improve existing products and services, effectively stimulate consumer demand for new and upgraded products and successfully manage the transition to these new and upgraded products. The success of new product introductions depends on a number of factors including, but not limited to, rapid technological development and advancements, timely and successful product development, market acceptance, inventory management and quality control. Accordingly, we may not be able to determine in advance the ultimate effect of new product introductions and transitions, which could materially and adversely impact our business operations, prospects and financial performance.

The expansion and profitability of our business depend on the level of consumer demand, which could be greatly affected by factors such as economic downturn and inflation globally.

Our business focuses on emerging markets. The success of our business depends, to a significant extent, on consumer demand in the emerging markets where we sell our products. Numerous external factors beyond our control can influence the level of consumer demand on our products. These factors include general economic conditions, inflationary pressures, recession concerns, geopolitical situation, disease outbreaks, interest rates, local foreign exchange rates and sales tax rates. As a result, we may have difficulty maintaining or expanding our revenue or customer base, which could have a material and adverse effect on our business, financial condition and results of operations.

If we fail to grow or retain our user base, or if user engagement ceases to grow or declines, our business and results of operation may be materially and adversely affected.

The size of our user base and the level of user engagement are critical to our success. Our business has been depending and will continue to significantly depend on our users and their loyalty in and level of engagement with our products and services. If users no longer view our products and services as useful and attractive as compared to competing offerings, we may not be able to increase or maintain our user base and the level of user engagement. User growth, retention and engagement are influenced by a number of factors, including our ability to identify and respond to evolving user demands; to develop and introduce competitive products and services in a timely manner and ensure their market acceptance; to continuously upgrade our technology; to sustain user acquisition through organic channels and paid promotion; to

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maintain stable product performance and a positive user experience; to compete effectively in a dynamic market; to address user expectations on privacy, data safety and security; and to adapt to applicable laws and regulatory requirements.

We have business in a number of countries and regions, which are subject to legal, regulatory, operational and other risks inherent in internal and cross-border operations.

We are subject to laws and regulations affecting our domestic and international operations in a number of areas. These PRC and foreign laws and regulations affect our activities including, but not limited to, in areas of labor, advertising, digital content, consumer protection, billing, e-commerce, promotions, quality of services, telecommunications, mobile communications and media, intellectual property ownership and infringement, tax, import and export requirements, anti-corruption, foreign exchange controls and cash repatriation restrictions, data privacy requirements, anti-competition, environmental, health and safety. In the case any of them is violated and leads to legal proceedings, it could disrupt our business, distract our management’s attention and subject us to substantial uncertainties as to the outcome of any such legal proceedings.

By way of example, laws and regulations related to mobile communications and media devices in the jurisdictions in which we operate are extensive and subject to change. Such changes could include, among others, restrictions on the production, assembly, distribution and use of devices. These devices are also subject to certification and regulation by governmental and standardization bodies, as well as by cellular network carriers for use on their networks. These certification processes are extensive and time consuming, and could result in additional testing requirements, product modifications, or delays in product shipment dates, or could preclude us from selling certain products.

Compliance with these laws, regulations and similar requirements may be onerous and expensive, and they may be inconsistent from jurisdiction to jurisdiction, further increasing the cost of compliance and doing business. Any such costs, which may rise in the future as a result of changes in these laws and regulations or in their interpretation, could individually or in the aggregate make our products and services less attractive to our users, delay the introduction of new products in one or more regions, or cause us to change or limit our business practices. There can be no assurance that our employees, contractors, agents, or business partners will not violate such laws and regulations or our compliance policies and procedures.

We may be exposed to risks relating to fluctuations of raw material costs.

Our cost of inventories sold was RMB46,243.0 million, RMB52,657.7 million and RMB51,551.7 million in 2023, 2024 and 2025, respectively. We may be subject to fluctuations in the prices of raw materials, as well as in transportation and other necessary supplies or services, due to factors beyond our control, such as fluctuations in foreign currency exchange rates, changes in the geopolitical environment and economic conditions, natural disasters or changes in the supply and demand for raw materials, transportation and other necessary supplies or services. If that occurs, we may not be able to offset price increases by raising the

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prices of our products, in which case our profit margin will decrease. On the other hand, if the prices of our products increase significantly, we may lose our competitive advantage in the market. This in turn could result in loss of sales and customers. In both cases, our business, financial condition and results of operations may be materially and adversely affected.

We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected.

Our operations are subject to deterioration in the political and economic relations among countries and sanctions and export controls administered by government authorities in the countries in which we operate, and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased custom duties, tariffs, taxes and other costs and political instability.

Sanctions and Export Control

The United States and other jurisdictions or organizations have implemented measures that impose economic sanctions and export controls against such countries or against targeted industry sectors, companies, entities and/or organization and individuals within such countries. For example, Cuba, Iran, North Korea, the Crimea region and the so-called Luhansk People’s Republic and so-called Donetsk People’s Republic regions are subject to sanctions by the United States which are broad-based and oriented geographically (the “**comprehensive sanctions**”). We cannot predict the implications of the ongoing Sino-U.S. trade situation and the resulting impact on our industry and the global economy.

During the Track Record Period, we have sold our mobile phones products and IoT products to 572 business customers located in certain regions subject to sanctions imposed by the United States, the European Union or the United Nations (the “**International Sanctions**”), 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**”). Revenue generated from sales to customers in Relevant Regions was approximately RMB14,488.3 million, RMB14,562 million and RMB11,165 million in 2023, 2024 and 2025, respectively, accounting for 23.3%, 21.2% and 17.0% of our total revenue for the respective periods. Our mobile phones products and IoT products sold to customers in the Relevant Regions are used by local individual consumers for personal use and our contracts with such customers include clauses prohibiting any military use of our products. As of the Latest Practicable Date, we have not identified any indication that our mobile phones products and IoT products sold to the customers in the Relevant Regions have military applications. During the Track Record Period, we also procured agricultural products from 47 suppliers in Ethiopia. The purchase amounts were approximately RMB98.6 million, RMB61.8 million and RMB116.5 million in 2023, 2024 and 2025, respectively, accounting for 0.2%, 0.1% and 0.2% of the total procurement amount for the same periods. Our sales and procurement activities in the Relevant Regions are ongoing. As advised by our International Trade Controls Legal Advisor, our sales and procurement

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activities in the Relevant Regions did not constitute Primary Sanctioned Activities or Secondary Sanctionable Activities, given that (1) none of the Relevant Regions were comprehensively sanctioned countries at the time of the relevant transactions (our sales to Syria commenced in September 2025, after the comprehensive OFAC sanctions program against Syria was terminated on August 26, 2025), (2) our products sold to the Relevant Regions are not specifically designed for, nor predominantly marketed to, entities operating in industries subject to heightened or sectoral sanctions (e.g., defense, energy, or finance), and (3) none of our business customers and suppliers in the Relevant Regions during the Track Record Period were Sanctioned Targets at the time of the relevant transactions. Based on the due diligence conducted, the Sole Sponsor did not identify any matters that would reasonably cast doubt on the views of our International Trade Controls Legal Advisor.

In addition, 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, given that (1) the majority of our products are not subject to the EAR, (2) our products that move in transit through the United States to customers in Latin America are subject to limited U.S. controls under the EAR, and (3) we have not identified any customers that were listed on the Entity List at the time of the relevant transactions, and we did not provide our products subject to the EAR to any prohibited regions or restricted customers. These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the U.S. or other jurisdictions in the future, may materially and adversely affect our ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, product offerings and business operations. Any uncertainties and changes in these current or future restrictions or regulations may have a negative impact on our reputation and business. After due and careful inquiry, we have not identified any customers or suppliers that were listed on the Entity List at the time of the relevant transactions. However, if certain of our customers or suppliers, including our ODM and OEM providers, are listed on the Entity List and are subject to restrictions from sourcing or selling technologies, software, or components from or to us, we may not be able to obtain, extend or maintain the requisite regulatory permits in relation to our transactions with these customers and suppliers.

U.S. Tariff

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. In the event that our customers reduce their orders, be such due to a decrease in overall demand of our products and services, replacing us with other suppliers, downturn of the macro-economy or other reasons, our business, financial conditions and results of operation will be adversely affected. Additionally, in the event that we are required to lower

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our prices to secure orders from our customers, our business, financial conditions and results of operation will be adversely affected. We cannot assure you that our sales in the future will remain unaffected. During the Track Record Period, our revenue generated from our product sales to the U.S. amounted to approximately RMB137.7 million, RMB63.2 million and RMB7.3 million, respectively, accounting for 0.2%, 0.1% and 0.01% of the total revenue for the respective periods. 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. Based on the due diligence conducted, the Sole Sponsor did not identify any matters that would reasonably cast doubt on the views of our International Trade Controls Legal Advisor.

Furthermore, we have limited control over the countries to which our distributors sell or export our products and services. If the sales of our products and services by distributors are restricted, prohibited or become subject to any trade conditions under any international policies or international export controls imposed by any jurisdictions, the demand for our products and services may drop significantly and, as a result, our business, financial condition and results of operations may be materially and adversely affected.

Final Rule

In addition, 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”, effective January 2, 2025 to implement a new investment program that restricts investments by U.S. person and U.S.-controlled entities imposed by Executive Order 14105, “Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern”.

The 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. Our International Trade Controls Legal Advisor is of the view that we are not a “covered foreign person” under the Final Rule, as we do not engage in any “covered activity” as defined therein. However, there is no assurance that the U.S. Department of the Treasury will take the same view as ours. If we were to be deemed a “covered foreign person,” and if U.S. persons engaged in a “covered transaction” that involves the acquisition of our equity interests, such U.S. persons could be prohibited from making such acquisition before our equity interest are publicly traded, or could be required to make a notification pursuant to the Final Rule. If our ability to raise such capital is significantly and negatively affected, it could be detrimental to our business, financial condition and prospects. Based on the due diligence conducted, the Sole Sponsor did not identify any matters that would reasonably cast doubt on the views of our International Trade Controls Legal Advisor.

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We engage a limited number of suppliers for raw materials and the manufacture of our products.

We engage a limited number of suppliers for raw materials and the manufacture of our products. See “Business—Raw Materials and Suppliers—Major Suppliers.” We may not be able to maintain our business relationships with our suppliers for reasons beyond our control. If that happens, we may need to secure alternative sources for the raw materials. Accordingly, if any of our suppliers, especially any of the five largest suppliers, fails to provide raw materials in a timely and satisfactory manner, or terminates their relationship with us, and if we are unable to secure alternative sources on a timely basis, our business and results of operation may be adversely affected.

We rely on Android for development of our Transsion OS, and any disruption to our access to Android or changes to Google’s licensing terms could adversely affect our business operations.

Our operating system Transsion OS is customized based on the Android Open Source Project (“AOSP”). In addition, our smartphones require Google Mobile Services (“GMS”), the standard suite of Google applications for Android devices. We have entered into a licensing agreement with Google under which we receive a non-transferable and non-exclusive licence to distribute and reproduce GMS, and we are required to comply with Google’s compatibility standards. As a result, our business operations are to a certain extent dependent on our continued availability and stability of the Android platform. If Google were to terminate our licensing agreement due to breach of compatibility standards or other requirements, or if Google were to impose new fees, restrictions, or compatibility requirements on AOSP or GMS, we may face challenges in maintaining the compatibility, functionality or user experience of our devices. In such circumstances, we may need to devote additional resources to adapt our operating system, which could increase our costs and adversely affect our business operations, financial condition and results of operations.

We engage ODM providers to design, develop and manufacture and OEM providers to manufacture some of our products.

We engage (i) ODM providers to participate in the design, development and manufacture of some of our products and (ii) OEM providers to participate in the manufacture some of our products to optimize operational efficiency and diversify our product range. See “Business—Research and Development—Our Collaboration with ODM Providers” and “Business—Production—Our Collaboration with ODM and OEM Providers.” The number of our ODM and OEM providers were 18, 22 and 24 in 2023, 2024 and 2025, and the costs arising from such outsourcing arrangements amounted to RMB4,556.3 million, RMB5,916.0 million and RMB5,592.7 million in 2023, 2024 and 2025, respectively. However, we cannot assure that our ODM and OEM providers will have sufficient capacity to meet the increasing demand for our products, which could result in delayed launch of new products and product delivery and harm our market reputation and consumer relationship. Any prolonged production lead time may affect our abilities to manage inventory and implement our demand planning policies and procedures to ensure that scheduled production meets anticipated market demand. Any material

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deterioration in our relationships with such business partners, any significant business challenges faced by them, or any failure on their part to produce products consistent with our standards or in accordance with contractual or regulatory requirements could affect our product quality or supply, cause consumer dissatisfaction and harm our brands. Further, any leakage, plagiarism or disclosure of confidential information during the process of design, development or production by ODM and OEM providers could damage our reputation and jeopardize market competitiveness and may further subject us to legal proceedings and potential liabilities.

We are subject to risks in relation to our distributors.

We engage distributors to expand our sales network and product reach. As of December 31, 2023, 2024 and 2025, we engaged 3,405, 3,262 and 3,586 distributors, respectively. Revenue generated from sales to distributors accounted for over 99.0% of our total revenue in each period during the Track Record Period. Our success therefore is subject to the performance of our distributors and our ability to maintain long-term relationships with them. Any significant underperformance in maintaining or sourcing additional orders from our distributors, or unexpected cessation of cooperation may materially and adversely affect our business, financial condition and results of operations.

We cannot guarantee our distributors’ strict adherence to these agreements or our prompt detection of any noncompliance. Any of their failure to fulfill contractual obligations or noncompliance with applicable regulatory requirements could negatively impact our business, leading to potential reputation damage, reduced sales volumes, costly litigation, or additional costs in finding new alternative distributors. In addition, we cannot assure you whether our distributors can effectively market and sell our products successfully or maintain their competitiveness. If our distributors fail to promote and sell our products successfully, our business, financial condition and results of operations may be materially and adversely affected.

During the Track Record Period, some of our distributors may engage sub-distributors. We generally do not have direct contractual relationships with these sub-distributors, which limits our ability to enforce compliance with our sales policies, quality standards and pricing strategies. See “Business—Sales and Distribution Network—Our Sales Channels and Network—Distributorship—Sub-Distributors.” In the event that any sub-distributor fails to comply with our sales policies or meet their obligations to their customers, there could be a negative impact on the demand for our products, which could result in a material and adverse effect on our business and results of operations.

We may not be able to obtain or maintain adequate intellectual property rights or trade secrets protection for our products and may become involved in lawsuits to protect or enforce our intellectual property.

Our success depends in a large part on our ability to protect our proprietary technology as well as our products and services from competition by obtaining, maintaining and enforcing our intellectual property rights, including patent rights. We protect the proprietary technologies

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that we consider commercially important by, among others, filing patent applications in China and other jurisdictions. See “Business—Intellectual Property.” The intellectual property application process may be expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable intellectual property applications at a reasonable cost or in a timely manner, if at all. In addition, we may fail to identify patentable aspects of our R&D outputs before it is too late to obtain patent protection. As a result, we may not be able to prevent competitors from developing and commercializing competitive products and services in any or all such fields.

In addition, competitors may infringe our patent rights or misappropriate or otherwise violate our intellectual property rights. To counter infringement or unauthorized use, litigation may be necessary to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. This can be expensive and time-consuming, and may divert our management attention and focus from business development. An adverse result in any litigation proceeding could put our patents, as well as any patents that may be issued in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover and protect our products, services or the respective candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable.

If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and damages and may have to redesign or suspend the sales of products involved.

Many of our products include or rely on third-party intellectual property, which requires licenses from these third parties. We have entered into worldwide intellectual property cross license agreements with a number of global technology leaders in the mobile telecommunications market. However, companies in the mobile telecommunications market, some of which are our competitors, seek intellectual property protection for their products and technologies. These companies may allege that certain features of our products or services fall within the coverage of their patents. Therefore, these companies may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights in connection with the commercialization of our products and services.

For instance, standard-essential patents (“SEPs”) are patents on inventions that are essential to a specific technology standard. Under the SEP regime, any product that implements the specific standard must use the patented technology. We license or procure certain types of SEPs from third parties, including those relating to cellular communication technologies and audio and video technologies. Our licensing arrangements with third parties typically have a term of three to five years, and set out the scope of licensed technologies and products, mainly SEPs for our mobile phones. The licensing fees are typically payable on a quarterly or annual basis. Our reliance on such third-party intellectual property is primarily due to the nature of the mobile telecommunications industry, which involves a large number of patents and

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technologies, many of which are subject to SEPs and therefore require licensing arrangements. Given the large number of SEPs across various standardized technologies, together with the territorial nature of patent protection and the complexities in determining the actual necessity of the SEPs, we may encounter various forms of litigation, adjudication or arbitration in the course of negotiating license agreements with SEP holders.

During the Track Record Period, we were involved in a number of SEP cases in China and overseas. See “Business — Legal Proceedings and Compliance — Legal Proceedings” for more details. We may not be able to identify or avoid intellectual property infringement activities, primarily because whether a product infringes a patent involves an analysis of complex legal and factual issues and the conclusion of such analysis is often uncertain. Rights that have not been revealed through our searches of relevant public records. Any claims of patent or other intellectual property infringement, regardless of their merit, could be expensive, time-consuming and may divert management attention and internal resources. These claims and the relevant proceedings could diverge management attention and result in substantial financial costs. If our competitors or employees succeed in raising their claims, we may be required to suspend our sales efforts of the relevant products or services in controversy, redesign, re-engineer or rebrand such products or services, pay substantial damages to third parties, or enter into royalty or licensing agreements which may not be available on terms favorable to us.

We depend on the continued services and contributions of our senior management and other key employees, including senior R&D personnel and skilled engineers.

Our continued success depends and will continue to depend to a significant extent on our efforts and abilities to retain the key members of our management team. Our continued success also depends on and will continue to depend on our efforts and abilities to make sure each of them is and will continue to be actively engaged in our management and our strategic planning. Our future performance will also depend on their continuing services and contributions to formulate and execute our business plan and to identify and pursue new opportunities. The loss of services of any of these individuals, or the ineffective management of any leadership transitions, could significantly delay or prevent the achievement of our development and strategic objectives, which could adversely affect our business, financial condition, results of operations and prospects. In addition, our success depends on our ability to attract and retain a large number of other qualified employees, especially technical personnel. We cannot assure you that we will be able to attract, assimilate, develop or retain the qualified personnel necessary to support our future growth. Even if we attract and retain qualified personnel, our ability to train and integrate new employees into our operations may not meet the demands of our growing business. Any of the above issues related to our workforce may materially and adversely affect our operations and future growth.

We are subject to various risks relating to the Third-Party Payment Arrangements.

During the Track Record Period, certain customers (individually or collectively, the “**Relevant Customer(s)**”) settled payments with us through accounts belonging to parties (individually or collectively, the “**Relevant Payor(s)**”) other than the contractual counterparties under the corresponding sales and purchase agreements (the “**Relevant Payment Arrangements**”) entered into between us and such Relevant Customers. See “Business—Third-Party Payment Arrangements.” We face various risks related to these

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Relevant Payment Arrangements, including: (i) third-party payers who are not contractually obligated debtors may seek to reclaim funds from us; (ii) potential risks arising from our limited understanding of the source and use of funds by third-party payers; and (iii) claims that may be made by the liquidators of third-party payers. If any claims are made by third-party payers or their family members, creditors or liquidators, or if any legal proceedings are initiated or brought against us regarding any third-party payments, we may need to allocate additional financial and management resources to address these claims or legal proceedings, which could adversely affect our business and financial performance.

We also face potential money laundering and sanction risks as we have limited knowledge about the source and purpose of the funds utilized by the third-party payers. We cannot assure you that we will not be liable to any penalties or other legal consequences or investigation or inquiry by any government authorities in relation to money laundering or other compliance issues associated with the third-party payers or the Relevant Payment Arrangements.

It may be difficult for the Hong Kong regulators to obtain information or call for regulatory assistance in the jurisdictions in which we operate where circumstances necessitate in the course of overseeing us as a [REDACTED] company by the regulations in Hong Kong.

We will be regulated by the SFC and other applicable laws and regulations in Hong Kong upon the [REDACTED]. Our Directors and we will be required to provide the SFC with all information relating to our business that is necessary for its investigation of our affairs as may be required under Hong Kong laws or regulations. We have business operations in certain countries that are not members of the International Organization of Securities Commissions Multilateral (“IOSCO”) or full signatories to the IOSCO Multilateral Memorandum of Understanding (“IOSCO MMOU”) (Collectively, the “Non-IOSCO Countries,” each a “Non-IOSCO Country”). Certain countries are Non-IOSCO MMOU Countries and have not signed any regulatory cooperation agreement or memorandum of understanding with the SFC or the Stock Exchange, therefore it may be difficult for the Hong Kong regulators to obtain information or call for regulatory assistance in these countries where circumstances necessitate in the course of overseeing us as a [REDACTED] company by the regulations in Hong Kong. Our relevant internal control systems and protocols may not be effective in providing the information requested by the regulators and we may not be able to provide timely response to regulatory requests. See “Business—Our Operations in Non-IOSCO Countries.”

Acquisitions, investments or strategic alliances may fail and materially and adversely affect our reputation, business and results of operations.

We may make acquisitions of, or investments in, businesses or technologies that are complementary to our business in the future. The process of identifying and consummating acquisitions, investments, and the subsequent integration of new assets and businesses into our existing business, requires attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our operations. Investments, acquired assets or businesses may not generate the expected financial results, strengthen our competitive position or achieve our goals and business strategy. Acquisitions or investments could require significant cash and result in dilutive issuances of

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equity securities, goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business or investment. We may also incur costs and management time on transactions that are ultimately not completed.

In addition, our due diligence may fail to identify all of the problems, liabilities or other shortcomings or challenges of an acquired business, product, technology or investment, including issues related to intellectual property, product quality or product architecture, regulatory compliance practices, revenue recognition or other accounting practices or issues with employees or customers. Additionally, we may be subject to litigation or other claims in connection with the acquired company, including claims from terminated employees, former shareholders or other third parties, which may differ from or be more significant than the risks its business faces. We may also face retention or cultural challenges associated with integrating employees from the acquired company into our organization. If we fail to identify, consummate, and integrate our acquisitions or investments, our business, financial condition and results of operations may be adversely affected.

Our transfer pricing arrangements may be subject to scrutiny by the relevant tax authorities in the countries and regions where we operate.

During the Track Record Period, we conducted our operations through subsidiaries in China and multiple overseas jurisdictions, with an aggregate intra-group transaction amount of RMB204.9 billion, RMB216.4 billion and RMB227.0 billion in 2023, 2024 and 2025, respectively, to expand our operation in the international markets. Our intra-group transactions primarily include (i) purchase and sales of raw materials and finished goods, (ii) transactions of rights to use intangible assets, (iii) intra-group services, and (iv) loan transactions. Under the applicable laws and regulations in the jurisdictions in which we operate, arrangements and transactions among related parties may be subject to audit or challenge by the relevant tax authorities. Our global operations are structured through subsidiaries across multiple jurisdictions. We could face material and adverse tax consequences if the relevant tax authorities determine that the certain intra-group transactions of ours are not conducted on an arm’s length basis and consequently adjust any of those entities’ income in the form of a transfer pricing adjustment. In the event of a transfer pricing adjustment, our tax liabilities could increase. Furthermore, if we fail to rectify our transfer pricing arrangement within the limited timeframe as required by the relevant tax authorities, the relevant tax authorities may impose late payment interest or surcharge and other penalties on us for any unpaid taxes. In addition, a transfer pricing arrangement may give rise to tax recoverable in certain jurisdictions as a result of tax adjustments. There is no assurance that we could successfully recover the tax recoverable from the relevant tax authorities. Our business, financial condition and results of operations may therefore be materially and adversely affected.

Failure to obtain or maintain any of the preferential tax treatments, government grants or subsidies could adversely affect our business, financial condition and results of operations.

We cannot assure you that the policies on preferential tax treatment will not change or that any preferential tax treatment we enjoy or are entitled to enjoy will not be terminated. We and certain of our subsidiaries enjoy a preferential income tax treatment during the Track Record Period. For details, see Note 11 to the Accountants’ Report in Appendix I to this document. If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax

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liability is successfully challenged by tax authorities, the termination of any of the various types of preferential tax treatment we enjoy could adversely affect our business, financial condition and results of operations.

In addition, during the Track Record Period, we benefited from government grants or subsidies. Some of such government grants or subsidies are non-recurring in nature. We recorded government grants under other income of RMB418.4 million, RMB662.3 million and RMB396.5 million in 2023, 2024 and 2025, respectively. For details, see Note 6 to the Accountants’ Report in Appendix I to this document. Any discontinuation, reduction or delay of any government subsidies would have an adverse impact on our business, financial condition and results of operations.

Fair value changes on financial instruments may adversely affect our results of operations and financial condition.

We made investments in certain financial products during the Track Record Period and recorded a carrying amount of financial assets at fair value through profit or loss (“FVPL”) of RMB14,371.1 million, RMB13,507.6 million and RMB11,413.7 million as of December 31, 2023, 2024 and 2025, respectively. Our financial assets primarily consist of wealth management products and equity investments. See Note 3.6 to the Accountants’ Report in Appendix I to this document for further details.

We face exposure to fair value change for the financial assets at FVPL. Going forward, we may continue to invest in financial products. We cannot assure you that factors beyond our control, such as general economic and market conditions, changes in market interest rates, stability of the capital markets and regulatory environment, will result in fair value gains on the financial products we invest in or we will not incur any fair value losses on our investments in the financial products in the future. If we incur such fair value losses, our results of operations and financial condition may be materially and adversely affected. Even if we generate fair value gains, our investments may earn yields substantially lower than anticipated. In addition, the fair value of these financial products may fluctuate significantly, which contributes to the uncertainties in valuation. Any failure to realize the benefits we expected from these financial products may materially and adversely affect our business and financial condition.

We have granted and may continue to grant share-based awards, which may adversely affect our results of operations and financial condition.

We have established share incentive schemes to grant shares to eligible employees. We recorded share-based compensation expenses of RMB324.2 million, RMB382.2 million and RMB134.5 million in 2023, 2024 and 2025, respectively. The fair value of restricted shares was impacted by the closing price of our Company’s shares on the grant date, the time value of the options as well as other factors. See Note 30 to Accountants’ Report in Appendix I to this document. We believe such share-based awards are important to our ability to attract, retain and motivate our key individuals, and we may continue to grant share-based awards in the future. As a result, our financial performance and ownership interests of our Shareholders may be

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affected by the share-based compensation as the expenses associated with share-based compensation will decrease our net profit and the establishment of a new share incentive plan may potentially dilute the ownership interests of our Shareholders. On the other hand, if we reduce the amount of shares or other share-based compensation awards, we may not be able to attract or retain key personnel by offering them incentives linked to the value of our Shares.

The recoverability of our deferred tax assets is subject to accounting uncertainties.

According to our accounting policies, our management is required to make judgments, estimates and assumptions about the carrying amounts of certain assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other relevant factors. Therefore, actual results may differ from these accounting estimates. As of December 31, 2023, 2024 and 2025, we recorded deferred tax assets of RMB743.9 million, RMB657.1 million and RMB516.0 million, respectively. Based on our accounting policies, deferred tax assets are recognized for unused tax losses and deductible temporary differences, such as the provision for impairment of receivables, inventories and accruals of expenses not yet deductible for tax purposes. The realization of deferred tax assets mainly depends on our management’s judgment as to whether future taxable amounts will be available to utilize those temporary differences and losses. If sufficient profits or taxable temporary differences are not expected to be generated or are less than expected, a material reversal of deferred income tax assets may arise in future period.

We are subject to credit risk due to delay in payment and defaults of customers.

We are exposed to credit risks related to delays and defaults of our trade receivables due from our customers in the ordinary course of our business. We may grant credit terms to some of our customers. As of December 31, 2023, 2024 and 2025, our trade receivables were RMB1,965.1 million, RMB3,376.5 million and RMB3,726.3 million, respectively. In 2023, 2024 and 2025, our average trade receivables turnover days were 10.6 days, 15.2 days and 20.9 days, respectively. Fluctuations and extension of trade receivables turnover may adversely affect our cash flow and liquidity. See “Financial Information—Selected Balance Sheet Items—Current Assets/Liabilities—Trade Receivables” for details. We make periodic collective and individual assessment on the recoverability of trade receivables based on historical settlement records and past experience as well as current external information, and may provide for impairment when there is no reasonable expectation of recovery. If the credit-worthiness of our customers deteriorates or if our customers fail to settle their trade receivables for any reason, we may incur additional impairment loss. We may not be able to recover our trade receivables in a timely manner, or at all. As a result, our financial condition and results of operations may be adversely affected. We also utilize credit insurance to manage the risk of customer defaults. However, our credit insurance may not fully cover all losses. Any reduction in coverage or denial of claims could adversely affect our financial condition and results of operations.

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If we fail to effectively manage our inventory, our business, financial condition and results of operations may be materially and adversely affected.

Our inventories primarily consist of raw materials, work in progress, finished goods and consigned materials for processing. As of December 31, 2023, 2024 and 2025, we had inventories of RMB10,443.4 million, RMB8,663.4 million and RMB8,902.9 million, respectively. Failure to adequately manage inventory risks may lead to inventory obsolescence, decline in inventory value or inventory write-offs. In 2023, 2024 and 2025, our average inventory turnover days were 64.6 days, 65.8 days and 62.1 days, respectively. Any fluctuation and extension of inventory turnover may adversely affect our cash flow and liquidity. See “Financial Information—Selected Balance Sheet Items—Current Assets/Liabilities—Inventories” for details.

In addition, we manage our inventory levels based on market forecast and a first-in, first-out policy and maintain a safety stock level. It may be difficult to accurately forecast demand and determine the appropriate levels of inventory we should maintain. Any change in customer demand for our products or the occurrences of catastrophic events may have an adverse impact on our product sales and business prospects. If the actual demand is lower than our forecast demand, we may be subject to overstock, resale of the inventories at less favorable terms, or even write-downs of inventories. If we are required to lower sale prices to increase the demand for our product sales to reduce inventory level, our profit margins might be adversely affected. If the actual demand is higher than our forecast demand, we may not be able to fulfill all the orders we receive to maximize our revenue. As a result, the market share of our products may be adversely affected. Any of the above may adversely affect our business, financial condition and results of operations.

If we fail to obtain and maintain the requisite licenses and approvals required in any jurisdiction where we operate, our business, financial condition and results of operations may be materially and adversely affected.

Under the laws and regulations in PRC and other jurisdictions where we operate, we are required to obtain or complete a number of licenses, approvals, registrations, filings and other permissions for our operation. We may become subject to additional license, approval and other requirements as we develop and expand the scope of our business and engage in different business activities. In addition, certain licenses, permits or registrations we hold are subject to periodic renewal. We may not be able to maintain or timely renew our licenses and certificates when their current term expires. Furthermore, due to the evolving interpretation and implementation of existing laws and the adoption of additional laws and regulations, the licenses, permits, registrations or filings we hold may be deemed insufficient by the relevant government. If we fail to apply for, maintain or renew the licenses, permits, or registrations required for our operations, we may be subject to fines and additional penalties. Resolving such deficiencies and enhancing compliance may require additional operational expenses and divert our management attention. Additionally, we may experience negative publicity due to such deficiencies. As a result, our business, financial condition and results of operations may be adversely affected.

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Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers and other third parties, which would affect our business, financial condition and results of operations.

We face various operational risks in connection with our operations, which can result in, among other things, damage to our assets, personal injury or fatalities, monetary losses and legal liability. We may not have adequate or any insurance to cover such operational risks. If we are held liable for amounts and claims exceeding the limits of our insurance coverage or outside the scope of our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. Even if the amounts and claims are within the limits and scope of our insurance coverage, the insurance provider may not be able to make the compensation payment to us in a timely manner.

We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, financial condition and results of operations.

We may be subject to claims, litigation and disputes, various legal and administrative proceedings, and any resulting damages. In addition, agreements we entered into may include indemnification provisions which may subject us to costs and damages in the event of a claim against an indemnified third party. Regardless of the merit of particular claims, legal and administrative proceedings may be costly and time consuming and may divert our management attention. We may be affected by legal or administrative proceedings and claims in the future. If one or more legal or administrative matters were resolved against us or an indemnified third party, we may incur additional expenses to cover compensatory or punitive monetary damages, disgorge any relevant profits, establish remedial measures or comply with injunctions or specific performance. As a result, our business, financial condition and results of operations may be materially and adversely affected.

Fluctuations in exchange rates could result in foreign currency exchange losses.

We may face fluctuations in exchange rates between the U.S. dollar and other currencies that we use or receive in the course of our business. We recorded gains of exchange rate changes on cash and cash equivalents of RMB16.6 million in 2023, and recorded loss of exchange rate changes on cash and cash equivalents of RMB61.9 million and RMB239.1 million in 2024 and 2025, respectively. Fluctuations in exchange rates may be affected by a number of factors, such as economic and political developments. It is difficult to predict how market forces may impact the exchange rates in the future and uncertainties related to exchange rates may materially and adversely affect our business and financial condition.

Revaluation of Renminbi may have an adverse effect on your [REDACTED]. For example, to the extent that we need to convert Hong Kong dollars we receive from this [REDACTED] into Renminbi for our operations, appreciation of Renminbi against Hong Kong dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, if we decide to convert our Renminbi into Hong Kong dollars for the

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purpose of making payments for any dividends on our Shares or for other business purposes, appreciation of the Hong Kong dollar against Renminbi would have a negative effect on the Hong Kong dollar amount available to us. As a result, fluctuations in exchange rates may have an adverse effect on your [REDACTED] in our Shares.

Failure to fully comply with the PRC Social Insurance Law and the Regulation on the Administration of Housing Provident Funds may subject us to fines and other legal or administrative sanctions.

Pursuant to the PRC laws and regulations, we are required to participate in the employee social welfare plan administered by local governments. We may be required to make additional contributions to social insurance fund and/or housing provident fund and pay late payments and fines under PRC laws and regulations. We cannot assure you that we will not be subject to any order to rectify this in the future, nor can we assure you that there are no, or will not be any, relevant employee complaints against us. Any such order may adversely affect our business, financial condition, results of operations.

As advised by our PRC Legal Advisor, pursuant to relevant PRC laws and regulations, if we fail to make social insurance contributions in compliance with the relevant PRC laws and regulations in the future, we may be required to pay all outstanding social insurance contributions within a prescribed period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the outstanding social insurance contributions are due. If this payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount on us. We estimate that the aggregate shortfall of social insurance and housing provident fund contributions accounted for approximately 0.1% of our total revenue in each period during the Track Record Period. In addition, pursuant to relevant PRC laws and regulations, in case of a failure to pay housing provident fund in full, the relevant housing provident fund management center may require us to pay the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. If these enforcement actions were taken by relevant authorities, our financial condition and results of operations could be materially and adversely affected.

Failure to renew our leases or comply with PRC property-related laws and regulations regarding certain of our properties and leased properties could adversely affect our business.

We lease properties mainly for office purposes. If we enter into lease agreements in the future where the lessor is not the owner of the property and the lessor has not obtained consent from the owner or their lessor for sub-lease, or if the property was mortgaged before it was leased to us, our lease could be invalidated or terminated as a result of challenges by third parties. Our inability to enter into new leases or renew existing leases on terms acceptable to us could materially and adversely affect our business, financial condition and results of operations.

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As of December 31, 2025, we had not completed the lease registration for certain properties leased by our Company and our major subsidiaries in China with the relevant land and real estate administration authorities. See “Business—Properties—Lease Properties.” As advised by our PRC Legal Advisor, failure to complete the registration and filing of lease agreements will not affect the validity of the lease agreements. However, the potential aggregate amount of maximum fine will be approximately RMB210,000 if we fail to rectify within the prescribed period after receiving notices from the relevant PRC government authorities.

Our business growth and results of operations may be adversely affected by changes in natural disasters, health epidemics and pandemics, and social disruption and other outbreaks.

Our business could be adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, public health hazards, such as the outbreaks of widespread epidemics, public security hazards or other events, such as wars, acts of terrorism, environmental accidents, power shortages or communication interruptions. We cannot assure you that any backup systems will be adequate to protect us from the effects of natural disasters, public health and public security hazards or other events. Any of the foregoing events may give rise to interruption, breakdowns, system failures or internet failures, which may result in the loss or corruption of data, malfunctions of software and hardware, and adversely affect our ability to produce our products and services. As a result, our business, financial condition and results of operations may be adversely affected.

RISKS RELATING TO CONDUCTING BUSINESS IN JURISDICTIONS WHERE WE OPERATE

Regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends and other obligations, and may affect the value of your [REDACTED].

Conversion of RMB into foreign currency and remittance of foreign currency out of the PRC under certain circumstances are subject to Chinese foreign exchange regulations. If there are unfavorable changes in exchange rates, or if PRC government implements regulatory policies that limit our ability to convert RMB into foreign currency, we may not have sufficient foreign exchange to meet our foreign exchange needs. Under current PRC foreign exchange regulations, certain current account transactions such as profit distributions, interest payments and trade-related expenses can be conducted in foreign currency without prior approval from the SAFE, as long as certain procedural requirements are met. However, capital account transactions such as capital transfers, direct investments, securities investments and repayment of borrowings are subject to foreign exchange policies and require prior approval from the SAFE or registration with the SAFE or authorized banks. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or satisfy any other foreign exchange obligation. If we fail to obtain approvals from the SAFE to convert RMB into any foreign exchange for any of the above purposes, our potential offshore capital expenditure plans and even our business may be materially and adversely affected.

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Holders of our H Shares may be subject to PRC income tax obligations.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares by them. Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the dividends or gain from share transfer derived in China under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation regulations. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between the PRC and the jurisdiction in which the foreign individual or enterprise resides reduce or exempt the relevant tax obligations. According to the Notice of the Ministry of Finance and the State Administration of Taxation on Several Policy Issues Concerning Individual Income Tax (《財政部國家稅務總局關於個人所得稅若干政策問題的通知》) issued on May 13, 1994, foreign individuals are exempt from individual income tax on dividends received from foreign-invested enterprises. Pursuant to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) signed on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a resident of Hong Kong (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》) issued by the STA effective on December 6, 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions. For non-PRC resident enterprises that do not have establishments or premises in the PRC, and for those who have establishments or premises in the PRC but whose income is not related to such establishments or premises, under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are typically subject to PRC enterprise income tax at a 10% rate. The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the STA, also stipulates that the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares shall be 10%, subject to a further reduction under a special arrangement or an applicable treaty between China and the jurisdiction of the residence of the relevant non-PRC resident enterprise. The interpretation and application of applicable PRC tax laws and regulations are subject to the then relevant laws and regulations due to several factors, including whether the relevant preferential tax treatment will be revoked in the future such that all non-PRC resident individual holders will be subject to PRC individual income tax at a flat

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rate of 20%. If there is any change to applicable tax laws and rules and interpretation or application with respect to such laws and rules, the value of your [REDACTED] in our H Shares may be materially affected.

There may be uncertainties in effecting service of legal process and enforcing judgments against us, our Directors and senior management.

We are a company incorporated under the laws of the PRC. The majority of our Directors and senior management reside within the PRC. The assets of these Directors and senior management also may be located within the PRC. It may not be possible for [REDACTED] to effect service of process upon us or those persons inside the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts in the United States, the United Kingdom, Japan or other countries. On January 18, 2019, the Supreme People’s Court and the Hong Kong Special Administrative Region Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Chinese Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “**New Arrangement**”). The New Arrangement was issued on January 25, 2024 and came into effect on January 29, 2024, seeking to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong Special Administrative Region and Chinese Mainland. The New Arrangement does not include the requirement for a choice of court agreement in writing by the parties. There may be uncertainties in the enforcement of a judgment rendered by a Hong Kong court in Chinese Mainland if the parties in the dispute did not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for [REDACTED] to effect service of process against certain of our assets or Directors in the PRC in order to seek recognition and enforcement of judgments by non-PRC courts, including a Hong Kong court, in Chinese Mainland.

Filing with the CSRC is required in connection with our future offerings, and we cannot predict whether we will be able to complete such filing.

On February 17, 2023, the CSRC released Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”) and five relevant guidelines, which became effective on March 31, 2023. Pursuant to the Trial Measures, PRC domestic companies which, after the overseas offering and listing, offers subsequent securities in the same overseas market or conducts offering and listing in other overseas markets (the “**Future Offerings**”), shall complete the filing procedures of, and report relevant information to, the CSRC. Based on the foregoing, for the Future Offerings after the proposed [REDACTED], we are required to comply with the filing procedures of the CSRC. It is uncertain whether we can, or how long it will take us to, complete filings procedures in connection with the Future Offerings. We may

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be subject to approval, filing or other requirements by other PRC government authorities under the PRC laws in the future. Any failure to complete the relevant procedures may have an adverse effect on the Future Offerings.

RISKS RELATED TO THE [REDACTED]

We will be concurrently subject to [REDACTED] and regulatory requirements of Chinese Mainland and Hong Kong.

As our A Shares are listed on the Shanghai Stock Exchange and our H Shares will be [REDACTED] on the [REDACTED], we will be required to comply with the applicable [REDACTED] and other regulatory regimes of both jurisdictions unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources to ensure our compliance with the [REDACTED] of both jurisdictions. Following the [REDACTED], our A Shares will continue to be traded on the Shanghai Stock Exchange and our H Shares will be [REDACTED] on the [REDACTED]. Under current laws and regulations in China, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible. There is no trading or settlement between the H Share and A Share markets. With different [REDACTED] characteristics, the H Share and A Share markets have divergent [REDACTED] volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the [REDACTED] performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the [REDACTED] of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. Therefore, you should not place undue reliance on the trading history of our A Shares when making your [REDACTED] decision in our H Shares.

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

Prior to the completion of the [REDACTED], there has been no [REDACTED] for our H Shares. There can be no guarantee that an active [REDACTED] market for our H Shares will develop or be sustained after the completion of the [REDACTED]. The [REDACTED] is the result of negotiations between our Company and the [REDACTED] (for itself and on behalf of the [REDACTED]), which may not be indicative of the [REDACTED] at which our H Shares will be [REDACTED] following completion of the [REDACTED]. The [REDACTED] of our H Share may drop below the [REDACTED] at any time after completion of the [REDACTED].

RISK FACTORS

The [REDACTED] and [REDACTED] volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of securities in Hong Kong and elsewhere in the world.

The [REDACTED] of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies based in Chinese Mainland that have listed their securities in Hong Kong may affect the volatility in the [REDACTED] of and [REDACTED] for our H Shares. A number of Chinese Mainland-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards Chinese Mainland-based companies listed in Hong Kong and consequently may impact the [REDACTED] of our H Shares.

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

The [REDACTED] of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the [REDACTED], or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. In addition, while [REDACTED] shares in the [REDACTED] are not subject to any restrictions on the disposal of the H Shares they [REDACTED], they may have existing arrangements or agreement to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the [REDACTED] for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the [REDACTED]. Any sale of the H Shares [REDACTED] by such [REDACTED] pursuant to such arrangement or agreement could adversely affect the [REDACTED] of our H Shares and any sizeable sale could have a material and adverse effect on the [REDACTED] of our H Shares and could cause substantial volatility in the [REDACTED] of our H Shares.

RISK FACTORS

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

Immediately upon the completion of the [REDACTED], assuming the [REDACTED] and the [REDACTED] are not exercised, our Controlling Shareholders will control approximately [REDACTED]% of the voting power at our general meetings. Our Controlling Shareholders will, through their voting power at the Shareholders’ meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the [REDACTED] of our H Shares.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

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. We protect our Shareholders’ interest by ensuring a consistent dividend policy. There is no assurance that we will be able to declare or distribute dividends of any amount in any year in the future. Under the applicable PRC laws and regulations, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under IFRS. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors, after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at Shareholders’ meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable PRC laws and regulations. See “Financial Information—Dividends and Dividend Policy” for further details of our dividend policy. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

Under the existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. If we cannot obtain sufficient foreign currencies to satisfy our foreign

RISK FACTORS

currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of China.

You should read the entire document carefully and only rely on the information included in this document to make your [REDACTED] decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our H Shares or the [REDACTED].

We strongly caution our [REDACTED] not to rely on any information contained in press articles or other media regarding us, our H Shares and the [REDACTED]. Prior to the publication of this document, there may be press and media coverage regarding the [REDACTED] and us. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and our [REDACTED] should not rely on such information.

Certain facts, forecast and other statistics in this document obtained from official government sources have not been independently verified and may not be reliable.

Certain facts, forecast and other statistics in this document are derived from various official government sources. We have taken reasonable care in the reproduction or extraction of the official government publications for the purpose of disclosure in this document, however, we cannot guarantee the quality or reliability of such source materials. These source materials have not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such information obtained from the official government publications, which may not be consistent with other information compiled within or outside the PRC. Further, there is no assurance that the information obtained from the official government publications are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, [REDACTED] should give consideration as to how much weight or importance they should attach to or place on such facts.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

WAIVERS

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from strict compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of the applicant’s executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 may be waived by having regard to, among other considerations, the new applicant’s arrangements for maintaining regular communication with the Stock Exchange.

Since our Company’s headquarters, management and assets are primarily located in the PRC, and our core operations are primarily based and conducted in emerging markets, we do not, and for the foreseeable future will not, have executive Directors who are ordinarily resident in Hong Kong for the purpose of satisfying Rule 8.12 and Rule 19A.15 of the Listing Rules. As our Group’s business operations, management headquarters, senior management and assets are primarily based outside Hong Kong, it would be practically difficult and commercially unnecessary for us to relocate our two executive Directors to Hong Kong, or to appoint additional executive Directors solely for the purpose of satisfying Rule 8.12 and Rule 19A.15 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. We will ensure that there is an effective channel of communication between the Stock Exchange and us by way of the following arrangements:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives who shall act at all times as the principal channel of communication with the Stock Exchange. Each of our authorized representatives will be readily contactable by the Stock Exchange by telephone, facsimile and/or e-mail to deal promptly with enquiries from the Stock Exchange and will be able to meet with the Stock Exchange within a reasonable time frame on request. Both of our authorized representatives are authorized to communicate on our behalf with the Stock Exchange. Our Company will also inform the Stock Exchange promptly in respect of any change in our authorized representatives. At present, our two authorized representatives are Ms. Yang Hong (楊宏) (our executive Director and deputy general manager) and Ms. Chan Pui Ching (陳佩貞) (one of our joint company secretaries).

WAIVERS

- (b) pursuant to Rule 3.20 of the Listing Rules, each Director will provide his/her contact information (including telephone number, mobile phone number, facsimile number (if available), email address (if available), residential address and contact address (if different from the residential address)) to the Stock Exchange and to the authorized representatives. This will ensure that the Stock Exchange and the authorized representatives should have means for contacting all Directors promptly at all times as and when required;
- (c) we will endeavor to ensure that each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period;
- (d) pursuant to Rule 3A.19 of the Listing Rules, we have retained the services of Red Sun Capital Limited as our compliance advisor (the “**Compliance Advisor**”), who will act as an additional channel of communication with the Hong Kong Stock Exchange from the [REDACTED] to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately following the [REDACTED]. The Compliance Advisor will maintain constant contact with the authorized representatives, Directors and senior management of our Company through various means, including regular meetings and telephone discussions whenever necessary. Our authorized representatives, Directors and other members of the senior management of our Company will promptly provide such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Advisor’s duties as set forth in Chapter 3A of the Hong Kong Listing Rules; and
- (e) meetings between the Hong Kong Stock Exchange and our Directors will be arranged through the authorized representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any change in our authorized representatives and/or our Compliance Advisor.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

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Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 under the Guide for New Listing Applicants published by the Stock Exchange, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- (a) whether the issuer has principal business activities primarily outside Hong Kong;
- (b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification nor Relevant Experience (both as defined under paragraph 11 of Chapter 3.10 under the Guide for New Listing Applicants) as a company secretary; and
- (c) why the directors consider the individual to be suitable to act as the issuer’s company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 under the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions:

- (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (b) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Mr. Zeng Chun (曾春) (“**Mr. Zeng**”) as one of our joint company secretaries. Mr. Zeng has extensive experience in board and corporate management matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Chan Pui Ching (陳佩貞) (“**Ms. Chan**”), who fully meets

WAIVERS

the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Mr. Zeng for an initial period of three years from the [REDACTED] to enable Mr. Zeng to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. For details of their biographies, please refer to the paragraphs headed “Directors and Senior Management — Joint Company Secretaries” in this document.

Given Ms. Chan’s professional qualification and experience, Ms. Chan will be able to explain to both Mr. Zeng and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Chan will also assist Mr. Zeng in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Zeng is expected to work closely with Ms. Chan and will maintain regular contact with Ms. Chan. In addition, Mr. Zeng will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. He will also be assisted by the Compliance Advisor and our legal advisors as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Mr. Zeng does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Zeng may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the [REDACTED] on the conditions that (a) Mr. Zeng must be assisted by Ms. Chan who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules throughout the Waiver Period; and (b) the waiver will be revoked immediately if and when Ms. Chan ceases to provide assistance to Mr. Zeng as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Mr. Zeng will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Stock Exchange before the expiration of the three-year period to enable it to assess whether Mr. Zeng, having benefited from the assistance of Ms. Chan for the preceding three years, will have acquired the skills necessary to carry out the duties of a company secretary and the “relevant experience” within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVERS

[REDACTED]

WAIVERS

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Executive Directors

Mr. Zhu Zhaojiang (竺兆江)
Chinese
Unit 5H, Building 36, Phase 3
Weilan Coast Community
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Nanshan District
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PRC

Mr. Zhang Qi (張祺)
Chinese
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Jindi Cuiyuan
Fumin Road
Futian District
Shenzhen, Guangdong Province
PRC

Mr. Yan Meng (嚴孟)
Chinese
No. 27-1
Guangping Road
Jinping Subdistrict
Fenghua, Zhejiang Province
PRC

Mr. Ye Weiqiang (葉偉強)
Chinese
302, Block 6
Xiangxieli Garden
No. 2 Fengtian Road
Futian District
Shenzhen, Guangdong Province
PRC

Mr. Chowdhury Mohammad
Ariful Hasan (阿里夫)
Chinese (Hong Kong)
9 Ardmore Park
#14-04
Singapore
259955

Ms. Yang Hong (楊宏)
Chinese
3106, Block A
Caifugang Building
Baoyuan Road, Xixiang
Bao'an District
Shenzhen, Guangdong Province
PRC

Independent non-executive Directors

Mr. Huang Yijian (黃益建)
Chinese
Room C510, Building 20
North Guang'anmen Street
Xicheng District
Beijing
PRC

Mr. Chen Linrong (陳林榮)
Chinese
Room 603, Unit 2, Block 1
FRID Square
Jiangnan District
Hangzhou, Zhejiang Province
PRC

Mr. Zhang Huailei (張懷雷)
Chinese
No. 136, Ningxia Street
Qingyang District
Chengdu, Sichuan Province
PRC

Ms. Wong Yee Man (黃綺汶)
Chinese (Hong Kong)
Flat F, 47/F, M8, Yoho Midtown
No. 9 Yuen Lung Street
Yuen Long
New Territories
Hong Kong

For details with respect to our Directors, please refer to the section headed “Directors and Senior Management” in this document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

CITIC Securities (Hong Kong) Limited

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[REDACTED]

88 Queensway

Hong Kong

[REDACTED]

Financial Adviser

J.P. Morgan Securities (Asia Pacific)

Limited

18/F & 23-29/F, Chater House

8 Connaught Road

Central

Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisors to our Company

As to Hong Kong and U.S. laws:

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22/F, Bank of China Tower

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Hong Kong

As to PRC law:

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Excellence Century Center

Fuhua 3rd Road

Futian Central District

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PRC

As to international trade controls:

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Hong Kong

As to Bangladesh law:

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Mirpur-12A, Dhaka- 1216

Bangladesh

As to DR Congo law:

Bennani & Associés RDC SAS

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Kinshasa/Gombe

DR Congo

As to Ethiopia law:

Haymanot & Advocates

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Special Legal Advisor as to Hong Kong law:

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Marg

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Iraq

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

As to Kenya law:

Anjarwalla and Khanna LLP

ALN House, off Eldama
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Singapore 068804

As to United Arab Emirates law:

**Winson Partners and Legal Consultants
FZ-LLC**

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United Arab Emirates

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Thiam & Associés

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Republic of Guinea

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Winstlaw Attorneys

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As to Zambia Law:

Corpus Legal Practitioners

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Monrovia
Liberia

**Legal Advisors to the Sole Sponsor and
the [REDACTED]**

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PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

**Independent Auditor and Reporting
Accountant**

Confucius International CPA Limited

Certified Public Accountants

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Tai Yau Building

181 Johnston Road

Wanchai, Hong Kong

Industry Consultant

**Frost & Sullivan (Beijing) Inc., Shanghai
Branch Co.**

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No. 1717, Nanjing West Road

Jingan District

Shanghai

PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office

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PRC

Headquarters and Principal Place of Business in the PRC

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Xili Community, Xili Street
Nanshan District
Shenzhen, Guangdong Province
PRC

Principal Place of Business in Hong Kong

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33 Hysan Avenue, Causeway Bay
Hong Kong

Company's Website

<https://www.transsion.com>

(The information on the website does not form part of this document)

Joint Company Secretaries

Mr. Zeng Chun (曾春)

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Authorized Representatives

Ms. Yang Hong (楊宏)

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No. 8 Xianyuan Road
Xili Community, Xili Street
Nanshan District, Shenzhen
Guangdong Province
PRC

Ms. Chan Pui Ching (陳佩貞)

(Chartered Secretary, Chartered Governance Professional and associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)

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Ms. Chan Pui Ching (陳佩貞)

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33 Hysan Avenue, Causeway Bay
Hong Kong

Audit Committee

Ms. Wong Yee Man (黃綺汶) *(Chairperson)*
Mr. Huang Yijian (黃益建)
Mr. Zhang Huailei (張懷雷)

Remuneration and Appraisal Committee

Mr. Zhang Huailei (張懷雷) *(Chairperson)*
Mr. Zhu Zhaojiang (竺兆江)
Mr. Chen Linrong (陳林榮)

Nomination Committee

Mr. Chen Linrong (陳林榮) *(Chairperson)*
Mr. Zhu Zhaojiang (竺兆江)
Ms. Wong Yee Man (黃綺汶)

Strategy and Sustainable Development (ESG) Committee

Mr. Zhu Zhaojiang (竺兆江) *(Chairperson)*
Mr. Zhang Qi (張祺)
Mr. Huang Yijian (黃益建)

CORPORATE INFORMATION

[REDACTED]

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PRC

INDUSTRY OVERVIEW

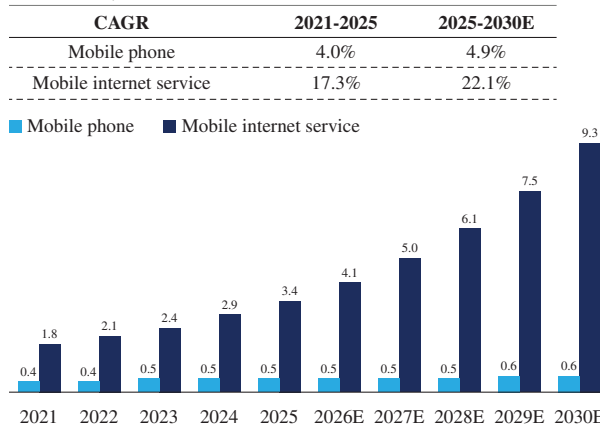
The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [REDACTED]. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], and any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

OVERVIEW OF GLOBAL MOBILE PHONE MARKET AND MOBILE INTERNET SERVICE MARKET

Development of Global Mobile Phone Market and Mobile Internet Service Market

Since the wide adoption of mobile phones after 2010 and the maturation of the mobile Internet, the global mobile phone market and mobile Internet service market have experienced robust growth and ongoing transformation. Mobile Internet services refer to online services and applications delivered and accessed through smart devices and mobile Internet, which include mobile Internet advertising, e-commerce and various software application for both individual users and enterprises, aiming to provide users with a more efficient digital experience.

Global Mobile Phone Market and Mobile Internet Service Market
USD Trillion, 2021-2030E



Source: Public information, Expert interview

Drivers and Future Trends of the Global Mobile Phone Market and Mobile Internet Service Market

- **Growth of emerging markets serves as a long-term growth engine.** Compared with developed markets, emerging markets are still in the midst of consumption upgrading. With strong economic growth potential, demographic advantages, rising mobile Internet penetration and improving communication infrastructure, users in emerging markets now

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have better access to mobile phones and mobile Internet services. While mobile phones and mobile Internet services in developed markets have reached a relatively mature stage, emerging markets still offer large growth potential.

- ***Advances of AI technology fueling the intelligent transformation.*** Breakthroughs in algorithms, along with growth of chips and sensing technologies, are enabling mobile phones and mobile Internet services to deliver more intelligent and personalized functions, enhancing product innovation and user experience. Going forward, AI is expected to reshape mobile phones and mobile Internet services, shifting the upgrade from basic functions to intelligent and personalized user experience, and becoming a key driver of long-term growth and competitive evolution.
- ***Expanded mobile Internet service value driven by the growth of smartphones.*** The growth of smartphones not only expands the mobile phone market itself but also unlocks new value through the rapid development of mobile Internet services. As smartphones become the primary entry point to users’ digital lives, users are benefited from more diversified services such as mobile payment, social media, online shopping, and online gaming with deepened engagement and increased usage. The integration of smartphones with mobile Internet services enables companies to expand from one-off device sales to diversified, service-driven revenue models, enhancing their long-term monetization potential.

Competitive Landscape of the Global Mobile Phone Market

The Company ranked as the third largest player in the global mobile phone market, in terms of sales volume in 2025. The Company ranked as the eighth largest player in the global mobile phone market, in terms of revenue in 2025.

Ranking of Global Mobile Phone Market, in terms of sales volume			
Ranking	Company	Sales Volume (Million, 2025)	Market Share (Sales Volume, %)
1	Company A	248	17.3%
2	Company B	241	16.8%
3	The Company	169	11.8%
4	Company C	165	11.5%
5	Company D	104	7.2%

Ranking of Global Mobile Phone Market, in terms of revenue			
Ranking	Company	Revenue (USD Billion, 2025)	Market Share (%)
1	Company A	226	46.9%
2	Company B	87	18.0%
3	Company C	26	5.5%
4	Company D	26	5.3%
5	Company E	16	3.2%
6	Company F	16	3.2%
7	Company G	12	2.5%
8	The Company	8	1.7%

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The following table sets forth a comparison of product functionalities between us and our peers in terms of flagship smartphone models in 2025.

	Our Company	Company B	Company C	Company D	Company E
Display . . .	6.78”, 120Hz	6.2”, 120Hz	6.3”, 120Hz	6.31”, 120Hz	6.59”, 120Hz
Memory . . .	16GB	12GB	12GB/16GB	12GB/16GB	12GB/16GB
Storage . . .	128GB/256GB	128GB/256GB	256GB/512GB	256GB/512GB/1TB	256GB/512GB/ 1TB
Main camera .	50MP	50MP	50MP	50MP	50MP
Front camera .	32MP	12MP	50MP	50MP	50MP
Battery . . .	5200mAh	4000mAh	7000mAh	6040mAh	6000mAh

Source: Public information, Expert interview, Frost & Sullivan

Notes:

- 1) Company A is a global technology company founded in the United States, which primarily sells consumer electronics such as mobile phones, tablets, laptops, and among others.
- 2) Company B is a global consumer electronic company founded in South Korea, which primarily sells consumer electronics such as mobile phones, semiconductor, and among others.
- 3) Company C is a global consumer electronic company founded in Beijing, which primarily sells consumer electronics such as mobile phones, smart EV, and among others.
- 4) Company D is a global consumer electronic company founded in Guangdong, which primarily sells mobile phones, tablets and other accessories.
- 5) Company E is a global technology company founded in Guangdong, which primarily sells mobile phones, TWS, smart watches, and among others.
- 6) Company F is a global ICT solution company founded in Guangdong, which primarily provides carrier networks, enterprise solutions, consumer electronics, mobile phones, automotive solutions, and among others.
- 7) Company G is a global consumer electronic company founded in Guangdong, which primarily sells mobile phones, tablets, and among others.

MACRO ENVIRONMENT OF EMERGING MARKETS

Definition of Emerging Markets

Emerging markets refer to economies in transition from developing to developed status, characterized by rapid economic growth, increasing industrialization, and integration into the global financial system. Globally, emerging markets comprise Africa, the Middle East, Central and Eastern Europe, emerging APAC markets, and Latin America.

Strong Economic Growth Potential in Emerging Markets

In 2025, the GDP per capita of developed markets reached USD33.5 thousand, compared only USD6.2 thousand in emerging markets, indicating a significant gap between the two. In 2030, GDP per capita in emerging markets is expected to reach USD9.3 thousand, with a

INDUSTRY OVERVIEW

CAGR of 8.6% from 2025 to 2030, much higher than the CAGR of 3.3% from 2025 to 2030 in developed markets, highlighting the strong economic growth potential of emerging markets. Consumption upgrade brought by rising GDP per capita is expected to support growth in demand for mobile phones, particularly smartphones. Consequently, such growth is expected to further fuel the expansion of mobile Internet services unlocking new growth opportunities for market participants in global mobile phone market and mobile Internet service market.

Demographic Advantage in Emerging Markets

In 2025, the population of emerging markets reached 5.8 billion, higher than the 2.4 billion in developed markets. This large population base provides a demographic advantage and a broader market opportunity in mobile phone market and mobile Internet service market. The population of emerging markets is expected to further grow to 6.3 billion in 2030, with a CAGR of 1.6% from 2025 to 2030, faster than that of developed markets, which also implies continued consumption demand for the growth of smartphone and mobile Internet service markets. As a result, the demographic advantage in emerging markets in both large population and faster growth is a key growth engine for the global mobile phone market and mobile Internet service market.

Rising Mobile Internet Penetration in Emerging Markets

Mobile Internet penetration refers to the share of a region’s population that accesses the Internet through mobile devices. The mobile Internet penetration rate in emerging markets was 48% in 2025, lower than that in developed market, and is expected to further increase to 54% in 2030. The steady rise in mobile Internet penetration shows the large growth potential of the mobile phone market and mobile Internet service market. As more people gain Internet access through mobile devices, the demand for smartphone upgrades and diversified mobile Internet services will continue to expand.

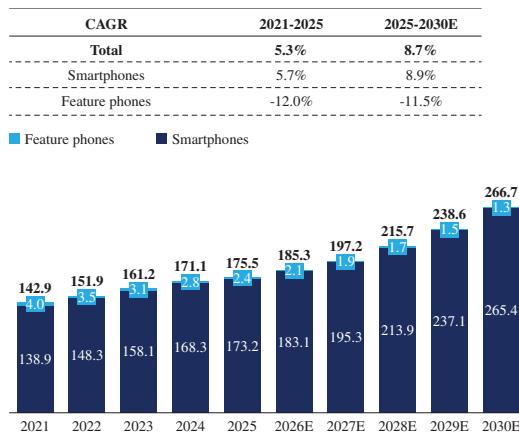
OVERVIEW OF MOBILE PHONE MARKET IN EMERGING MARKETS

Development of Mobile Phone Market in Emerging Markets

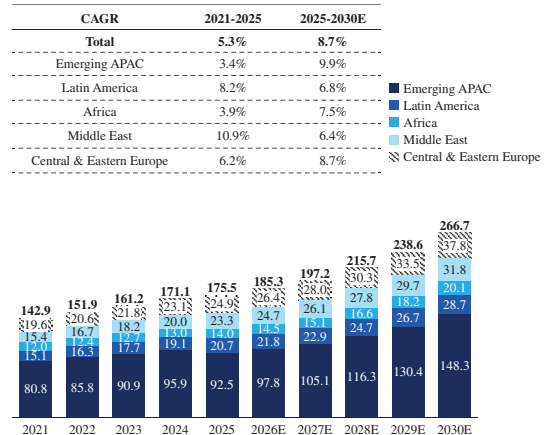
Mobile phone includes smartphone and feature phone. A smartphone is a mobile communication device equipped with an advanced operating system that supports third-party applications and provides Internet connectivity, multimedia capabilities, and a wide range of digital services. A feature phone is a mobile communication device with a simplified operating system primarily designed for basic functions such as voice calls and text messaging, typically supporting only limited pre-installed applications and basic Internet features.

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Mobile Phone Market in Emerging Markets, in terms of Revenue
USD Billion, 2021-2030E

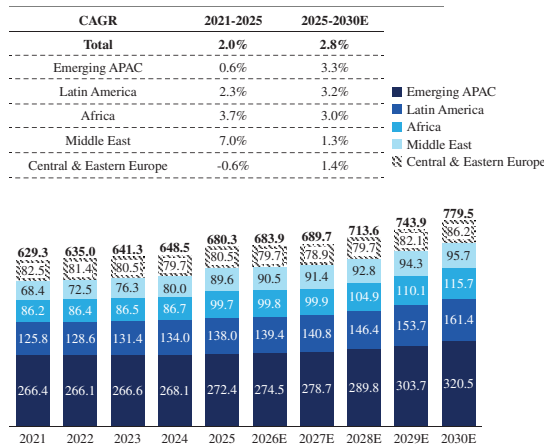


Mobile Phone Market in Emerging Markets, in terms of Revenue
USD Billion, 2021-2030E

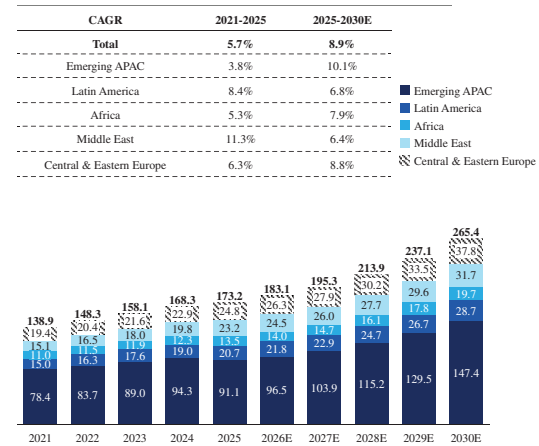


Source: Public information, Expert interview, Frost & Sullivan

Smartphone Market in Global Emerging Markets, in terms of Sales Volume
Million, 2021-2030E



Smartphone Market in Global Emerging Markets, in terms of Revenue
USD Billion, 2021-2030E



Source: Public information, Expert interview, Frost & Sullivan

Drivers and Future Trends of the Mobile Phone Market in Emerging Markets

- Economic growth and consumption upgrading.** The economic development and consumption upgrading in emerging markets have become important drivers for growth of mobile phones, particularly smartphones. Macroeconomic development is stimulating demand for products and services that enhance quality of life. Consumers are increasingly willing to pay for devices with advanced features and improved user experiences, making mobile phones not only everyday necessities but also key tools for entertainment and leisure.
- AI-driven replacement demand.** As large model technology including on-device large models become more common, mobile phones are shifting from traditional tools for communication to devices capable of AI empowered functions such as intelligent personal assistance. Advances in AI chip performance, the integration of large model technology,

INDUSTRY OVERVIEW

and enhanced multimodal sensing have enhanced functionalities of smartphones in areas such as voice understanding, image processing, and real-time content generation. These enhancement offer a better user experience, encouraging users to upgrade older devices, which further drives the growth of global mobile phone market.

- **Localization and innovation driven by leading players.** Global leading mobile phone providers are leveraging their mature R&D, production, and sales capabilities while adopting localized strategies in emerging markets. Rather than simply introducing existing products in the global market, these providers design features that match the specific needs and usage habits of local consumers. For example, in Africa, providers have developed portrait functions optimized for local preference. By combining global expertise with localized innovation, providers are delivering products that are both affordable and relevant, thereby supporting the growth of the mobile phone market in emerging markets.

Major Cost of Mobile Phones

Memory components, including DRAM and NAND storage, constitute one of the key cost components of smartphones, with their importance continuing to increase in recent years. From 2021 to 2025, memory prices experienced relatively cyclical but overall moderate fluctuations, primarily driven by supply-demand dynamics in the global semiconductor industry. However, since late 2023 and into 2025, memory prices have entered a new upward cycle, driven by production discipline among leading suppliers and, more importantly, the rapid growth in demand for high-performance memory associated with AI-enabled devices and applications. As smartphones increasingly integrate on-device AI capabilities, the demand for higher-capacity and higher-bandwidth memory is expected to further increase. Looking forward, supported by the growing adoption of on-device AI, higher storage requirements, and continued technological advancements, DRAM and NAND prices are expected to trend upward, with memory becoming an increasingly important cost component in smartphone.

Competitive Landscape of the Mobile Phone Market in Emerging Markets

The company is the largest player in the mobile phone market as well as the third largest smart phone provider in emerging markets. In terms of revenue, the Company ranks second, seventh, seventh, fourth, and fifth in the mobile phone markets in Africa, emerging APAC, Latin America, Middle East and Central and Eastern Europe, respectively.

Ranking of Global Mobile Phone Market in Emerging Markets, in terms of sales volume						Ranking of Global Mobile Phone Market in Emerging Markets, in terms of revenue					
Ranking	Company	Sales Volume of Mobile Phones (Million, 2025)	Market Share (Mobile Phones, %)	Of which: Sales Volume of Smart Phones (Million, 2025)	Market Share (Smart Phones, %)	Ranking	Company	Revenue of Mobile Phones (USD Billion, 2025)	Market Share (Mobile Phones, %)	Of which: Revenue of Smart Phones (USD Billion, 2025)	Market Share (Smart Phones, %)
1	The Company	169	20.0%	97	14.2%	1	Company A	34	19.5%	34	19.8%
2	Company B	147	17.3%	147	21.6%	2	Company B	34	19.2%	34	19.4%
3	Company C	105	12.4%	105	15.4%	3	Company C	14	8.2%	14	8.3%
4	Company A	56	6.6%	56	8.2%	4	Company E	10	5.4%	10	5.5%
5	Company D	56	6.6%	56	8.2%	5	The Company	8	4.7%	8	4.4%

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Source: Public information, Expert interview, Frost & Sullivan

Entry Barriers in the Mobile Phone Market in Emerging Markets

- **Brand barriers.** Consumers typically have a preference for well-established brands, especially international brands with high recognition in emerging markets. Established players with leading market positions can enjoy strong customer loyalty, making it difficult for new entrants to build awareness and earn consumer trust in the short term. At the same time, players that offer a wide range of smart devices and mobile Internet services benefit from stronger brand and product synergies, which further increases brand barriers and overall competitive advantages.
- **Distributorship barriers.** The channel structure in emerging markets often differs from that in developed markets, with many regions relying on traditional offline channels. Established players have already built strong distribution networks particularly partnerships with local distributors. New entrants lacking such local channel resources as established may face sales bottlenecks and encounter difficulties in market expansion in the short term.
- **Technological barriers.** Competition in the mobile phone market increasingly driven by technology innovation which requires strong R&D capabilities. Advanced technologies, such as AI, IoT, and AR/VR, have been important to product functions and differentiation. For example, when integrating AI to smartphones, established players that already have accumulated experience in emerging markets can leverage their strengths in local expertise to develop products that better meet their specific needs. New entrants that lack strong R&D capabilities that combined with local expertise may find it difficult to compete with established players in the short term.
- **Supply chain barriers.** In emerging markets, strong supply chain management creates an important entry barrier for mobile phone providers, including raw material sourcing, localized production, and logistics networks. Reliable raw material sourcing can impact production efficiency and cost control. Establishing local factories can reduce production and logistics costs, improve flexibility, shorten delivery time, and support product customization based on local market needs. New entrants often face limitations in delivery speed and supply chain responsiveness, which becomes a substantial barrier to market entry.

Threats and Challenges in the Mobile Phone Market in Emerging Markets

- **User demand for new mobile phones.** As the mobile phone market expands in emerging markets, users will develop a need to upgrade their devices. This means providers must stimulate upgrade demand through product innovation and differentiated features, thereby placing higher demands on companies' product portfolios.

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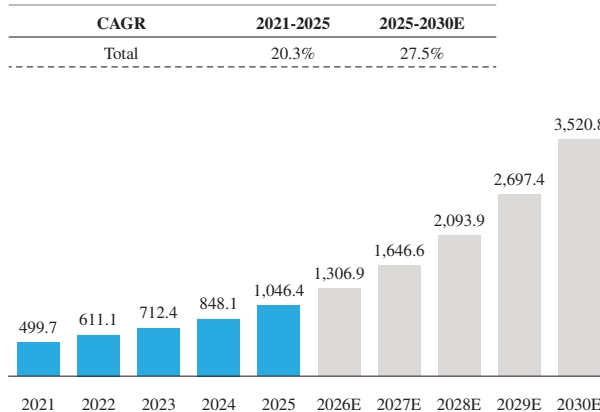
- **Localized operational capabilities.** Market environments in emerging markets are diverse, with significant differences across countries in retail systems, carrier channels, legal frameworks, and local cultures. When expanding into emerging markets, providers need to establish more flexible and comprehensive localized operational capabilities.

OVERVIEW OF MOBILE INTERNET SERVICE MARKET IN EMERGING MARKETS

Development of Mobile Internet Service Market

Mobile Internet services refer to online services and applications delivered and accessed through smart devices and mobile Internet, which include mobile Internet advertising, e-commerce and various software application for both individual users and enterprises, aiming to provide users with a more efficient digital experience.

Mobile Internet Service in Emerging Markets, in terms of Revenue
USD Billion, 2021-2030E



Source: Public information, Expert interview, Frost & Sullivan

Drivers and Future Trends of the Mobile Internet Service Market in Emerging Markets

- **Rapid development of Internet infrastructure.** Emerging markets, especially Africa and Middle East have been improving Internet infrastructure, particularly in mobile broadband and 4G/5G network coverage. These improvements make it easier for individual users and enterprises to access online services, which further drive the growth of the mobile Internet market.
- **Widespread use of smartphones.** Compared with traditional PCs, smartphones are smaller and easier to carry, allowing users to access the Internet anytime and anywhere via various applications such as social media, online payments, e-commerce, which drives user engagement and further accelerates the growth of mobile Internet services.

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- ***Personalized and AI-driven mobile Internet services.*** Social media applications, entertainment applications, e-commerce platforms, and others are expected to integrate more AI functions to provide more personalized and intelligent services. By analyzing user behavior and preferences, AI can recommend customized content and products, enhancing user experience and strengthening platform stickiness.
- ***More localized content and local innovation.*** Consumers in emerging markets have different cultural backgrounds, language habits, and entertainment preferences. Mobile Internet service providers are expected to create more localized content based on the needs and habits of each region, which facilitates expansion of the potential user base and improvement of user engagement and satisfaction.

Entry Barriers in the Mobile Internet Service Market in Emerging Markets

- ***Partnership barriers with smartphone providers.*** In emerging markets, mobile Internet services are empowered by the ecosystems of smartphone brands for user reach. Partnerships such as pre-installation of applications with major smartphone brands can improve user acquisition. These partnerships are usually led by leading players with large user bases and mature service capabilities, which can’t be accessed by new entrants in the short term.
- ***Barriers to understanding the local market.*** Consumer preferences in emerging markets may differ from those in developed markets. New entrants need to tailor their services and marketing strategies to local culture and consumption habits. New entrants may lack the accumulated insights needed to deliver tailored services and effective marketing strategies in the short term.
- ***Brand barriers.*** In emerging markets, brand awareness and user trust are crucial for mobile Internet service providers to build a strong market position. Users prefer platforms and apps with high recognition and good reputation. For new entrants without established brand strength, building trust and influence requires significant marketing efforts.

Threats and Challenges in the Mobile Phone Market in Emerging Markets

- ***Adapting to the regulatory environment.*** Data governance, digital content regulation, and platform policies are different across countries and require providers to adapt to diverse regulatory environments as they expand into new markets.
- ***Differences in usage habits.*** There are variations in mobile Internet usage habits across different countries. This means that providers must take into account the needs of different user groups when designing products and delivering service, and this challenge is driving companies to develop more adaptable applications.

INDUSTRY OVERVIEW

OTHER OPPORTUNITIES IN EMERGING MARKETS

Emerging markets offer many new opportunities due to their strong economic growth potential and large populations. Key opportunity areas include IoT products, energy storage products, and lightweight electric mobility devices.

Development of the IoT Product Market in Emerging Markets

IoT products primarily include connected devices equipped with software and network functions that improve user experience and support the broader Internet of Things ecosystem. These devices primarily include laptops, tablets, TWS (True Wireless Stereo) earphones, smartwatches, and smart home appliances. As network infrastructure in emerging markets continues to improve and cross-scenario connectivity becomes more advanced, IoT products can be used across home, mobility, and workplace settings. IoT product market in emerging markets grew from USD91.3 billion in 2021 to USD156.9 billion in 2025, with a CAGR of 14.5%. It is expected to further increase to USD395.3 billion by 2030, with a CAGR of 20.3% from 2025 to 2030. With continuous progress in AI technologies, IoT products are moving toward cross-device and cross-scenario integration, enabling data sharing and functional coordination across different products. This development will further improve user experience and support ongoing market growth. The threats and challenges of IoT product market in emerging markets mainly include price sensitivity and different consumer demands. The entry barriers of IoT product market in emerging markets mainly include distribution network development and brand and marketing capability.

Development of the Energy Storage Product Market in Emerging Markets

Energy storage products retain energy and release it when needed. Particularly in emerging markets, these products help households and small businesses manage unstable electricity supply and high-power costs. As adoption of solar power becomes more common, energy storage systems have become an important part of household and small businesses. The energy storage market in emerging markets grew from USD51.0 billion in 2021 to USD80.6 billion in 2025, with a CAGR of 12.1%. It is expected to further increase to USD174.6 billion by 2030, with a CAGR of 16.7% from 2025 to 2030. The threats and challenges of energy storage product market in emerging markets mainly include evolving technology pathways and evolving technical standards. The entry barriers of energy storage product market in emerging markets mainly include system integration and engineering capability, and project development and operational experience.

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Development of the Lightweight Electric Mobility Device Market in Emerging Markets

Lightweight electric mobility device refers to two and three-wheel personal vehicles powered by onboard batteries and electric motors, with pedal-assist or full electric drive modes. These vehicles offer zero emissions, low noise, and smart management features. In many emerging markets, as urbanization speeds up and commuting needs rise, lightweight electric mobility devices have become a main choice for local transportation due to its low cost, environmental benefits, easy maintenance and local transportation infrastructure. This has created strong growth opportunities for lightweight electric mobility devices in emerging markets. The market grew from USD9.2 billion in 2021 to USD14.4 billion in 2025, with a CAGR of 11.8%. It is expected to increase further to USD28.5 billion by 2030, with a CAGR of 14.5% from 2025 to 2030. The threats and challenges of the lightweight electric mobility market in emerging markets mainly include expectations for product performance and the evolving supporting service ecosystem. The entry barriers of the lightweight electric mobility market in emerging markets mainly include manufacturing capability, brand trust, and reliability.

SOURCE OF INFORMATION

In connection with the [REDACTED], we have engaged Frost & Sullivan to conduct a detailed analysis and prepare an industry report on the markets in which we operate (the “Frost & Sullivan Report”). Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries. We have agreed to a total of RMB600,000 in fees and expenses for the preparation and use of the Frost & Sullivan Report. The payment of such an amount was not contingent upon our successful [REDACTED] or on the results of the Frost & Sullivan Report. Apart from the Frost & Sullivan Report, we have not commissioned any other industry report in connection with the [REDACTED].

We have extracted certain information from the Frost & Sullivan Report in this section, as well as in the sections headed “Summary,” “Risk Factors,” “Business,” “Financial Information” and elsewhere in this document to provide our potential [REDACTED] with a more comprehensive presentation of the industries in which we operate. Unless otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report, various official government publications and other publications. Frost & Sullivan prepared its report based on its in-house database, independent third-party reports and publicly available data from reputable industry organizations. Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesize information in relation to the market, prices and other relevant information. Frost & Sullivan believes that the basic assumptions used in preparing the Frost & Sullivan Report, including those used to make future projections, are factual, correct and not misleading. Frost & Sullivan has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan’s research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN THE PRC

This section sets out summaries of certain aspects of PRC laws, regulations and policies, which are relevant to business operations of our Company.

Laws and Regulations Relating to Foreign Investment

Overseas investors’ investment activities in the PRC are principally governed by the Catalog of Encouraged Industries for Foreign Investment (《鼓勵外商投資產業目錄》), and the Special Administrative Measures (Negative List) for Foreign Investment Access (《外商投資准入特別管理措施(負面清單)》), which are promulgated and amended from time to time by the Ministry of Commerce (the “MOFCOM”) and the NDRC, and together with the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “Foreign Investment Law”) and its respective implementation rules and ancillary regulations.

The Foreign Investment Law, which was promulgated by the NPC on March 15, 2019 and implemented on January 1, 2020, establishes the management system for pre-access national treatment and negative list for foreign investment in the PRC. In addition, the Regulation for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the “Implementation Regulations”), which came into effect on January 1, 2020, further stipulates that the PRC shall, according to the needs of national economic and social development, formulate a catalog of encouraged foreign-invested industries, and specify the specific industries, fields and regions in which foreign investors are encouraged and guided to invest.

The NDRC and the MOFCOM jointly revised and issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “Negative List”) on September 6, 2024, which came into effect on November 1, 2024. Pursuant to the Foreign Investment Law, the Implementation Regulations and the Negative List, overseas investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are generally deemed “permitted” for foreign investments.

Regulations in relation to Overseas Investment

Pursuant to the Administrative Measures for Overseas Investments (《境外投資管理辦法》) which was promulgated by the MOFCOM on September 6, 2014 and came into effect on October 6, 2014, the MOFCOM and provincial competent commerce departments shall conduct filing or approval management depending on different circumstances of overseas investments of enterprises. Overseas investments involving any sensitive country or region, or any sensitive industry shall be subject to approval management, overseas investments under other circumstances shall be subject to filing management.

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Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) which was promulgated by the NDRC on December 26, 2017 and came in effect on March 1, 2018, an enterprise located within the territory of the PRC making an outbound investment shall go through such formalities as the approval and filing for the outbound investment project, the reporting of relevant information, and the cooperation in the supervision and inspection over the outbound investment. On February 13, 2015, SAFE issued the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (part of which was abolished on December 30, 2019), abolishing the verification and approval of foreign exchange registration of overseas direct investment. The banks shall directly examine and handle foreign exchange registration of overseas direct investment. SAFE and its branches shall conduct indirect regulation of foreign exchange registration of overseas direct investment via banks.

Laws and Regulations Relating to Cybersecurity and Data Security

Cybersecurity

Pursuant to the Law of the PRC on State Security (《中華人民共和國國家安全法》) promulgated by the Standing Committee of the National People’s Congress (the “SCNPC”) on July 1, 2015, which became effective on the same date, the State shall establish a system and mechanism for national security examination and supervision, and carry out national security examination of key technology and networking information technology products as well as services relating to national security, so as to effectively prevent and eliminate national security risks. The Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the “Cybersecurity Law”) promulgated by the SCNPC on November 7, 2016 and became effective on June 1, 2017 requires network operators to perform certain functions related to cyber security protection and strengthen the network information management. When collecting and using personal information, in accordance with the Cybersecurity Law, network operators shall abide by the “lawful, justifiable and necessary” principles. Network operators shall collect and use personal information by announcing rules for collection and use, expressly notify the purpose, methods and scope of such collection and use, and obtain the consent of the person whose personal information is to be collected. On October 28, 2025, the SCNPC adopted the Decision to Amend the Cybersecurity Law of the PRC (《關於修改<中華人民共和國網絡安全法>的決定》), which shall take effect from January 1, 2026. The amended Cybersecurity Law adds framework provisions for artificial intelligence security and development, increases penalties for cybersecurity violations, and improves the legal liabilities for acts that endanger network operation security, network product and service security, and network information security.

REGULATORY OVERVIEW

Data protection

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the “Data Security Law”), which became effective on September 1, 2021. The Data Security Law provides for data security obligations on entities and individuals carrying out data activities. The Data Security Law also introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken for each respective category of data.

Laws and Regulations Relating to Intellectual Property

Patent

The Patent Law of the PRC (《中華人民共和國專利法》) (the “Patent Law”) was promulgated by the SCNPC on March 12, 1984 and latest amended on October 17, 2020 and came into effect on June 1, 2021, and the Implementing Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) (the “Implementing Rules”), promulgated by the State Council on June 15, 2001 and latest amended on December 11, 2023, came into effect on January 20, 2024. There are three types of patents, namely “invention,” “utility model” and “design.” The duration of patent rights for an invention shall be 20 years, the duration of patent rights for a utility model shall be 10 years and the duration of patent rights for a design shall be 15 years, commencing from the filing date.

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》), promulgated by the SCNPC on August 23, 1982 and latest amended on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), promulgated by the State Council on August 3, 2002 and latest amended on April 29, 2014 and came into effect on May 1, 2014, trademarks approved and registered by the Trademark Bureau are registered trademarks, including commodity trademarks, service marks and collective trademarks, certification marks. Trademark registrants enjoy exclusive rights to use trademarks and grants a term of 10 years to registered trademarks, commencing from the date of registration. Upon expiry of the validity period of a registered trademark, where the trademark registrant intends to continue using the trademark, it shall complete renewal formalities pursuant to the provisions within the 12-month period before the expiry date; where renewal formalities are not completed within the stipulated period, a six-month extension may be allowed. The validity period of each renewal shall be 10 years, commencing from the date following expiry of the preceding validity period of the said trademark. Where renewal formalities are not completed upon expiry of the validity period, the registered trademark shall be canceled.

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Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》), promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and came into effect on June 1, 2021, and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》), promulgated by the State Council on August 2, 2002, last amended on January 30, 2013 and came into effect on March 1, 2013, Chinese citizens, legal persons or organizations without legal personality enjoy copyright over their works, whether published or not.

Pursuant to the Regulations on the Protection of Computer Software (《計算機軟件保護條例》), promulgated by the State Council on December 20, 2001, last amended on January 30, 2013 and effective on March 1, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), promulgated by the National Copyright Administration on February 20, 2002, “computer software” (the “software”) refers to computer programs and related files. Chinese citizens, legal persons or other organizations enjoy the copyright of the software he/it has developed, whether the software is released publicly or not. Software copyright commences from the date on which the development of the software is completed. The protection period for software copyright of a legal person or other organization shall be 50 years, concluding on December 31, of the 50th year after the software’s initial release. But if the software has not been released within 50 years from the date on which the software development is completed, it shall no longer receive protection.

Domain name

The Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) was promulgated by the MIIT on August 24, 2017 and became effective on November 1, 2017. The MIIT is the main regulatory authority responsible for implementing supervision and administration over domain name services nationwide. Domain names registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

Laws and Regulations Relating to Import and Export Trade

Pursuant to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》), promulgated by the SCNPC on May 12, 1994, and latest amended on December 30, 2022, and the Regulations on the PRC on the Administration of the Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) issued by the State Council of the PRC on December 10, 2001, effective on January 1, 2002, and last amended on March 10, 2024, the State Council of the PRC shall allow free importation and exportation of goods, and maintain fair, free and orderly import and export trade in goods except for the goods which is explicitly prohibited or restricted by laws or administrative regulations.

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The Provisions on the Registration of Customs Declaration Entities of the People’s Republic of China (《中華人民共和國海關報關單位備案管理規定》), which was promulgated by the General Administration of Customs of the PRC (the “GAC”) on November 19, 2021 and became effective on January 1, 2022, the consignee or consignor of imported or exported goods or a customs declaration enterprise needs only to apply for record-filing to the customs, with no registration with the GAC necessary any longer. The record-filing information shall be made public via the Import and Export Credit Information Publicity Platform of the Customs of China. According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994, and latest amended on December 30, 2022, the requirements for foreign trade operators engaging in goods or technology import and export to go through the record-filing registration with the foreign trade department of the State Council or its authorized agencies have been abolished.

Regulations on Product Quality

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993, latest amended on December 29, 2018, and effective on the same day, producers and sellers shall be prohibited to produce or sell industrial products that do not meet the requirements and demands for physical health and safety of body and property. Producers shall be responsible for the quality of the products they produce, and the products shall not pose unreasonable danger to personal or property safety. The products shall have functional performance and the adopted product standards shall be indicated on the products or their packaging. If a defect in the product causes damage to the person or property of others, the victim may claim compensation from the producer of the product or from the seller of the product. Producers or sellers who produce or sell substandard products will be ordered to cease production and sales, the illegally produced or sold products will be confiscated, and a fine will be imposed.

Laws and Regulations Relating to Leasing

The Urban Real Estate Administration Law of the PRC (《中華人民共和國城市房地產管理法》), which took effect on January 1, 1995 with the latest amendment on August 26, 2019, provides that lessors and lessees are required to enter into a written lease contract. Both lessors and lessees are also required to file for registration and record the lease contract with the real estate administration department. Pursuant to Administrative Measures for Commodity Housing Leasing, which took effect on February 1, 2011, if the lessor and lessee fail to go through the registration procedures timely provided that the competent administrative authority ordered to rectify within a time limit, both lessor and lessee may be subject to fines. Such lease is valid and binding according to Provisions of the Supreme People’s Court on Certain Issues Related to the Application of Law in the Trial of Civil Cases Involving Disputes on Housing Lease in Cities and Suburban Areas (2020 Amendment) (《最高人民法院關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋》(2020修正)).

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Laws and Regulations Relating to Employment

Labor law and labor contract law

According to the Labor Law of the PRC (《中華人民共和國勞動法》), promulgated by the SCNPC on July 5, 1994 and latest amended on December 29, 2018, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), promulgated by the SCNPC on June 29, 2007, latest amended on December 28, 2012 and effective on July 1, 2013, a labor contract shall be concluded for establishment of work relationships. Wages paid by the employers to their employees shall not be less than the local minimum wage standards. Employers shall establish a comprehensive management system to protect the rights of their employees, including a system governing occupational health and safety to provide employees with occupational training to prevent occupational injury.

Social insurance and housing provident fund

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was promulgated on October 28, 2010 and with effect from July 1, 2011 and latest amended on December 29, employers must provide social insurance and pay or withhold the relevant social insurance premiums for or on behalf of employees. Where an employer fails to pay social insurance premiums in full or on time, the social insurance premium collection agency may order it to pay or make up the balance within a prescribed time limit, and may impose a daily late fee at the rate of 0.05% of the outstanding amount from the due date; if still failing to pay within the time limit prescribed, a fine of one time to three times the amount in default may be imposed on them by the competent administrative department. Pursuant to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) which was promulgated on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, employers shall timely pay the housing provident fund in full and overdue or insufficient payment shall be prohibited. When enterprises violate those provisions and fail to pay the housing provident fund in full amount as due, the housing provident fund administrative center may order such enterprises to pay up the amount within a prescribed period; if those enterprises still fail to comply with the regulations upon the expiration of the above-mentioned time limit, further application will be made to the People’s Court for mandatory enforcement.

Laws and Regulations Relating to Taxation

Enterprise income tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) amended by the SCNPC and effective on December 29, 2018, and the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) amended by the State Council and effective on January 20, 2025, an enterprise which is established within the PRC in accordance with the laws or established in accordance with any laws of foreign country (region) but with an actual management entity within the PRC shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT of 25% of any

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income generated within or outside the PRC. Preferential enterprise income tax is granted to regions and industries that are supported and encouraged by the country. For high and new technology enterprises that need key support of the country are entitled to enjoy the reduced enterprise income tax rate of 15%.

Dividend withholding tax

Pursuant to the Arrangement Between Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation on Income and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%.

VAT

Pursuant to the Provisional Regulation of China on Value-Added Taxes (《中華人民共和國增值稅暫行條例》), as amended in 2017, entities and individuals that sell goods, provide labor services of processing, repairs or maintenance, or sell services, intangible assets or real property in China, or import goods to the PRC, are subject to VAT at a rate ranging from 6% to 17%. With the VAT reforms in the PRC, the rate of VAT has been changed several times. According to the Notice on Adjusting VAT Rates (《關於調整增值稅稅率的通知》) issued by the Ministry of Finance and the STA on April 4, 2018, the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods are adjusted to 16% and 10%, respectively, this adjustment became effective on May 1, 2018. According to the Announcement on Relevant Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) jointly issued by the Ministry of Finance, the STA and the General Administration of Customs on March 20, 2019, further adjustment was made on VAT reform, which came into effect on April 1, 2019. The tax rate of 16% applicable to the VAT taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%. On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which took effect on effective on January 1, 2026.

Urban Maintenance and Construction Tax

In accordance with the Urban Maintenance and Construction Tax Law of the PRC (《中華人民共和國城市維護建設稅法》) which was promulgated by the SCNPC on August 11, 2020 and came effect on September 1, 2021 and the Notice of the State Council on Harmonizing the Urban Maintenance and Construction Tax and Educational Surcharges for Chinese and Foreign-funded Enterprises and Individuals (《國務院關於統一內外資企業和個人城市維護建設稅和教育費附加制度的通知》) which was promulgated by the State Council on October 18, 2010 and latest effective on December 1, 2010, entities and individuals which are subject to

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consumption tax and VAT shall pay urban maintenance and construction tax. The tax rate is 7% for a taxpayer who is domiciled in a downtown area, and 5% for a taxpayer who is domiciled in a county or town, and 1% for a taxpayer who is domiciled outside a downtown area, county or town.

Laws and Regulations on Environmental Protection and Fire Safety and Production Safety

Laws and regulations on environment protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), promulgated by the SCNPC on December 26, 1989 and last amended on April 24, 2014, outlines the authorities and duties of various environmental protection regulatory agencies. The environmental protection department of the State Council is authorized to issue national standards for environmental quality and pollutant emissions, and to implement unified supervision and administration of environmental protection work nationwide. Meanwhile, local environment protection authorities may formulate local standards which are more rigorous than the national standards, in which case, the concerned enterprises must comply with both the national standards and the local standards.

Laws and regulations on fire safety

According to the Fire Protection Law of the People’s Republic of China (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998 and last amended on April 29, 2021, the fire prevention design and construction of a construction project must conform to the national fire prevention technical standards for project construction. For construction projects that require fire prevention design in accordance with the national fire prevention technical standards, the fire prevention design review and acceptance system for construction projects shall be implemented. Construction projects which are subject to fire control acceptance inspection according to law shall not be put into use without fire control acceptance inspection or failing to pass fire control acceptance inspection. Other construction projects which fail to pass the legal spot checks shall cease to be used.

Laws and regulations on production safety

Pursuant to the Production Safety Law of the PRC (《中華人民共和國安全生產法》) (the “Production Safety Law”), promulgated by the SCNPC on June 29, 2002 and implemented on November 1, 2002, and last revised on June 10, 2021, entities engaged in production and business activities in mainland China shall comply with the Production Safety Law and other laws and regulations related to production safety. Entities shall strengthen the management, establish and improve responsibility systems and policies, improve conditions, promote the development of production safety standards, and improve the production level to ensure their production safety.

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Laws and Regulations Relating to Overseas Securities Offering and Listing by Domestic Companies

Pursuant to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), hereinafter referred to as the “Overseas Listing Trial Measures”) together with supporting guidelines promulgated by the CSRC on February 17, 2023, the Overseas Listing Trial Measures officially came into effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic companies’ securities and uniformly regulate both direct and indirect overseas offering and listing of PRC domestic companies’ securities. All PRC domestic companies that seek to offer or list securities on overseas markets are required to fulfill the filing procedure with the CSRC in accordance with the Overseas Listing Trial Measures. The Overseas Listing Trial Measures clearly stipulates that if the issuer is a joint stock company with limited liability registered and established in the PRC in accordance with Chinese laws, its overseas offering and listing of securities shall be recognized as a direct overseas offering and listing by a PRC domestic company. According to the Overseas Listing Trial Measures, the issuer must submit corresponding filing application documents to the CSRC within 3 working days after submitting its public offering application documents to the overseas securities regulatory authorities.

LAWS AND REGULATIONS RELATED TO OUR OPERATIONS OVERSEAS

As of December 31, 2025, we had established subsidiaries in 30 overseas countries and regions. During the Track Record Period, we sold our products to over 100 countries and region worldwide. We are subject to a variety of laws and regulations across a number of aspects of our business. This section sets forth a summary of the most significant laws and regulations in jurisdictions where our material subsidiaries are located. Such subsidiaries include those that (i) each account for at least 5% of the Group’s revenue, assets or profits (after intra-group adjustments) in any given year of the Track Record Period; and/or (ii) have manufacturing or production as their principal business; and/or (iii) own key intellectual property and/or are important to the Company’s R&D.

LAWS AND REGULATIONS RELATED TO OUR OPERATIONS IN HONG KONG

Laws and Regulations Relating to Import and Export (Registration) Regulations

Pursuant to regulations 4 and 5 of the Import and Export (Registration) Regulations, every person, including company, who imports or exports or re-exports any article other than an exempted article set out in regulation 3 of the Import and Export (Registration) Regulations shall lodge with the Commissioner of Customs and Excise and any Deputy or Assistant Commissioner of Customs and Excise of Hong Kong (the “**Commissioner**”) an accurate and complete import or export declaration relating to such article using services provided by a

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specified body, in accordance with the requirements that the Commissioner may specify. Every declaration required to be lodged shall be lodged within 14 days after the importation or exportation of the article to which it relates.

Laws and Regulations Relating to Business Registration

The Business Registration Ordinance requires every person (a company or individual) carrying on a business in Hong Kong to register with the Inland Revenue Department and to obtain a business registration certificate within one month of the commencement of the business. Such business registration serves to notify the Inland Revenue Department of the establishment of a business in Hong Kong and therefore, designed to facilitate the Inland Revenue Department to collect tax from businesses in Hong Kong.

Laws and Regulations Relating to Taxation

Hong Kong imposes profits tax on entities, including companies and individuals, conducting trade, professional, or business activities within its jurisdiction, with tax liability limited to profits that are sourced from Hong Kong. Profits realized from the sale of capital assets are not subject to profits tax. Determinations regarding whether an activity qualifies as a trade, profession or business, whether a gain is capital or revenue in nature, and whether profits are arising in or derived from Hong Kong are all factual matters. For corporations, from the 2018/19 assessment year onward, the first HK\$2 million of assessable profits is taxed at 8.25%, and any portion exceeding HK\$2 million is taxed at 16.5% under the current Hong Kong Inland Revenue Ordinance.

Tax Treaties According to the Treaty on the Avoidance of Double Taxation and Tax Evasion between Mainland and Hong Kong (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) (the “Tax Treaty”) entered into between Mainland China and HKSAR on August 21, 2006, if the non-PRC parent company of a PRC enterprise is a Hong Kong resident which beneficially owns 25% or more interest in the PRC enterprise, the 10% withholding tax rate applicable under the EIT Law may be lowered to 5% for dividends and 7% for interest payments once approvals have been obtained from the relevant tax authorities.

Laws and Regulations Relating to Employment

The main legislations governing employment matters in Hong Kong include: (i) the Employment Ordinance; (ii) Minimum Wage Ordinance; (iii) Occupational Retirement Schemes Ordinance; (iv) Mandatory Provident Fund Schemes Ordinance; (v) Employees’ Compensation Ordinance; and (vi) Occupational Safety and Health Ordinance. While these laws do not require employment contracts to be in written form, employers must provide employees with details of their employment terms upon request. Employees should receive wages that meet or exceed the statutory minimum wage, and payment must be made within seven days after the end of the wage period. Employers are also required to maintain adequate compensation insurance to cover liabilities for work-related injuries or accidents. Additionally,

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employers must ensure a safe and healthy working environment and take appropriate workplace safety measures. Failure to comply with these regulations may result in legal penalties, including fines, imprisonment, or employee claims.

LAWS AND REGULATIONS RELATED TO OUR OPERATIONS IN SINGAPORE

Laws and Regulations Relating to Telecommunications

The Telecommunications Act 1999 of Singapore (“**TA**”) and the regulations promulgated thereunder regulate the operation and provision of telecommunication systems and services in Singapore, and for the matters therewith. The regulatory authority that administers the TA is the Infocomm Media Development Authority of Singapore (“**IMDA**”). Under the Telecommunications (Dealers) Regulations (“**Dealers Regulations**”), which are promulgated under the TA, a person who manufactures, imports for sale, lets for hire, sells, or offers or possesses for sale any equipment which is capable of being used for the purpose of telecommunication (referred to as a “**dealer**”) requires a license in order to carry on such activities. Under Regulation 3 of the Dealers Regulations (which are promulgated under TA), a person who manufactures, imports, lets for hire, sells, or offers or possesses for sale any telecommunication equipment registered for sale under Regulation 20(6) of the Dealers Regulations or telecommunication equipment set out in the First Schedule of the Dealers Regulations (“**Telecommunication Equipment**”) shall be deemed to have been granted a dealer’s class license for that purpose (“**Dealer’s Class License**”). FS Singapore holds such a Dealer’s Class License. A holder of a Dealer’s Class License who is carrying on any business or trade as a dealer (i.e. a person who manufactures, imports for sale, lets for hire, sells, or offers or possesses for sale any equipment which is capable of being used for the purpose of telecommunication) shall, in turn, register with the IMDA each of the premises under his control or occupation where he manufactures, imports, lets for hire, sells or offers or possesses for sale any telecommunication equipment. A Dealer’s Class License shall remain valid unless it is canceled in accordance with the terms of the TA or the Dealers Regulations.

Laws and Regulations Relating to Import and Export

The Regulation of Imports and Exports Act 1995 of Singapore (“**RIEA**”) and the regulations promulgated thereunder govern imports and exports in Singapore. The RIEA is administered by the Director-General of Customs of Singapore appointed under the Customs Act 1960 of Singapore. Under the Regulation of Imports and Exports Regulations (“**RIER**”), promulgated under the RIEA, save as otherwise provided therein, no goods shall be imported into Singapore, exported out of Singapore, or transhipped in Singapore, except in accordance with a permit granted by the Director-General of Customs.

An application for permit to import, export or tranship any goods is required to be made to the Director-General of Customs by (a) the importer, exporter, shipping agent, air cargo agent, freight forwarder or common carrier, as the case may be, or (b) a declarant, who have registered with the Singapore Customs. Except where otherwise provided, any person guilty of an offense under the RIER shall be liable: (a) on the first conviction, to a fine not exceeding

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S\$100,000 or three times the value of the goods in respect of which the offense was committed, whichever is the greater, or to imprisonment for a term not exceeding two years or to both; and (b) on the second or subsequent conviction to a fine not exceeding S\$200,000 or 4 times the value of the goods in respect of which the offense was committed, whichever is the greater, or to imprisonment for a term not exceeding three years or to both.

Laws and Regulations Relating to Taxation

A company is regarded as a tax resident in Singapore when the control and management of our company is exercised in Singapore. Corporate taxpayers (both Singapore tax residents and non-residents) are subject to Singapore income tax on income accruing in or derived from Singapore and income received in Singapore from outside Singapore, unless specifically exempt from income tax. Pursuant to the Income Tax Act 1947, exemption will be granted to a Singapore tax resident corporate taxpayer on its foreign-sourced dividends, foreign branch profits and foreign-sourced service income received or deemed to be received in Singapore provided certain qualifying conditions are met.

Laws and Regulations Relating to General Employment of Personnel

The Employment Act 1968 of Singapore (the “**Employment Act**”) is the main legislation governing employment in Singapore. The Employment Act is administered by the Ministry of Manpower of Singapore (the “**MOM**”) and sets out the basic terms and conditions of employment and responsibility of employers as well as employees. Part IV of the Employment Act governs working hours, leave and other conditions of service for certain employees below specified salary thresholds, while Part X provides for paid public holidays and sick leave for all employees covered, regardless of salary level. Following the amendments to the Employment Act in effect from 1 April 2016, all employers must issue key employment terms (the “**KETs**”) in writing to employees covered under the Employment Act. KETs which are not applicable to specific employees may be excluded from their contracts.

LAWS AND REGULATIONS RELATED TO OUR OPERATIONS IN INDIA

Laws and Regulations Relating to Information Technology and Data Protection

The Information Technology Act, 2000 (“**IT Act**”), provides a legal framework for various aspects of digital transactions, data privacy and protection, cybersecurity, and cybercrime in India. It outlines penalties for cyber offenses and establishes mechanisms for addressing them. The Sensitive Personal Data or Information (“**SPDI**”) Rules, 2011, framed under the Information Technology Act, 2000, establishes a framework for the protection and management of sensitive personal data in India. The primary aim of the SPDI Rules is to safeguard individuals’ sensitive personal information by mandating reasonable security practices and procedures for organizations that collect, store, process, or transfer such data. SPDI Rules seek to prevent unauthorized access, disclosure, or misuse of sensitive personal data or information, thereby protecting privacy rights.

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Laws and Regulations Relating to Product Liability

The Consumer Protection Act, 2019 (“**CP Act**”) aims to address the evolving landscape of consumer markets, including e-commerce and online transactions. CP Act introduces the concept of product liability, holding manufacturers, sellers, and service providers accountable for defective products and services.

Laws and Regulations relating to Corporate Governance and Foreign Exchange Transactions

The Companies Act, 2013 governs the incorporation, regulation, management, governance and dissolution of companies. It aims to promote corporate governance, protect the interests of shareholders and other stakeholders, ensure transparency and accountability, facilitate ease of doing business, and regulate financial and managerial aspects of companies. Secretarial Standards (approved by the Central Government under the Companies Act, 2013), are professional guidelines that enhance the quality and transparency in corporate governance practices, specifically regarding company meetings. These Standards aim to ensure uniformity, accountability, and legal compliance in the conduct of Board meetings and General meetings across companies incorporated under the Companies Act, 2013. They serve to assist companies in adhering strictly to the procedural and disclosure requirements mandated by law.

The Foreign Exchange Management Act, 1999 (“**FEMA**”), is a comprehensive legislation which governs foreign exchange transactions and aims to facilitate external trade and international payments, making it easier for Indian businesses and individuals to engage in global commerce. Additionally, FEMA provides clear regulatory procedures for foreign exchange transactions, ensuring transparency and ease of compliance for all stakeholders. The Foreign Trade (Development and Regulation) Act, 1992 (“**FTDR Act**”) provides the legal framework for the development and regulation of foreign trade by facilitating imports and increasing exports. Section 7 of FTDR Act mandates that no person shall make any import or export without an Importer Exporter Code number granted by the Directorate General of Foreign Trade.

Laws and Regulations Relating to Employment

The Payment of Gratuity Act, 1972 (“**Gratuity Act**”) aims to provide financial security and social protection to employees in factories, mines, oilfields, plantations, ports, railway companies, shops and other establishments employing ten or more persons. By mandating a uniform scheme nationwide, Gratuity Act prevents disparity in gratuity payments across industries and regions and fosters employees’ confidence in the stability of their post service income. The Minimum Wages Act, 1948’s primary objective is to guarantee that every worker is paid at least the statutory minimum wage for their employment. Minimum Wages Act empowers both the Central and State Governments to fix, review, and revise minimum rates of wages for scheduled employments and groups of workers, taking into account the cost of living, the need for social security, and regional economic conditions. In case any company has its establishments in multiple States in India, respective State specific Shops and Establishment Act will also be relevant, if applicable.

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Laws and Regulations Relating to Taxation

The Income Tax Act, 1961 (“**Tax Act**”) is India’s principal statute governing the levy, administration, and collection of direct taxes from any assessee, which includes a company. The Goods and Services Tax Act, 2017 (“**GST Act**”) is a comprehensive, destination based consumption tax that replaced India’s cascading indirect tax regime by subsuming multiple central and state levies into a single unified levy. By integrating central excise duty, service tax, value-added tax, and several other levies, GST Act fosters ease of doing business and reduces transaction costs.

LAWS AND REGULATIONS RELATED TO OUR OPERATIONS IN BANGLADESH

Relevant Laws and Regulations on Incorporation, Operation and Management

The Companies Act, 1994 of Bangladesh (the “**Company Law**”) governs all Bangladeshi companies from incorporation up to winding-up and dissolution. The Company Law also requires the companies, among other things, to hold directors’ meeting quarterly and one annual general meeting every year followed by filing of annual return along with audited accounts with the Registrar of Joint Stock Companies and Firms. The Company Law also sets out the procedures for passing special and extraordinary resolutions, transfer of shares, maintenance of books, accounts and registers, and issue of capital. The Contract Act, 1872 in general governs the contractual terms among parties.

Foreign Exchange Regulations

Any investment activities conducted by foreign investors in Bangladesh are subject to the Guidelines to Foreign Exchange Transactions 2009 (“**GFET**”) issued by the Bangladesh Bank (“**BB**”) — the central Bank of Bangladesh, pursuant to the Foreign Exchange Regulation Act, 1947. Foreign investments are allowed in all commercial and industrial sectors in Bangladesh, except for certain reserved sectors. Dealings in foreign currency are strictly regulated by the Bangladesh Bank and only authorized dealers. The Foreign Private Investment (Promotion and Protection) Act, 1980 guarantees all foreign investors repatriation of investment proceeds from Bangladesh businesses. Dividends, sale of share proceeds and liquidation residuals are freely repatriable subject to meeting taxation and other compliances as applicable. Transfer of shares involving non-residents are required to be at fair value determined by an accredited auditor as per central bank guidelines. In addition, approval is needed from BB for non-resident to resident transfers.

Relevant Laws and Regulations on Employment

In Bangladesh, the Bangladesh Labor Act, 2006 as amended time to time (“**BLA**”) read with the Labor Rules, 2015 (collectively the “**Labor Laws**”) regulates labor issues, industrial relations and employment of workers in all industries and establishments operating outside of the export processing zones in Bangladesh. Under the Labor Laws, a labor contract may be in writing or oral but the employer is required to issue a written appointment letter with specific

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items to be covered. So far, the Government of Bangladesh has declared minimum wages for certain sectors including the garments sector and for industries operating within the Export Processing Zones. The normal working hours must not exceed eight hours in one day and forty-eight hours in one week (sixty hours including overtime) under BLA. Overtime wage is paid at double rate of regular hourly rates. Employers and employees are also subject to various requirements on labor safety and hygiene at the work place such as periodic test of machinery, equipment and materials with strict requirements on labor safety, securing personal protective facilities for employees, training classes on labor safety and hygiene, and periodic health checks as elaborated in the Labor Law in detail.

LAWS AND REGULATIONS RELATED TO OUR OPERATIONS IN THE UNITED ARAB EMIRATES

Consumer and Product-Safety Regulation

The sale and distribution of electronic products are regulated by Federal Law No. 15 of 2020 on Consumer Protection, implemented through Cabinet Decision No. 66 of 2020 and Ministerial Resolution No. 26 of 2023 (“**Consumer Protection Law**”). Pursuant to the Consumer Protection Law, a supplier is required, among other obligations, to return or exchange the goods in the event of any defect discovered by the consumer and be liable for any damage resultant from the usage or consumption of goods. Moreover, a provider who provides a defective or damaged product shall be “liable to make good the harm” pursuant to Article 282 of Federal Law 8 of 1985 on Civil Transactions. Generally, a product is considered to be a “defect” if there is any fault in the designing, processing, or manufacturing of the product or it does not conform to the specifications declared by the provider. Article 4 of the Federal Law provides that a supplier shall guarantee the conformity of the commodity with the declared specifications and shall provide a warranty to repair or replace any defective goods within a reasonable period.

Laws and Regulations Relating to Employment

The governing law for the employer-employee relationships of the companies is the Federal Law No. 33 of 2021 (as amended) on the Regulation of Labor Relations (the “**Labor Law**”). Our UAE subsidiary is subject to the Labor Law for employment matters. This means that the rights and obligations of employers and employees are aligned with the overarching provisions of the Labor Law, which sets out the minimum standards for employment terms, including working hours, leave entitlements, end-of-service benefits, termination procedures and dispute resolution. The Labor Law includes statutory minimum entitlements in respect of various leave types including annual leave, sick leave, maternity leave, parental leave, study leave, bereavement leave, military service leave and occupational safety as mandated by the Ministry of Human Resources and Emiratization (“**MoHRE**”).

REGULATORY OVERVIEW

Laws and Regulations Relating to Taxation

Corporate tax (the “CT”) is levied on the worldwide taxable income of resident taxable persons, while non-resident taxable persons would typically only be subject to CT on their UAE sourced income under certain circumstances. CT is imposed on a taxable person’s taxable income at the standard rate of 9%, provided the first AED375,000 is subject to tax at 0%. The Federal Decree-Law No. 47 of 2022 (the “CT Law”) applies to all taxable persons in the UAE, which includes resident and non-resident persons. A resident person includes among others (a) a juridical person that is incorporated under the applicable legislation of the UAE (including a free zone); (b) a foreign juridical person that is effectively managed and controlled in the UAE; or (c) a natural person who conducts a business or business activity in the UAE. A non-resident person would only constitute a taxable person where it either has a permanent establishment in the UAE, derives state sourced income or otherwise has a nexus in the UAE.

LAWS AND REGULATIONS RELATED TO OUR OPERATIONS IN ETHIOPIA

Laws and Regulations Relating to Company and Contract Laws

The Civil Code of Ethiopia (Proclamation No. 165/1960) and the Commercial Code of Ethiopia (Proclamation No. 1243/2021) provide the primary legal framework governing commercial transactions, corporate organizations, and contractual relations in Ethiopia. These laws regulate the formation, governance, and operation of companies, including shareholder rights, management responsibilities, and corporate obligations, as well as contractual relationships between businesses, including obligations arising from agreements, liability for breach of contract, and enforcement mechanisms. The Commercial Registration and Business Licensing Proclamation (No. 980/2016) further establishes the regulatory system for commercial registration and licensing, requiring businesses to register their commercial activities and obtain the appropriate licenses before commencing operations.

Laws and Regulations Relating to Taxation

Ethiopia’s tax administration framework is primarily governed by the Tax Administration Proclamation (No. 983/2016), which requires taxpayers to maintain proper records, submit tax declarations, and comply with tax assessment procedures. The Value Added Tax Proclamation (No. 1341/2024) and its related directives regulate the imposition and administration of VAT on taxable supplies, including requirements for VAT registration, invoicing, and periodic filings. Income tax obligations are governed by the Income Tax Amendment Proclamation (No. 1395/2025), which regulates the taxation of corporate profits. Additional requirements, including transfer pricing rules under Directive No. 981/2024 further govern specific aspects of taxation in Ethiopia.

REGULATORY OVERVIEW

Laws and Regulations Relating to Investment

Foreign and domestic investment in Ethiopia is primarily governed by the Investment Proclamation (No. 1180/2020) and the Investment Regulation (No. 474/2020), which establish the legal framework for investment entry requirements, investor rights and protections, and procedures for obtaining investment permits and incentives. The framework also sets out investor responsibilities, including compliance with regulatory requirements, operational obligations, and sector-specific conditions.

Laws and Regulations Relating to Employment

Employment relationships in Ethiopia are primarily governed by the Labor Proclamation (No. 1156/2019) and related legislation, including the Private Organization Employees’ Pension Proclamation (No. 1268/2022). These laws regulate key aspects of employment, including the formation and termination of employment contracts, employee rights and obligations, working conditions, occupational safety, and dispute resolution mechanisms. Employers are also required to comply with social security obligations, including mandatory pension contributions, to ensure that labor standards and employee protections are maintained.

Laws and Regulations Relating to Intellectual Property

The Trademark Registration and Protection Proclamation (No. 501/2006) establishes the legal framework for the registration, protection, and enforcement of trademarks in Ethiopia. The law grants exclusive rights to trademark owners to use their registered marks in relation to specified goods or services and provides legal remedies against unauthorized use or infringement, enabling businesses to protect their brand identity and promote fair competition in the marketplace.

SANCTIONS LAWS AND REGULATIONS APPLICABLE TO OUR OPERATIONS OVERSEAS

We are subject to various economic and trade sanctions laws in different jurisdictions, including the United States (“U.S.”), the European Union (“EU”), and the United Nations (“UN”). This summary of the sanction regime does not intend to set out the laws and regulations relating to the U.S., the EU, and the UN sanctions in their entirety.

U.S. Sanctions

The U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) administers and enforces economic and trade sanctions against targeted countries, entities, and individuals. U.S. economic sanctions fall into two broad categories: primary sanctions and secondary sanctions. Primary sanctions apply to U.S. persons (including U.S. companies, citizens, permanent residents, and any person or entity located in the United States) or activities involving a U.S. nexus (e.g., funds transfers in U.S. dollars even if performed by non-U.S. persons). Secondary sanctions are extraterritorial in scope, applying to the activities of

REGULATORY OVERVIEW

non-U.S. persons even when the transaction has no U.S. nexus. Depending on the sanctions program and/or parties involved, U.S. sanctions laws may require a U.S. person to freeze any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person.

OFAC’s comprehensive sanctions programs currently apply to Cuba, Iran, North Korea, the Crimea region of Russia/Ukraine, and the “Donetsk People’s Republic” and “Luhansk People’s Republic” regions (the comprehensive OFAC sanctions programs against Sudan and Syria were terminated on October 12, 2017 and August 26, 2025, respectively). Several additional countries or territories are subject to narrower, more targeted U.S. sanctions programs, including Belarus, Central African Republic, Ethiopia, Iraq, Mali, Russia, and several others. OFAC also prohibits U.S. persons from dealing with individuals, entities, and organizations designated on the Specially Designated Nationals and Blocked Persons list (“**SDN List**”). The restrictions also apply to entities directly or indirectly owned, at 50% or higher level, by designated SDNs.

EU Sanctions

EU sanctions are primarily targeted at individuals and entities, and consist of assets freezes, travel bans and the prohibition to make funds and economic resources available to listed entities or individuals. There is generally no blanket prohibition on conducting business in or with a country that is subject to EU sanctions. Business transactions with counterparties located in such jurisdictions may be permissible, including transactions involving items that are not subject to export restrictions, provided that the counterparty is not a sanctioned person, the transaction does not involve activities, goods, or services that are restricted or prohibited under applicable EU sanctions regulations, and no funds or economic resources are made available, directly or indirectly, to or for the benefit of sanctioned persons.

UN Sanctions

The UN sanctions regime is primarily built on Chapter VII of the UN Charter (the “**UN Charter**”), which provides the fundamental legal basis for imposing enforcement measures to maintain or restore international peace and security. Sanctions measures encompass a broad range of enforcement options that do not involve the use of armed force. Currently, there are 14 ongoing sanctions regimes, focusing on supporting political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. The United Nations Security Council (the “**UNSC**”) may impose UN sanctions under the authority of the UN Charter, and the decisions adopted by the UNSC are binding on UN member states.

HISTORY AND CORPORATE STRUCTURE

OVERVIEW

The history of our Company can be traced back to 2013, when our predecessor, Transsion Limited, was established under the laws of the PRC as a limited liability company. Subsequently, in 2017, our Company was converted from a limited liability company into a joint stock limited company. In 2019, our A Shares were listed on the STAR market (stock code: 688036).

Over the years, we have dedicated our efforts to emerging markets and evolved into a globally leading smart device and mobile Internet service provider.

As of the Latest Practicable Date, our Company was held as to 46.71% by Transsion Investment, which was majority-controlled by Mr. Zhu Zhaojiang, our founder, one of our Controlling Shareholders, executive Director, chairman of our Board and general manager. For details of Mr. Zhu Zhaojiang’s background, please refer to the paragraph headed “Directors and Senior Management — Executive Directors” and the section headed “Relationship with our Controlling Shareholders” in this document. For further details of our shareholding structure, please refer to the paragraphs headed “History and Corporate Structure — Corporate Structure” in this document.

KEY CORPORATE AND BUSINESS MILESTONES

The following is a summary of our key business development milestones.

Year	Event
2013	Transsion Limited, our predecessor, was established in the PRC
2014	Our brand, TECNO, ranked the 15th in the “Top 100 Most Admired Brands in Africa” (“最受非洲消費者喜愛的品牌百強榜單”) by African Business
2015	We ranked the first in terms of mobile phone sales volume in Africa
2016	We expanded from the African market to other emerging APAC markets, such as India
2017	Our Company was converted into a joint stock company with limited liability
2018	We were included in Facebook & KPMG’s “Top 50 Chinese Cross-border Brands (中國出海領先品牌50強)”
2019	Our A Shares were listed on the STAR Market (stock code: 688036) (the “ A Share Listing ”)
2020	We were listed on the Fortune China 500 (《財富》中國500強)

HISTORY AND CORPORATE STRUCTURE

Year	Event
2021	Infinix Zero 8, our mobile phone product, was awarded the 2021 iF Design Award in Telecommunication Category by iF International Forum Design GmbH in Germany
2022	We launched our first 5G mobile phone, Infinix ZERO 5G, officially entering the 5G era
	We were selected as one of the “50 Smartest Companies (TR50)” by MIT Technology Review
	We were listed on the “2022 China Top 500 Enterprises” (“2022中國企業500強”)
	TECNO Mobile won “Most Innovative Mobile Phone Manufacturing Brand, Asia” award at the 10th edition of Global Brands Magazine Awards in the United Kingdom
2023	We were awarded the Deloitte China Excellence Management Company Award for our global innovation practice and advanced management level according to the “5th Best Managed Companies (BMC)” List
	We entered into a landmark Memorandum of Understanding (MoU) with The United Nations Economic Commission for Africa (ECA) to foster and accelerate digital transformation in Africa
2024	Our mobile phone sales volume reached 200 million
2025	We were ranked the 22 nd in the “General Ranking of Global Brand Communication Power” (“2025品牌全球傳播力總榜”) released by Xinhua News Agency (新華社)
2026	We were honored with the “CES 2026 Microsoft AI Innovation Award” (“CES 2026微軟AI創新獎”) presented by Microsoft Greater China

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, our Company had a total of 151 subsidiaries. The following sets out the principal business activities, places of establishment and dates of establishment and commencement of business of our major subsidiaries that made a material contribution to our results of operations or were/will be of strategic importance to us during the Track Record Period and/or going forward:

Name of subsidiary	Registered capital/Issued share capital	Place of incorporation/ establishment	Date of establishment/ commencement of business	Equity interest attributable to our Group	Principal business activities
Shenzhen Tecno	RMB1,468,785,400	PRC	May 25, 2010	100%	Manufacturing, research and development
Shenzhen Transsion Manufacture	RMB220,000,000	PRC	December 19, 2016	100%	Manufacturing

HISTORY AND CORPORATE STRUCTURE

Name of subsidiary	Registered capital/Issued share capital	Place of incorporation/ establishment	Date of establishment/ commencement of business	Equity interest attributable to our Group	Principal business activities
Chongqing Transsion Technology	RMB618,423,500	PRC	June 1, 2017	100%	Manufacturing, research and development
Chongqing Xiaochuan	RMB10,000,000	PRC	January 17, 2020	100%	Sales
Shanghai Transsion	RMB586,575,700	PRC	June 29, 2012	100%	Research and development
TECNO REALYTEK LIMITED	HKD10,000	Hong Kong	April 28, 2014	100%	Procurement
TECNO MOBILE LIMITED	HKD10,000	Hong Kong	March 27, 2014	100%	Sales
INFINIX MOBILITY LIMITED	HKD10,000	Hong Kong	March 25, 2014	100%	Sales
ITEL MOBILE LIMITED	HKD10,000	Hong Kong	March 25, 2014	100%	Sales
Transsion Communication FZE	AED100,000	United Arab Emirates	December 29, 2015	100%	Sales

For details of changes in the share capital of our subsidiaries, please refer to the paragraphs headed “Statutory and General Information — A Further Information about Our Group — 3 Changes in Share Capital of our Subsidiaries” in Appendix IV to this document.

MAJOR CHANGES OF OUR COMPANY

1. Establishment of Our Company’s Predecessor in 2013

On August 21, 2013, the predecessor of our Company, Transsion Limited, was established under the laws of the PRC as a limited liability company with an initial registered capital of RMB50,000,000. The then shareholding structure of Transsion Limited was as follows:

Shareholder	Capital contribution (RMB)	Shareholding as to total registered share capital (%)
Transsion Investment ⁽¹⁾	43,530,000	87.06
Beijing Chuanjiali ⁽²⁾	6,470,000	12.94
Total	50,000,000	100

HISTORY AND CORPORATE STRUCTURE

Notes:

- (1) At the time of the establishment of the Company, Transsion Investment, our employee shareholding platform, was held as to (i) 20.68% by Mr. Zhu; (ii) 14.72% by Mr. Yan Meng (嚴孟); (iii) 7.36% by Mr. Liu Yanghong (劉仰宏); (iv) 5.52% by each of Mr. Yu Weiguo (俞衛國), and Mr. Qin Lin (秦霖), (v) 5.29% by each of Mr. Ye Weiqiang (葉偉強) and Mr. Zhang Qi (張祺), and (vi) less than 5% by the remaining 30 shareholders of Transsion Investment, who were our then employees.
- (2) At the time of the establishment of the Company, Beijing Chuanjiali was held as to (i) 84.00% by Mr. Zhu; and (ii) less than 5% by each of the remaining eight shareholders of Beijing Chuanjiali, who were our then employees. As of the Latest Practicable Date, Beijing Chuanjiali was held as to approximately (i) 33.35% by Xiao Ming (肖明), our employee; (ii) 20.61% by Lu Weifeng (陸偉峰), our former employee; (iii) 10.21% by Mr. Zhu; (iv) 6.96% by Chen Yuanhai (陳元海), our employee; and (v) 28.87% by other 16 shareholders, who are our employees, with each of them holding less than 5% equity interests therein.

2. Conversion to Joint Stock Company in November 2017

In preparation for the A Share Listing, on November 8, 2017, pursuant to a resolution passed at the Shareholders’ meeting of our Company, Transsion Limited was converted into a joint stock company with limited liability. Our Company was renamed as Shenzhen Transsion Holdings Co., Ltd. (深圳傳音控股股份有限公司) with a registered capital of RMB720 million. Upon the completion of the conversion, the shareholding structure of our Company was as follows:

Shareholder	Number of Shares	Shareholding as to total registered share capital (%)
Transsion Investment ⁽¹⁾	408,425,276	56.73
Yuanke (Pingtan) Equity Investment Fund Partnership (Limited Partnership) (源科(平潭)股權投資基金合夥企業(有限合夥)) (“Yuanke Fund”) ⁽²⁾	103,694,149	14.40
Beijing Chuanjiali	60,705,526	8.43
Other Shareholders	147,175,049	20.44
Total	720,000,000	100

Note:

- (1) At the time of the conversion of our Company to a joint stock limited company and up to the Latest Practicable Date, (i) Mr. Zhu held approximately 20.68% equity interest in Transsion Investment, (ii) each of Shenzhen Suhai Information Technology Co., Ltd. (深圳蘇海信息技術有限公司) (currently known as Shenzhen Suhai Business Information Co., Ltd. (深圳市蘇海商務信息諮詢有限公司), “Suhai Information”) (whose beneficial owner is Mr. Chowdhury Mohammad Ariful Hasan), Mr. Yan Meng and Mr. Liu Yanghong held approximately 7.36% equity interest therein, (iii) each of Mr. Yu Weiguo and Mr. Qin Lin held approximately 5.52% equity interest therein, (iv) each of Mr. Ye Weiqiang and Mr. Zhang Qi held approximately 5.29% equity interest therein, and (v) each of the remaining 30 shareholders of Transsion Investment held less than 5% equity interest therein.

HISTORY AND CORPORATE STRUCTURE

On December 17, 2014, Mr. Zhu and the other 11 beneficial owners/shareholders of Transsion Investment (including Mr. Yan Meng, Mr. Liu Yanghong, Mr. Qin Lin, Mr. Yu Weiguo, Mr. Zhang Qi, Mr. Ye Weiqiang, Mr. Deng Xiang, Mr. Hu Shenglong, Mr. Lei Weiguo, Ms. Yang Hong and Mr. Chowdhury Mohammad Ariful Hasan, who were our then employees) entered into an act-in-concert agreement (the “**2014 AIC Agreement**”) pursuant to which they agreed, among others, to act in concert for their exercise of voting rights in Transsion Investment.

On December 2, 2016, Mr. Zhu and the other 11 shareholders of Transsion Investment (including Mr. Yan Meng, Mr. Liu Yanghong, Mr. Qin Lin, Mr. Yu Weiguo, Mr. Zhang Qi, Mr. Ye Weiqiang, Mr. Deng Xiang, Mr. Hu Shenglong, Mr. Lei Weiguo, Ms. Yang Hong and Suhai Information whose beneficial owner was Mr. Ariful. All of the aforementioned individuals were our then employees.) entered into a voting right delegation agreement (the “**2016 Voting Right Delegation Agreement**”), pursuant to which each of the other 11 shareholders delegated its/his/her voting rights in Transsion Investment to Mr. Zhu for a period of eight years.

As several parties to the 2014 AIC Agreement and the 2016 Voting Right Delegation Agreement were subsequently no longer the employees of the Company, the 2014 AIC Agreement and the 2016 Voting Right Delegation Agreement were terminated on November 23, 2022. To maintain continuity of Mr. Zhu’s control over Transsion Investment following the termination of the agreements, the articles of association of Transsion Investment was amended pursuant to a resolution passed at the shareholders’ meeting of Transsion Investment on the same day. Solely conferred through the amended articles of association of Transsion Investment, the voting rights of Mr. Zhu in Transsion Investment were increased from 20.68% to 67.00% and therefore Mr. Zhu maintained his control over Transsion Investment.

- (2) Yuanke Fund is a limited partnership established in the PRC on February 29, 2016. At the time of the conversion of our Company to a joint stock limited company, its general partner was Yuanke (Pingtan) Equity Investment Management Partnership (Limited Partnership) (源科(平潭)股權投資管理合夥企業(有限合夥)) with approximately 1.00% partnership interests therein, which was owned by Fontaine International Capital Management, Ltd., its general partner, and Fontaine Capital Fund L.P. as to approximately 27.27% and 72.73%, respectively. Yuanke Fund had five other limited partners, with Gaintech Co. Limited holding approximately 81.11% partnership interests and each of the remaining four limited partners holding less than 10.00% partnership interests therein.

3. Listing on the STAR Market in 2019

Since September 30, 2019, our A Shares have been listed on the STAR Market under the stock code 688036. In connection with the A Share Listing, we issued an aggregate of 80,000,000 A Shares, accounting for approximately 10.0% of our then enlarged share capital. The then shareholding structure of our Company immediately following the completion of the A Share Listing was as follows:

Shareholder	Number of Shares	Approximate shareholding as to total registered share capital (%)
Transsion Investment ⁽¹⁾	408,425,276	51.05
Yuanke Fund	103,694,149	12.96
Beijing Chuanjiali	60,705,526	7.59
Other A Shareholders	227,175,049	28.39
Total:	800,000,000	100

Note:

- (1) See note 1 in “— Major Changes of Our Company — 2. Conversion to Joint Stock Company in November 2017” in this section for details of the shareholding structure and voting right arrangements of Transsion Investment.

HISTORY AND CORPORATE STRUCTURE

4. Adoption of the 2020 Restricted Share Incentive Plan

In June 2020, we have adopted the 2020 Restricted Share Incentive Plan to establish a long-term incentive mechanism and better align employee interests with our Company’s strategic development.

By August 9, 2021, the vesting and listing of 1,690,950 restricted A Shares under the first grant for the first vesting period under the 2020 Restricted Share Incentive Plan was completed. Accordingly, our share capital increased from RMB800,000,000 to RMB801,690,950 divided into 801,690,950 A Shares.

By August 2, 2022, the vesting and listing of 1,595,100 restricted A Shares under the first grant and 664,300 retained restricted A Shares for the second vesting period under the 2020 Restricted Share Incentive Plan was completed. Accordingly, our share capital increased from RMB801,690,950 to RMB803,950,350 divided into 803,950,350 A Shares.

By July 25, 2023, the vesting and listing of 1,965,600 restricted A Shares under the first grant and 649,250 retained restricted A Shares for the third vesting period under the 2020 Restricted Share Incentive Plan was completed. Accordingly, our share capital increased from RMB803,950,350 to RMB806,565,200 divided into 806,565,200 A Shares.

5. Capitalization of Capital Reserve in May 2024

In May 2024, our Company approved the 2023 annual profit distribution plan and implemented a capitalization of capital reserve, under which four Shares were issued for every ten Share to our Shareholders, based on the then total issued share capital of 806,565,200 Shares. A total of 322,626,080 A Shares were issued through the capitalization of capital reserve, increasing the total share capital from 806,565,200 Shares to 1,129,191,280 Shares.

6. Adoption of the 2022 Restricted Share Incentive Plan

In August 2022, we have adopted the 2022 Restricted Share Incentive Plan to establish a long-term incentive mechanism and better align employee interests with our Company’s strategic development.

By October 17, 2024, the vesting and listing of 8,847,720 restricted A Shares under the first grant for the first vesting period and 2,311,575 retained restricted A Shares for the first vesting period under the 2022 Restricted Share Incentive Plan was completed. Accordingly, our share capital increased from RMB1,129,191,280 to RMB1,140,350,575 divided into 1,140,350,575 A Shares.

HISTORY AND CORPORATE STRUCTURE

By November 6, 2025, the vesting and listing of 8,593,410 restricted A Shares under the first grant and 2,240,560 retained restricted A Shares for the second vesting period under the 2022 Restricted Share Incentive Plan was completed. Accordingly, our share capital increased from RMB1,140,350,575 to RMB1,151,184,545 divided into 1,151,184,545 A Shares.

As of the Latest Practicable Date, both the 2020 Restricted Share Incentive Plan and the 2022 Restricted Share Incentive Plan have been completed. There was no outstanding restricted A Share subject to lock-up, and no further restricted A Share could be granted pursuant to the terms of the 2020 Restricted Share Incentive Plan and the 2022 Restricted Share Incentive Plan.

As of the Latest Practicable Date, the total issued share capital of our Company consisted of 1,151,184,545 A Shares, all of which are listed on the STAR Market.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Throughout the Track Record Period and as of the Latest Practicable Date, we had not conducted any acquisitions, disposals or mergers that we consider material to us.

OUR A SHARE LISTING AND REASONS FOR THE H SHARE [REDACTED]

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.

We seek to [REDACTED] our H Shares on the [REDACTED] to raise additional capital for business growth and expansion, diversify our fundraising channels, reinforce our industry standing, enhance global brand awareness and competitiveness, and optimize our capital structure and shareholder composition to support sustainable development and governance. For details, see “Business — Our Strategies” and “Future Plans and Use of [REDACTED]” in this document.

HISTORY AND CORPORATE STRUCTURE

PUBLIC FLOAT

Rule 19A.13A of the Listing Rules requires that there must be an open market in the securities for which listing is sought. Where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must (a) represent at least 10% of the issuer’s total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK\$3,000,000,000.

Our A Shares are listed on the STAR Market. So far as our Directors are aware, all [REDACTED] H Shares to be issued pursuant to the [REDACTED], representing approximately [REDACTED]% of our total issued share capital, with an expected market capitalization of approximately HK\$[REDACTED] (calculated based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range stated in this document)), immediately upon [REDACTED] (assuming the [REDACTED] and the [REDACTED] are not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), will be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules at the time of the [REDACTED]. Accordingly, at the time of [REDACTED], we will maintain a sufficient public float as required under Rule 19A.13A(2)(b) of the Listing Rules where the expected market capitalization of our Company’s total number of issued shares to be held by the public will be not less than HK\$3,000,000,000.

FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000.

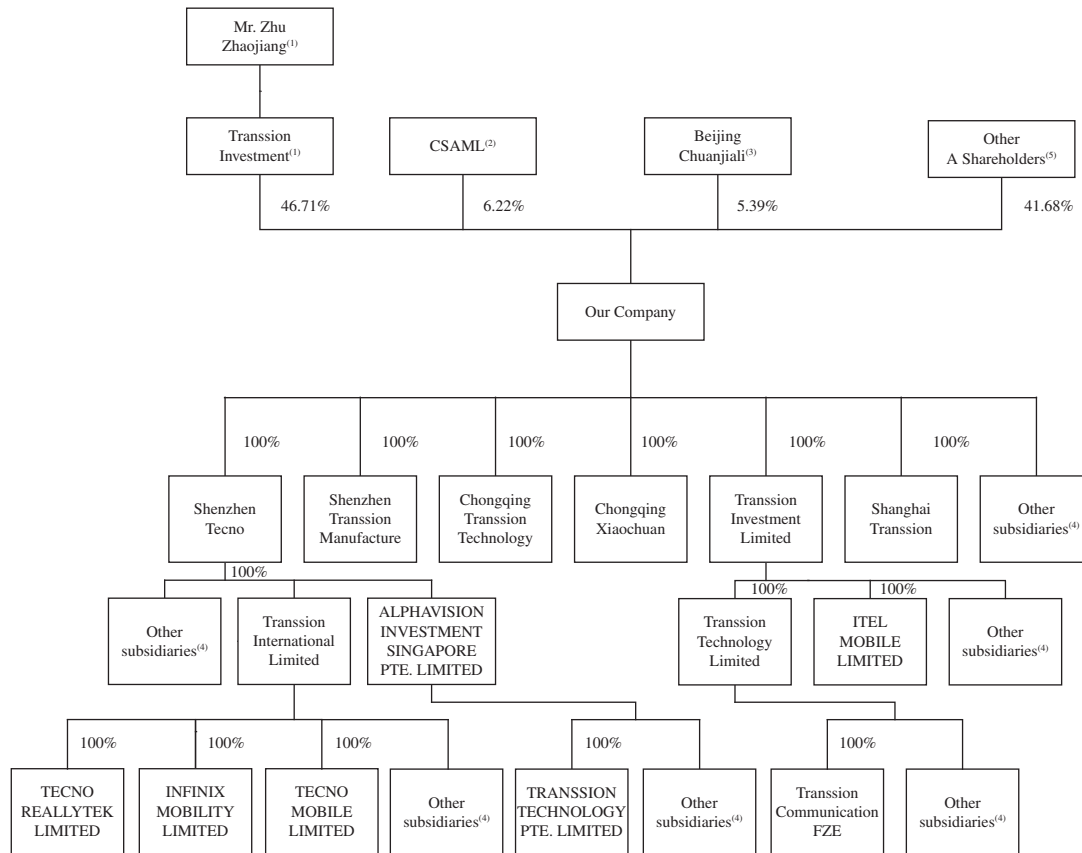
Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the low-end of the indicative [REDACTED] range stated in this document), our Company will comply with the free float requirement under Rule 19A.13C of the Listing Rules at the time of [REDACTED].

HISTORY AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate Structure Immediately Before the [REDACTED]

The following chart sets forth the simplified shareholding and corporate structure of our Group immediately before the [REDACTED], assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED].



Notes:

- (1) Pursuant to the articles of association of Transssion Investment, Mr. Zhu is entitled to exercise 67.00% of its voting rights, despite holding only approximately 20.68% of its equity interests. For details of the weighted voting rights structure of Transssion Investment, please refer to the paragraphs headed “Major Changes of Our Company — 2. Conversion to Joint Stock Company in November 2017” in this section. The remaining 33.00% of its voting rights are shared by its other 37 shareholders (the “**Minority Shareholders**”) pro rata based on their respective percentage of equity interest in Transssion Investment. As of the Latest Practicable Date, the Minority 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 Transssion Investment, each with less than 5% of its voting rights, who are Independent Third Parties.

Transssion Investment was established as an employee shareholding platform prior to the A Share Listing, instead of with the intention to consolidate control over our Company together with Mr. Zhu. Considering the insignificant voting rights of the Minority Shareholders pursuant to the articles of association of Transssion Investment. As of the Latest Practicable Date, the Minority Shareholders have had no voting or concert-party arrangement or understanding (whether formal or informal) with Mr. Zhu or with one another, nor any special rights in connection with their shareholding in Transssion Investment.

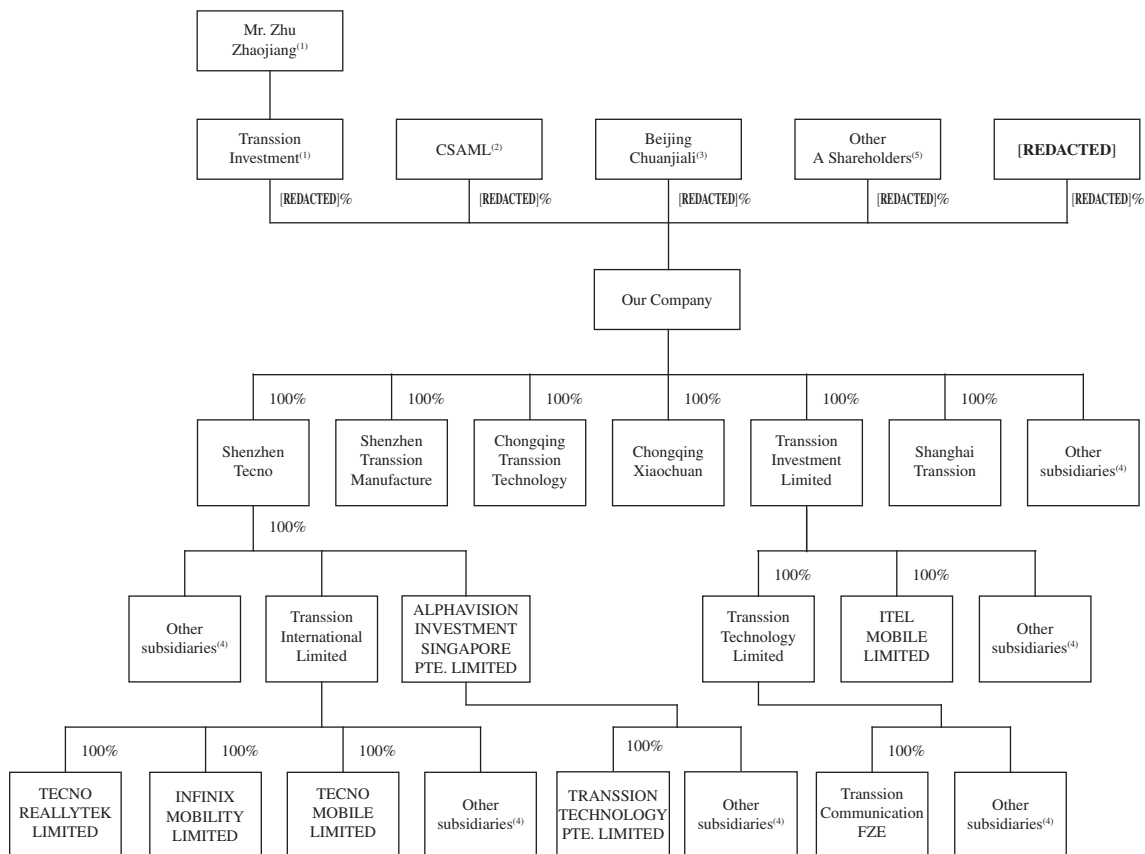
HISTORY AND CORPORATE STRUCTURE

In view of the above, Mr. Zhu and Transsion Investment are considered to be our Controlling Shareholders, and the Minority Shareholders are not regarded as part of our Controlling Shareholders, despite their interests in Transsion Investment.

- (2) Such Shares are held by CSAML, which is an asset management account for a financial product structured to invest in our A Shares for and on behalf of and was fully funded by Digimoc Holdings Limited. For details of the shareholding structure of Digimoc Holdings Limited, please refer to the section headed “Substantial Shareholders” in this document.
- (3) For details of the shareholding structure of Beijing Chuanjiali, please refer to the paragraphs headed “Major Changes of Our Company — 1. Establishment of Our Company’s Predecessor in 2013” in this section.
- (4) To support the development of our Company’s business in various categories and various regions, there were over 136 other subsidiaries of our Company as of the Latest Practicable Date, which are not considered as our major subsidiaries.
- (5) To the best knowledge of our Directors, none of such A Shareholders held more than 5% interests in our Company as of the Latest Practicable Date.

Corporate Structure Immediately After the [REDACTED]

The following chart sets forth the simplified shareholding and corporate structure of our Group immediately after the completion the [REDACTED], assuming the [REDACTED] and the [REDACTED] are not exercised, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED].



Note: For notes (1) to (5), see “— Corporate Structure — Corporate Structure Immediately Before the [REDACTED]” in this section.

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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 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.

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Our Brands, Products and Services

Our mobile phone products are primarily offered through the following brands:

Brand	Features	Major Awards
	Premium design targeting middle-to-high-end consumers	• Top 100 Most Admired Brands in Africa (<i>African Business</i>) • Global Smartphone Top 10 • Best Inventions of the Year (<i>TIME</i>)
	Trendy design targeting young consumers	• Top 100 Most Admired Brands in Africa (<i>African Business</i>) • Most Innovative Companies Award (<i>Fast Company</i>)
	Affordability and reliability targeting mass-market consumers	• Top 100 Most Admired Brands in Africa (<i>African Business</i>) • Most Innovative Brand (Titans of Technology Awards)

Aside from mobile phones, our products and services also include:

- ***Mobile Internet services:*** Based on our proprietary mobile operating system, Transsion OS, we offer a wide range of services, including application downloads, gaming and content viewing, through our application portfolio. Specifically:
 - ***Transsion OS:*** Transsion OS is pre-installed on our mobile phone products. Transsion OS is fully compatible with Android and supports a wide range of third-party apps. In 2025, Transsion OS had over 290 million average MAUs.
 - ***Application portfolio:***
 - Palm Store is our application distribution platform pre-installed on our mobile phones. Palm Store provides a wide range of apps across categories such as communication, entertainment, productivity, gaming and utility tools. In 2025, Palm Store had over 180 million average MAUs.
 - AHA Games is our gaming platform pre-installed on our mobile phone products. AHA Games provides a wide range of games tailored to local user’s preferences. AHA Games can be downloaded through mobile app stores. In 2025, AHA Games had over 130 million average MAUs.

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- We have partnered with leading global Internet companies to jointly develop popular apps. For example, we have jointly incubated Boomplay, a leading music streaming platform in Africa, with NetEase. In 2025, Boomplay had over 50 million average MAUs, and was one of the music apps that had the highest MAU across major African countries, according to Frost & Sullivan. In addition, we have jointly developed Phoenix, an integrated content distribution platform, with Tencent. In 2025, Phoenix had over 140 million average MAUs, and is widely used in Africa and Southeast Asia.
- *IoT products and others:*
 - *IoT products:* IoT products primarily include (i) laptops and tablets, (ii) smart watches, (iii) smart audio devices, such as True Wireless Stereo (“TWS”) earbuds, (iv) digital accessories, such as power banks, and (v) home appliances, such as smart TV and kitchen appliance.
 - *Energy storage products:* Energy storage products primarily include (i) hybrid inverters, (ii) lithium battery modules, (iii) portable energy storage systems, and (iv) photovoltaic (“PV”) modules.
 - *Lightweight electric mobility devices:* Lightweight electric mobility devices primarily include (i) two-wheel electric vehicles and (ii) three-wheel electric vehicles.

From Africa to Other Emerging Markets

Over a decade ago, emerging markets—particularly in Africa—were home to large and fast-growing populations but remained underserved by global mobile phone brands with few products specifically designed to address local consumer needs. We were created to meet these growing yet underserved needs. 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. 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. These tailored innovations have resonated strongly with consumers and helped us establish a deep connection with our user base.

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.

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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.

Africa: from feature phones to smartphones

A majority of the mobile phones we sell in Africa, in terms of revenue, are smartphones, catering to the African market’s ongoing transition from feature phones to smartphones, according to Frost & Sullivan. The table below sets forth the sales volume of our mobile phones and smartphones, and the proportion of smartphones in Africa for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Africa			
Mobile phone sales volume (’000)	105,657	103,991	91,122
Smartphone sales volume (’000)	32,899	35,680	39,953
Proportion of smartphone sales			
volume (%)	31.1	34.3	43.8

Other emerging markets: replicating success from Africa

We have established a strong and enduring presence in all major emerging markets and globally. Our leading position in emerging markets beyond Africa is driven by (i) understanding of user needs and (ii) experience in localized operation and sales channel building we have gained in the African market. As we expand into markets beyond Africa, we continue to develop products based on customer needs. In the Southeast Asian market, for example, the majority of smartphone users from young generations and primarily interested in gaming. As such, we have developed flagship model mobile phones designed for gaming which incorporate cutting-edge innovations into our smartphones, such as magnetic wireless charging fans, magnetic cooling cases and 3D vapor cloud chamber liquid cooling technology. These features enable simultaneous wireless charging, active cooling and efficient temperature regulation, delivering an uninterrupted, high-frame-rate gaming experience throughout the day.

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

According to Frost & Sullivan, mobile phone providers in emerging markets are able to efficiently extend from mobile phones to mobile Internet services, IoT products and other products, building an ecosystem of interconnected products and services. This is primarily because, for emerging market users, smartphones are the major gateway to smart living. Through smartphones, emerging market users gain further access to a wide range of smart devices and services.

Building on the foundation of our mobile phone business in emerging markets, we have developed (i) large user base, (ii) understanding of user needs, (iii) brand influence and (iv) sales channels. These strengths enable our mobile Internet services, IoT products and other products to efficiently earn user trust and gain market share in emerging markets. Specifically:

- ***Mobile Internet services.*** The growth of our mobile Internet services is driven by our leading market share of mobile phones in emerging markets. Each smartphone user is a Transsion OS user as all of our smartphones are equipped with the Transsion OS. Our revenue from mobile Internet services was RMB835.0 million and RMB942.0 million in 2024 and 2025, respectively.
- ***IoT products and others.*** Our IoT products have achieved a leading market share in multiple countries. For instance, our TWS earbuds rank the first in Africa in terms of revenue in 2024, according to Frost & Sullivan. Our revenue from IoT products and others was RMB4,683.8 million and RMB6,201.7 million in 2024 and 2025.

Our Market Opportunities

Mobile Phones

According to Frost & Sullivan, emerging markets are the key growth driver for the global mobile phone market in the future. Specifically, the mobile phone market size in emerging markets is expected to grow faster than the global market. According to Frost & Sullivan, the mobile phone market size in emerging markets is expected to grow from US\$171.1 billion in 2024 to US\$236.7 billion in 2029, in terms of revenue, representing a CAGR of 6.7%, which is higher than the expected global mobile phone market with a CAGR of 4.6% over the same period. In addition, emerging markets are expected to represent an increasing proportion of the global smartphone market. According to Frost & Sullivan, the revenue proportion of emerging markets in the global mobile phone market is expected to grow from 36.2% in 2024 to 39.9% in 2029, in terms of revenue.

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Mobile Internet Services and IoT Products and Others

The market size of (i) mobile Internet services and (ii) IoT products and other products continues to grow. The table below sets forth the market size of (i) mobile Internet services, (ii) IoT products, (iii) energy storage products and (iv) lightweight electric mobility devices in global emerging markets in 2024 and estimated future growth, according to Frost & Sullivan.

Services and Products	Market Size in 2024	Estimated Market Size in 2029	Estimated CAGR (2024-2029)
	<i>(In terms of revenue in US\$ billion)</i>	<i>(In terms of revenue in US\$ billion)</i>	<i>(In terms of revenue)</i>
Mobile Internet services	848	2,788	26.9%
IoT products	136	328	19.4%
Energy storage products	71	152	16.4%
Lightweight electric mobility devices . .	12	25	15.6%

OUR STRENGTHS

Understanding of local market demands and strong local execution capability

One of our key advantages is the understanding of user needs and market. We monitor carefully the trends of consumer needs, and conduct product development and technology development based on the unique needs of our target markets.

Mobile phones. Our deep understanding of use need at emerging markets has laid solid foundation for the feature of our mobile phones. For example, the major challenges of the African market include frequent power outages, large temperature fluctuations between day and night, and users’ sweaty hands. To address these challenges, we have developed innovative, targeted solutions. These include cost-efficient high-voltage fast-charging technology, ultra-long battery life, current control technology with ambient temperature detection, and sweat-resistant USB ports. In addition, a key user pain point in the African market is that individuals with deeper skin tones often find that photos, particularly those taken at night, lack clarity and fail to meet their expectations. To address this, we have tailored the design and function of our smartphones specifically for the African market, incorporating advanced features to enhance photo quality for deeper skin tones and effectively resolving this issue.

In the Southeast Asian market, the majority of smartphone users are young people and primarily interested in gaming. As such, we have developed flagship model mobile phones designed for gaming which incorporate cutting-edge innovations into our smartphones, such as

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magnetic wireless charging fans, magnetic cooling cases, and 3D vapor cloud chamber liquid cooling technology. These features enable simultaneous wireless charging, active cooling, and efficient temperature regulation, delivering an uninterrupted, high-frame-rate gaming experience throughout the day.

Mobile Internet services. Our mobile Internet services are built on our proprietary mobile operating system, Transsion OS, enhanced with localized adaptations and advanced AI capabilities. These services offer mobile phone users features such as AI assistant, localized AI voice and audio, regionally customized wallpapers, local news updates and personal content recommendations. Recognizing the challenges of weak network connectivity in emerging markets, our products, including AHA Games, Palm Store, Boomplay and Phoenix, provide offline gameplay, pre-scheduled app downloads, offline reading, and media playback. These ensure a smooth and complete smartphone experience, even in intermittent connectivity environments.

IoT products and others. For example, among our IoT products, we develop kitchen appliances based on the African market’s preference. Our kitchen appliances are designed to cook African traditional food in an efficient way. In addition, for our energy storage products, to address the challenge of limited charging infrastructure in emerging markets, we have developed an automated battery-swapping network and fast-charging solutions to ensure convenient and reliable energy access.

We place great emphasis on building a localized talent pool. Our production, R&D, procurement, sales and operation teams include a significant proportion of local foreign employees. As of December 31, 2025, foreign employees represented approximately 40.0% of our total employees. Additionally, as of the same date, we had established subsidiaries in 30 overseas countries and regions and operated production bases in Ethiopia and Bangladesh.

Systematic three-tier R&D structure

We have developed a three-tiered R&D structure. Supported by a robust technology management system and years of experience driving innovation in applied technologies for emerging markets, we have built the capability to efficiently refine and continuously advance our core technologies. This framework also allows us to respond swiftly to evolving consumer needs across different regions. Our three-tiered R&D structure include:

Foundation tier. We focus on researching cutting-edge, long-term technologies aligned with our strategic direction, while also revisiting existing technology applications to uncover their underlying principles. Our goal is to establish a leading position in the field by strategically developing patents and key control points.

Technology tier. We have adopted a technology and project-separated development model for our core focus areas, allowing us to conduct advanced technical preparation and enhance our technological capabilities ahead of product development. This approach ensures that new

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technologies are thoroughly pre-researched before being integrated into product development, enabling us to maintain a competitive edge while improving product quality and user experience. At the same time, it minimizes the risk of missing market opportunities due to technical uncertainties.

Product tier. We focus on delivering product value based on user needs, ensuring consistent development efficiency and achieving our product’s commercial objectives.

As of December 31, 2025, we had R&D centers located in Shanghai, Shenzhen, and Chongqing, and had a R&D team of over 5,000 employees to drive technological breakthroughs through collaboration. As of December 31, 2025, R&D employees represented 23.6% of our total employees.

Full-chain global deployment

Extensive sales channel network and win-win collaboration with distributors. As of December 31, 2025, we had established a global network of approximately 3,500 distributors, with whom we maintain long-term, collaborative partnerships. Building on our extensive experience in developing a robust distributor network in the African market, we have rapidly expanded our distribution networks into other emerging markets. To adapt to shifting regional market dynamics, we have embraced digital marketing transformation and innovative channel strategies, creating a comprehensive “offline + online” presence and optimizing our operations across e-commerce platforms and social media.

Our relationship with distributors is built on a foundation of mutual benefit and collaboration. On one hand, we assign dedicated sales representatives to maintain consistent and stable communication with distributors, sub-distributors, and retailers, leveraging localized sales channels to deepen our user engagement. This allows distributors to serve as key touchpoints of trust for our brand and products among end-users. On the other hand, through long-standing partnerships, we provide distributors with ongoing support in areas such as product innovation and brand development, significantly improving their operational capabilities and market competitiveness. This, in turn, enables them to achieve deeper penetration and expansion in regional markets.

Comprehensive after-sales service. We have developed a localized, one-stop after-sales service system, which has also expanded to include non-proprietary brands and other product categories. As of December 31, 2025, our global network consisted of over 2,500 service outlets (including third-party partner locations), covering major emerging markets. Our responsive after-sales services and active user engagement have significantly strengthened brand loyalty among end-users. This well-developed service system not only helps us solidify and grow our market share but also provides deeper insights into the needs and preferences of local consumers.

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Stable and efficient supply chain and production system. With our scale and brand advantages, we have built strong, stable partnerships with suppliers, allowing us to lower raw material procurement costs while maintaining high quality and timely delivery. We have also developed a transparent and intelligent supply chain system that enables seamless coordination and rapid response. Our production lines are designed to handle a wide range of products and varying production volumes, enabling us to quickly adapt to changing market demands. As of December 31, 2025, we have established production facilities in Ethiopia and Bangladesh, achieving localized production and gaining significant cost advantages. To further enhance operational efficiency, we have established three overseas logistics warehouses and leveraged multiple transportation methods, including air and sea freight, to ensure the fast and reliable delivery of products and raw materials.

Founder, management team and global talents and culture

Founder. Our founder, Mr. Zhu Zhaojiang is an distinguished entrepreneur and business leader with strong industry recognition. Mr. Zhu has over 30 years’ experience in the industry of the development, manufacturing and sales of mobile communication products, and has received numerous notable awards and recognitions. Mr. Zhu was recognized as one of the 40 Most Respected Entrepreneurs in the Shenzhen Special Economic Zone (深圳特區40周年“最受尊敬40位企業家”) in 2020, honored as a Pioneer of Emerging Industries in the Guangdong-Hong Kong-Macau Greater Bay Area (粵港澳大灣區戰略性新興產業拓荒人物) in 2022, and was featured in Forbes China’s Best CEOs 2024 (2024福布斯中國最佳CEO). Mr. Zhu’s deep understanding of industry trends and distinguished leadership have been essential in building our strengths.

Management team. Under the leadership of Mr. Zhu Zhaojiang, we have assembled a highly skilled management team with extensive industry experience and strong collaborative capabilities. Our management team has identified market opportunities, gained understanding of user needs, and built an interconnected ecosystem of products and brands centered around our mobile phones. They have also driven the strategic expansion and deep penetration of our presence across various emerging markets.

Global talents and culture. With a global vision, we are committed to fostering cross-cultural integration in a diverse environment. We embrace an open and inclusive mindset, respecting and accommodate the uniqueness of different cultures. By cultivating a strong and inspiring set of core values, we have successfully attracted and retained top talent from around the world. At the same time, we have built a vibrant, innovative, and collaborative workplace that fuels our sustained growth and long-term success.

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OUR STRATEGIES

Strengthen our leading position in Africa, continue our expansion in global emerging markets

Strengthening our foothold in the African market remains our long-term strategy. We are committed to a user-centric approach, focusing on key value drivers to develop competitive, locally tailored products. We plan to enhance the in-store presence of our brands, integrate online and offline channels, and actively support the growth of local retail chains. Additionally, we plan to deepen partnerships with both traditional and digital media to further expand our market influence.

We will continue to focus on expanding our presence in global emerging markets. With a deep understanding of consumer needs in these regions, we will continue to refine our localization strategies and increase resource allocation in target markets. We plan to strengthen relationships with local distributors and partners while building robust local teams to improve our responsiveness to market demands. By better addressing consumer needs, we aim to enhance our market competitiveness and drive sustainable growth.

Develop strong R&D capabilities driven by customer needs and technology

We remain committed to increasing our R&D investment, particularly in exploring advanced technologies and integrating AI capabilities to deliver exceptional user experiences while meeting the fundamental needs of emerging markets. Specifically, we plan to: (i) strengthen our AI fundamental capabilities, (ii) develop AI assistants and AI agents, (iii) further upgrade our proprietary Transsion OS, and (iv) strengthen our imaging capabilities. We believe these investments will further strengthen our technological leadership and support the long-term differentiation of our products and services.

Further develop our interconnected ecosystem of products and services

We are pursuing a diversified business strategy by enriching our product portfolio and expanding into new growth areas, building a product and brand ecosystem with smartphones at its core. In addition to further increasing the market share of our smartphone business, we will accelerate the development of mobile internet services and expand into other product categories beyond smartphones, including IoT products, energy storage products, and lightweight electric mobility devices. Our goal is to create a comprehensive ecosystem of smart hardware and services. Through synergies across our business segments, we aim to strengthen our overall competitiveness, enhance customer loyalty, and further elevate our brand value.

Continuously enhance the integration of operation

We will continue to drive the integration of supply chain, production, logistics, and sales to further enhance overall operational efficiency. By optimizing supply chain management, we aim to strengthen partnerships with core suppliers, ensuring supply chain stability and cost advantages. Through improvements in production automation and quality control, we will further enhance manufacturing efficiency and product competitiveness. We also plan to continuously enhance coordination between production and sales by strengthening

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communication and alignment across the production and marketing functions. Additionally, by developing an intelligent logistics system, we will increase the efficiency of distribution and delivery. Through the expansion and optimization of online sales channels, we aim to further improve market coverage and enhance the level of service provided to consumers.

Enhance organizational capabilities to support strategy execution

We plan to further strengthen our market position by enhancing team development, improving product design capabilities, and increasing investment in brand building. We are committed to fostering a culture and work environment that attract and retain top talent, supported by short-, medium-, and long-term incentive mechanisms and management systems designed to motivate and empower our teams. In terms of brand building, we aim to enhance our brand image and global influence through precise brand positioning and integrated marketing strategies.

OUR PRODUCTS AND SERVICES

Overview

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

Products and Services	Description
Mobile phones	
Smartphones	We offer smartphones primarily under three brands: • <i>TECNO</i>: focuses on premium design targeting middle-to-high-end consumers • <i>Infinix</i>: features trendy design targeting young consumers • <i>itel</i>: 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. While certain feature phone models may incorporate selected enhanced functions, such as touch keypad, high-voltage fast charging or localized entertainment features, feature phones generally operate on lightweight operating systems with limited computing capabilities, and do not support advanced functionalities such as multi-skin tone photography technology or AI-powered imaging technologies, nor the wide range of mobile Internet services typically available on smartphones.

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Products and Services	Description
Mobile Internet services . . .	We offer users mobile Internet services based on our proprietary Transsion OS, including application downloading, gaming and content viewing, through our application portfolio.
IoT products and others	
<i>IoT products</i>	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.
<i>Energy storage products</i>	Our energy storage products primarily include (i) hybrid inverters, (ii) lithium battery modules, (iii) portable energy storage systems, and (iv) PV modules.
<i>Lightweight electric mobility devices</i>	Our lightweight electric mobility devices primarily include (i) two-wheel electric vehicles and (ii) three-wheel electric vehicles.

The following table sets forth a breakdown of our revenue by products and services 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.

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Mobile Phones

We offer mobile phones primarily under three brands: TECNO, Infinix and itel. The following table sets forth a breakdown of revenue from mobile phones by brands for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
TECNO	25,295,295	44.1	27,608,503	43.7	26,923,918	46.1
Infinix	21,375,807	37.3	24,184,954	38.3	23,276,978	39.8
itel	10,676,955	18.6	11,305,893	17.9	8,135,243	13.9
Others	—	—	97,212	0.2	111,410	0.2
Total	57,348,058	100.0	63,196,562	100.0	58,447,549	100.0

Smartphones

TECNO

TECNO targets middle-to-high-end consumers by providing smartphones that combine modern design with updated technology. TECNO’s smartphones are characterized by premium materials and finishes, such as glass or metal bodies, curved or narrow-bezel displays, or foldable screens, as well as flagship-level performance driven by advanced imaging technologies, localized AI capabilities and large-memory configurations.

The following table sets forth details of flagship models of TECNO smartphones.

Flagship Model	Image	Launch Time	Recommended Retail Price ⁽¹⁾	Key Features
SPARK 40 Pro+ .		June 2025	RMB1,200	• 160g lightweight and 6.49mm thin • 6.78” 1.5K 144Hz 3D AMOLED display • MediaTek Helio G200 processor • 50MP EIS camera • IP68/IP69 dust & water resistance • Powered by TECNO AI

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Flagship Model	Image	Launch Time	Recommended Retail Price ⁽¹⁾	Key Features
POVA 7 Ultra 5G		June 2025	RMB2,400	• Interstellar spaceship design with dynamic status light • MediaTek Dimensity 8350 ultimate processor • 6000mAh battery, multiple fast charging modes • Hyper gaming engine, 120fps gaming • 6.67” 1.5K 144Hz AMOLED display
CAMON 40 Pro 5G		March 2025	RMB1,900	• Classic side-axis design inspired by swan neck • 144Hz curved AMOLED display • 50MP Sony’s LYT-700C night camera • IP68/IP69 dust & water resistance • Powered by TECNO AI

Note:

(1) Retail price may vary depending on the sales region and product configuration.

Infinix

Infinix targets young consumers by providing smartphones with contemporary aesthetics and features tailored to entertainment and digital lifestyles. Infinix’s smartphones are characterized by vibrant and trendy designs, featuring bold colors, gradient finishes and dynamic styling, as well as strong performance optimized for entertainment and gaming, including high-refresh-rate AMOLED displays, immersive sound systems, advanced cooling technologies and fast-charging capabilities.

The following table sets forth details of flagship models of Infinix smartphones.

Flagship Model	Image	Launch Time	Recommended Retail Price ⁽¹⁾	Key Features
GT 30 Pro		June 2025	RMB2,300	• All-day full FPS system • GT trigger for console-level control • MediaTek Dimensity 8350 ultimate 5.5G • 1.5K & 144Hz AMOLED gaming display with eye care • Mechanical light waves

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Flagship Model	Image	Launch Time	Recommended Retail Price ⁽¹⁾	Key Features
NOTE 50 Pro+ 5G		March 2025	RMB3,000	• 100X periscope camera • 100W All-Round FastCharge 3.0 • 50W wireless MagCharge • Metal frame • MediaTek Dimensity 8350 ultimate 5.5G
HOT 50 Pro+ . . .		October 2024	RMB1,250	• 6.8mm 3D-curved SlimEdge design • 3D-curved 120Hz AMOLED display • MediaTek Helio G100 processor • 50MP camera

Note:

(1) Retail price may vary depending on the sales region and product configuration.

itel

itel targets mass-market consumers by offering entry-level smartphones that are affordable, reliable, and designed to meet everyday smart life needs. itel’s smartphones are characterized by practical designs that utilize lightweight materials and enhanced durability features, such as dust and drop resistance, as well as reliable performance focused on essential communication needs, including long-lasting battery life, and smooth everyday operation.

The following table sets forth details of flagship models of itel smartphones.

Flagship Model	Image	Launch Time	Recommended Retail Price ⁽¹⁾	Key Features
S26 Ultra		August 2025	RMB1,100	• 6.78” 3D curved AMOLED display • 6.89mm ultra slim body • 6000mAh large capacity battery • 32MP AI selfie camera

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Flagship Model	Image	Launch Time	Recommended Retail Price ⁽¹⁾	Key Features
City 100		April 2025	RMB580	• 7.65mm slim unibody design • IP64 dust & water resistance and drop resistance • 6.67” 90Hz high brightness display • 5200mAh robust battery
A90		March 2025	RMB480	• IP54 dust & water resistance • 90Hz 6.6” dynamic display • 5000mAh battery with 15W fast charging • itel OS 14 with side fingerprint & face unlock

Note:

(1) Retail price may vary depending on the sales region and product configuration.

Key Technologies and Features

The key technologies and features of our smartphones include:

- **Multi-skin tone photography technology:** We have developed multi-skin tone photography capabilities, including a global skin tone database and a skin restoration and enhancement system designed to reproduce a wide range of skin tones. Our technology is optimized for the unique demands of emerging markets, ensuring that users’ skin tones are captured accurately in portrait photography, reflecting our commitment to inclusivity worldwide. We have collaborated with leading institutions in color science to integrate advanced research into our algorithms, improving the overall accuracy of skin tone representation.

The following pictures show how our multi-skin tone photography technology presents diverse skin tones:



Without multi-skin tone photography technology



With multi-skin tone photography technology

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- ***AI-powered imaging technologies:*** Our imaging capabilities leverage AI algorithms, proprietary image processors and hardware-software integration to deliver clear and accurate photo and video outputs across different environments. In particular, our imaging technologies (i) automatically identify and capture the optimal frame to help users take better photos with minimal effort; (ii) enhance image quality through AI-based processing such as detail enhancement and glare removal to deliver refined and visually appealing results; (iii) adjust skin tones and color profiles to achieve natural and inclusive portrait effects suitable for diverse user groups; (iv) reduce motion blur and image shake in low-light conditions through advanced stabilization and deblurring technologies, enabling clearer photos in dim environments; and (v) enable smooth and intuitive zooming, allowing users to capture distant subjects accurately without compromising clarity.

The following pictures show how our AIGC Image Editing optimizes image quality by removing glare:



Without AIGC Image Editing



With AIGC Image Editing

- ***Hardware innovation for enhanced user experience:*** We focus on the development of materials that improve the performance and user experience of our devices. For example, our lightweight composite materials combine fiber fabric with epoxy resin, offering a slimmer profile and reduced weight while maintaining durability. We have also introduced passive cooling technologies that use polymer coatings to address heat dissipation challenges during intensive activities like gaming and under extreme weather conditions in hot-climate regions like the Middle East.
- ***Localized OS and mobile Internet services:*** Our smartphones operate on Transsion OS, a customized Android-based platform tailored for emerging markets. Transsion OS powers various proprietary technologies and provides access to various mobile Internet services. For details, see “—Our Products and Services—Mobile Internet Services.”

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Feature phones

Key Models of Feature Phones

The following table sets forth details of key models of our feature phones.

Key Model	Image	Launch Time	Key Features
itel Signal 10 & King Signal		May 2025	• Enhanced signal reception • 2” display • FM radio • KingVoice voice assistance • Opera mini browser
TECNO S701		April 2024	• 5000mAh battery • Reverse wireless charging • 3.98” touchscreen • Stylish design

Key Technologies and Features

The key technologies and features of our feature phones include:

- **Hardware designs adapted local condition:** In response to specific environmental challenges in certain emerging markets, particularly Africa, our feature phones are equipped with solutions such as high-voltage fast charging technology, extended battery life, temperature-sensitive current control, and sweat-resistant USB ports. These enhancements improve usability in regions where power supply is unstable, daily temperature varies significantly, and users often operate devices with moist hands.
- **Localized entertainment features:** To cater to local entertainment preferences, our feature phones offer FM radio functions that do not require wired earphones as antennas. In addition, our feature phones are equipped with bass-optimized speaker systems to align with regional audio preferences.

Mobile Internet Services

Based on our proprietary mobile operating system, Transsion OS, we offer our users a wide range of mobile Internet services, including application downloads, gaming and content viewing, through our application portfolio.

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Transsion OS

Transsion OS is our proprietary mobile operating system pre-installed on our smartphones. We launched the first version of Transsion OS in 2015 and have since continued to enhance performance, localization, and integration across our products. With a user-centric approach, Transsion OS focuses on delivering an efficient and intuitive system experience, tailored to the realities of emerging markets — such as intermittent connectivity, high data costs, multilingual environments, and varying device capabilities. In 2025, Transsion OS had over 290 million average MAUs. During the Track Record Period, substantially all of our smartphones, and certain of our IoT products such as tablets and certain smart TVs were installed with Transsion OS. Revenue generated from such devices accounted for over 80% of our total revenue in each period during the Track Record Period.

The following screenshot shows the home page of Transsion OS:



Transsion OS has the following key technologies and features: (i) data and memory optimization through system-level enhancements such as data-saving modes, memory fusion technology, and background process management to ensure smooth device performance; (ii) AI assistant and intelligent agents providing personalized, AI-driven support across communication, productivity, entertainment, and imaging, enabling efficient task completion and proactive recommendations; (iii) localized AI voice and audio technologies, including voice recognition, noise reduction, and voiceprint separation, to improve usability in multilingual and noisy environments; (iv) multi-language and regional customization, supporting over 100 languages, including local dialects, as well as regionally tailored themes, wallpapers, and content; and (v) seamless IoT connectivity, enabling integration with our IoT products for centralized device control.

Customization Based on Android

Transsion OS is customized based on the Android Open Source Project (“AOSP”), which is open-source and freely available for use subject to compliance with applicable open-source license requirements, to suit the needs and preferences of users in emerging markets. Such customization primarily includes (i) tailored user interface and user experience design to optimize visual presentation and user interaction, (ii) extension and optimization of system functions, including intelligent refresh rate adjustment to enhance battery efficiency and

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dynamic frame interpolation in scrolling scenarios to improve interface responsiveness, (iii) integration of AI capabilities to support functions such as AI voice interaction and imaging optimization, and (iv) enhanced security and privacy features. In addition, Transsion OS is compatible with the Android ecosystem, allowing our devices to run a wide range of third-party applications, including applications from Google, namely Google Mobile Services (“GMS”) and Google Mobile Experience Plus (“GME +”).

In terms of GMS, to ensure access to essential Android components and mobile Internet services, we have entered into a licensing agreement with Google. The following sets forth the salient terms of our licensing agreement with Google.

- ***License scope:*** We receive a nontransferable and nonexclusive license to distribute and reproduce GMS.
- ***Compliance requirements:*** We are required to comply with Google’s compatibility standards.
- ***Payments:*** Both parties retain all revenue generated from provision of their respective products or services.
- ***Termination:*** Each party may terminate this agreement upon written notice upon a material breach by the other party.

In terms of GME+, we have entered into an agreement with Google to pre-install additional Google applications on our devices and charge Google on a per device basis. See “—Our Products and Services—Mobile Internet Services—Monetization” for details on such application pre-installation services.

Our Directors are of the view that the risk of termination of our use of the Android platform is remote, primarily because (i) our use of the Android platform is aligned with Google’s commercial interests. The AOSP has been maintained and developed by Google as an open-source platform for over 18 years as part of its long-term strategy to promote widespread adoption of the Android platform and to expand its ecosystem. In addition, Transsion OS, which is developed based on the Android platform, serves as an important gateway through which users, particularly in emerging markets, access Google’s applications, thereby contributing a natural and expanding user base that supports Google’s organic growth; (ii) according to Frost & Sullivan, it is a common industry practice for smartphone manufacturers to develop their operating systems based on the Android platform; and (iii) to the best of our knowledge, Google would generally consider terminating collaboration or certification in exceptional circumstances, such as material policy violations or significant compliance failures. During the Track Record Period and up to the Latest Practicable Date, we have complied with the applicable open-source requirements relating to our use of the Android platform in all material respects, and have not experienced any material breaches or any material disputes with Google. Nonetheless, we are continuing to develop and maintain Transsion OS and strengthening proprietary application portfolio. Based on the due diligence conducted, the Sole Sponsor did not identify any matters that would reasonably cast doubt on our Directors’ views.

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Application Portfolio

Palm Store. Palm Store is our application distribution platform, pre-installed on our smartphones. It provides a secure and localized gateway for users to discover, download, and update Android-based mobile applications, such as communication, entertainment, productivity, gaming, and utility tools, and supports application discovery powered by our recommendation algorithms. In 2025, Palm Store had over 180 million average MAUs.

AHA Games. AHA Games is our mobile instant-play gaming platform, pre-installed on our smartphones. AHA Games is designed to provide users in emerging markets with access to a wide range of casual and mid-core games featuring lightweight downloads, low data consumption and smooth performance. We also support independent developers in China, Africa and South Asia through co-publishing initiatives. In 2025, AHA Games had over 130 million average MAUs.

Boomplay. Boomplay is a music streaming platform in Africa, jointly incubated by us and NetEase and operated through non-consolidated entities of us, allowing us to expand our digital service reach while maintaining a capital-light model. Boomplay offers a music library with millions of tracks from African, international, and regional artists. In addition to global partnerships, Boomplay actively curates localized playlists and editorial content to suit diverse cultural and market preferences across Africa and other emerging markets. In 2025, Boomplay had over 50 million average MAUs.

Phoenix. Phoenix is a content distribution platform, optimized for fast, secure, and data-efficient content browsing in emerging markets. Phoenix is jointly developed by us and Tencent and operated through non-consolidated entities of us, allowing us to expand our digital service reach while maintaining a capital-light model. Phoenix includes a personalized content feed on the homepage and supports integration with web-based applications. With localized language support and low memory requirements, Phoenix has gained strong traction in markets with limited internet infrastructure. In 2025, Phoenix had over 140 million average MAUs.

Monetization

The paying customers of our mobile Internet services primarily include (i) third-party application developers and (ii) advertising customers. The monetization methods of our mobile Internet services mainly include:

- ***Application pre-installation services:*** We help third-party application developers pre-install their applications on our smartphones, offering them direct exposure to our smartphone users. We typically charge third-party application developers based on the number of mobile phones sold with their applications pre-installed.
- ***Application distribution services:*** Our application distribution platform hosts applications developed by third-party application developers. We typically charge third-party application developers based on the number of installations by users through our application distribution platform.
- ***In-application advertising services:*** We allow advertising customers to place advertisements primarily on applications on our smartphones. We typically charge advertising customers based on (i) the duration or location of the advertisement display and (ii) user interaction metrics, including cost-per-click or cost-per-impression. We share such revenue with developers of relevant applications.

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The following table sets forth key operating data for our mobile Internet services.

	Year ended December 31,		
	2023	2024	2025
Average MAUs for Transsion OS (million) . . .	210	266	312
Number of paying customers of mobile Internet services	783	904	969
Retention rate of paying customers of mobile Internet services (%)	N/A	46.0	53.0
User interaction metrics for in-application advertising services (billion)			
– Number of clicks	2.8	8.4	16.1
– Number of impressions	51.7	160.8	188.1

IoT Products and Others

Overview

In addition to our mobile phones and mobile Internet services, we have expanded into other product categories to further diversify our revenue streams and enhance the overall synergy of our product portfolio, including laptops, tablets, earbuds, watches, televisions, kitchen appliances, power banks, among others.

IoT Products

We offer IoT products under five major brands, including (i) TECNO, Infinix and itel, (ii) our stylish IoT product brand, oraimo, and (iii) home appliances brand, Syinix.

The following table sets forth the details of our key IoT products.

Product Category	Image	Key Features
Laptop		• Premium all-metal design • On-device AI • Immersive 16” FHD display • i9-13900 HK intel core
Tablet		• 90hz FHD and eye care display • Powered by Android 15 • 4G LTE connected • Powered by Infinix AI

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Product Category	Image	Key Features
TWS earbuds		• 50dB hybrid noise canceling • 11mm dynamic driver & HavyBass • Personalized lighting effect • Intelligent calling mode

Energy Storage Products

We offer energy storage products under two major brands, including (i) itel Energy, which targets mass households and small commercial users with cost-effective energy storage products, and (ii) DYQUE Energy, which targets high-end households and commercial users with premium and reliable energy storage products.

The following table sets forth the details of our key energy storage products.

Product Category	Image	Key features
Hybrid inverter		• Dual output channels • PV input up to 8 kW • Overload capacity up to 200% for 10 seconds • IP54 dust & water resistance
Portable energy storage system		• Capacity options from 320 Wh to 1 kWh, suitable for multiple scenarios • Universal output interfaces including Type-A, Type-C, and DC ports • Multi-mode charging via grid and solar input for continuous power supply • Durable LiFePO battery cells with up to 6,000 cycles

Lightweight Electric Mobility Devices

We offer lightweight electric mobility devices, including two-wheeled electric vehicles and three-wheeled electric vehicles, under two major brands, including (i) Revoo, which targets individual users with reliable and stylish lightweight electric mobility devices and (ii) TankVolt, which targets small business operators with passenger and cargo transportation needs.

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RESEARCH AND DEVELOPMENT

Our R&D Team

We have built a dedicated and experienced R&D team. As of December 31, 2025, our R&D team consisted of over 5,000 employees, representing 23.6% of our total employees, approximately 26.7% of whom held a master’s degree or above.

As of December 31, 2025, we had three R&D centers respectively located in Shanghai, Shenzhen and Chongqing. These R&D centers mainly focused on the R&D of our smartphones. Our R&D efforts are primarily conducted in-house and driven by user needs, with a focus on enhancing imaging, design, user experience, gaming, AI and charging technologies through integrated hardware-software development. During the Track Record Period, in-house R&D accounted for approximately 96.3%, 88.9% and 91.3% of our total research and development expenses in 2023, 2024 and 2025, respectively. We have introduced a series of key technologies and intellectual property in-house, including AI-powered imaging technologies, fast-charging technologies and AI assistants. For details, see “—Our Products and Services—Mobile Phones” and “—Our Products and Services—Mobile Internet Services—Transsion OS.”

Product Development Process

We have established an integrated product development (the “**IPD**”) process from product concept to lifecycle management, including (i) product concept and planning, where we formulate product concepts, define design and software specifications, assess intellectual property and technical feasibility, and prepare supply and marketing plans, with a focus on refining product positioning, ensuring design and resource feasibility, and assessing commercial viability; (ii) product development and verification, where we carry out detailed hardware, software and structural design, conduct prototype trials, iterative verification and small-scale production, with a focus on validating functionality and performance, optimizing design, and ensuring readiness for mass production; and (iii) market launch and lifecycle management, where we complete supply, manufacturing, sales and after-sales preparations, conduct product launch and monitor initial sales performance, adjust marketing strategies based on feedback, and throughout the lifecycle optimize products, manage demand, and execute orderly phase-out to maximize product value.

We adapt to evolving demand trends through our localized market insights, agile product development processes and flexible supply chain arrangements. By conducting in-depth local market research and closely monitoring user preferences, we are able to identify emerging consumer needs and timely incorporate relevant features and technologies into our product planning and development.

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The following table sets forth the typical product lifecycle of our smartphone models.

Process	Time
Lead time from product design and order to delivery	Approximately four to eight months, with approximately four to five months for mid- to low-end models and approximately six to eight months for high-end models
Product iteration cycle	Approximately eight to 12 months, with approximately eight to ten months for mid- to low-end models and approximately 11 to 12 months for high-end models
Lifespan before models become obsolete in the market	Typically two to three years

Our Collaboration with ODM Providers

We engage ODM providers primarily to leverage their specialized engineering expertise and development resources, enabling us to quickly integrate new technologies and shorten our R&D timelines. ODM providers primarily contribute engineering support and design implementation for certain smartphones and IoT products based on our requirements, while the overall product positioning, core design concepts and key functional specifications are determined by us. Our R&D team works closely with our ODM providers, providing product specifications, conducting quality checks, testing product performance and making necessary adjustments to ensure that the final products meet our standards. The intellectual property developed by ODM providers within the scope of our cooperation, or derived from our confidential information, technical specifications or existing intellectual property provided by us, are generally owned by us. For production by ODM providers, see “—Production—Our Collaboration with ODM and OEM Providers.”

PRODUCTION

During the Track Record Period, we primarily produce our smartphones in-house while a portion of our smartphones, feature phones and our IoT products and others were primarily manufactured by ODM and OEM providers, which are generally located in Mainland China. This approach allows us to ensure flexibility and efficiency in our operations. According to Frost & Sullivan, the outsourced production is in line with the industry practice.

Our Production Bases

As of the Latest Practicable Date, we had five production bases in Chongqing, Shenzhen, Nanchang, Bangladesh and Ethiopia.

We have invested in improving the automation level and intelligent manufacturing capability of our production facilities. We have seven major categories of equipment and machinery, including automated warehousing, surface mount technology (“SMT”), dispensing,

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assembly, testing, packaging and logistics systems, all of which have improved our production efficiency. In recognition of our continuous efforts in smart manufacturing, our production bases in Chongqing and Shenzhen have obtained high-level certifications for intelligent manufacturing capability from accredited national institutions.

The following table sets forth the details of the production capacity, production volume and utilization rate for smartphones in our production bases for the periods indicated.

	Year ended December 31,								
	2023			2024			2025		
	Designed production capacity ⁽¹⁾	Actual production volume ⁽²⁾	Utilization rate ⁽³⁾	Designed production capacity ⁽¹⁾	Actual production volume ⁽²⁾	Utilization rate ⁽³⁾	Designed production capacity ⁽¹⁾	Actual production volume ⁽²⁾	Utilization rate ⁽³⁾
	'000 units	'000 units	%	'000 units	'000 units	%	'000 units	'000 units	%
Chongqing production base .	16,530	14,900	90.1	17,500	13,597	77.7	24,500	19,938	81.4
Shenzhen production base .	10,670	10,028	94.0	7,121	6,037	84.8	8,500	7,480	88.0
Nanchang production base .	2,850	2,687	94.3	9,600	8,163	85.0	10,800	8,483	78.5
Bangladesh production base .	2,500	1,919	76.8	2,500	1,883	75.3	3,200	2,764	86.4
Ethiopia production base	5	4	89.0	80	55	68.7	300	260	86.6
Total/Overall . . .	32,555	29,538	90.7	36,801	29,735	80.8	47,300	38,925	82.3

Notes:

- (1) The designed production capacity for the year is calculated based on the following assumptions: our bases operate eight hours per day, 22 days per month, and 12 months for 2023, 2024 and 2025.
- (2) The actual production volume during the year is the total volume of the products produced during that year.
- (3) The utilization rate during the year equals the actual production volume divided by the designed production capacity during the same year.

The utilization rate of our production bases fluctuated at a relatively high rate during the Track Record Period, primarily due to our flexible production allocation among our self-operated manufacturing facilities and our OEM and ODM providers.

During the Track Record Period, approximately 40% of our smartphones were manufactured in-house while approximately 30% and 30% were manufactured by ODM and OEM providers, respectively. When determining whether to manufacture smartphones in-house or by ODM and OEM providers, we consider a number of factors, including product complexity, cost efficiency, time-to-market considerations and supply chain flexibility. This

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hybrid production model allows us to maintain closer control over production processes and quality for certain key products, while leveraging the manufacturing expertise and capacity of ODM and OEM providers to support a diversified product portfolio and respond effectively to fluctuations in market demand.

Our Production Process

The following table illustrates the key steps of a typical production process of our smartphones.

Major production steps	Details
<i>SMT</i>	The SMT stage begins with loading components, followed by laser marking and automated pick-and-place operations to mount components onto the PCB. The assembled boards undergo subsequent testing and packaging. This process ensures assembly accuracy and quality of PCBA units.
<i>Dispensing</i>	The dispensing stage involves loading parts and dispensing glue, followed by screen assembly to integrate key components. The assembled units then go through pressure-holding and curing before passing through inspection. This process ensures reliable bonding performance.
<i>Assembly</i>	The assembly process starts with PCBA assembly, followed by module integration and final testing. The units then proceed through multiple man-machine interface test and burn-in test. This process ensures product reliability and functional stability before final packaging.
<i>Packaging</i>	The packaging stage mainly focuses on firmware programming and pairing, screen-protector application and packaging of the product together with accessories. Afterward, the units are sealed to complete the packaging workflow. This process ensures product completeness and readiness for distribution.
<i>Finished goods</i>	Finished products undergo palletizing, warehousing and final shipment procedures. These steps prepare the completed goods for delivery to customers.

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Our Collaboration with ODM and OEM Providers

We engage ODM and OEM providers primarily to (i) utilize external capacity to address seasonal order fluctuations and reduce recruitment pressure; (ii) produce certain new products at their initial testing stages and products with smaller volumes that we prefer not to mass-produce in-house; and (iii) benefit from our ODM and OEM providers’ specialized expertise in certain areas.

We carefully take into account factors such as price, quality, production capacity, financial conditions, delivery scheme, business scale and reputations of ODM and OEM providers. We carefully manage and monitor the performance of our ODM and OEM providers, and require our ODM and OEM providers to comply with our internal guidelines and policies. In the event of any failure by our ODM and OEM providers to meet our internal guidelines and policies, we may cease to work with them.

We maintain long-term relationships with our ODM and OEM providers. Key contractual terms of our purchase agreements with ODM and OEM providers include the following:

- ***Duration and termination:*** The term of the purchase agreements is typically two years, with either party entitled to terminate for breach.
- ***Procurement of raw materials:*** Our ODM and OEM providers are generally required to purchase specific raw materials directly from us or from other designated third-party suppliers for the manufacturing of designated products. In certain cases, however, they are responsible for the procurement of raw materials.
- ***Production:*** We specify the product type, unit price, quantity, delivery timeline and other detailed items in each purchase order we send to our ODM and OEM providers from time to time. The ODM and OEM providers are obligated to produce the products we demand.
- ***Intellectual property:*** We require our ODM and OEM providers not to make any unauthorized use or licensing of materials, proprietary equipment, technology or assets supplied by us, and to warrant that they either possess independent, lawful and sufficient intellectual property rights in the products supplied to us or have obtained the necessary authorizations.
- ***Confidentiality:*** Both parties shall keep the agreement confidential. Without the consent of the other party, neither party shall not use nor disclose, sell, or engage in any other actions that could result in the disclosure of confidential information to third parties outside of the agreement.
- ***Payment:*** Payment terms vary by supplier or product, or situation, and are generally made by bank transfer between 30 and 90 days.

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SALES AND DISTRIBUTION NETWORK

Our Sales Channels and Network

During the Track Record Period, we sold our products and services to over 100 countries and regions worldwide. We primarily sold products through distributors during the Track Record Period, who in turn resold our products to their sub-distributors and their retail channels, including national and regional retail chains, cellular network carriers, retail stores, e-commerce platforms, and others. We chose to adopt a distributorship model primarily to leverage distributors’ market expertise and established sales networks to effectively reach consumers in newly entered markets and gain greater market coverage. Our adoption of the distributorship is in line with the industry practice, according to Frost & Sullivan.

During the Track Record Period, we also maintained a very limited direct sales relationship with customers through offline self-operated flagship stores and online self-operated store on e-commerce platform, as part of experimental initiatives. These initiatives were primarily intended for brand showcase, product experience and consumer engagement, as well as to explore the integration of offline and online sales channels to support an omnichannel retail model. Going forward, we may selectively establish a limited number of self-operated flagship stores in certain key markets. In each period during the Track Record Period, revenue from direct sales accounted for less than 1.0% of our total revenue.

The following table sets forth a breakdown of our revenue by geographic regions, mainly based on (i) the designated sales region of our distributors for revenue from mobile phones and IoT products and others and (ii) the locations of our paying customer for revenue from mobile Internet services, 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

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Distributorship

Overview

During the Track Record Period, our distributors primarily included regional trading agents, retail chains, cellular network carriers and e-commerce platforms. The following table sets forth the movement in the number of our distributors for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
As of the beginning of the period	3,478	3,405	3,262
Addition of new distributors ⁽¹⁾	894	710	1,145
Termination of existing distributors ⁽²⁾ . .	(967)	(853)	(821)
Net increase/(decrease) of distributors . .	(73)	(143)	324
As of the end of the period	<u>3,405</u>	<u>3,262</u>	<u>3,586</u>

Notes:

- (1) New distributors refer to distributors who (i) had at least one transaction with us in the relevant period; and (ii) did not have any transaction with us in the immediately preceding calendar year.
- (2) Terminated distributors refer to distributors who (i) did not have any transaction with us in the relevant period; and (ii) had at least one transaction with us in the immediately preceding calendar year.

We terminated collaborations with certain distributors, primarily because (i) we had arranged some distributors whose purchase amount was relatively small, particularly those in India, to purchase our products from our other distributors instead of purchasing directly from us, so as to focus our resources on managing distributors who purchased larger amount of products; (ii) we terminated collaboration with distributors who failed to meet our evaluation standards, including sales performance, reputation, and general working relationship with us, or violation of our contractual arrangements; and (iii) some of our distributors had ceased operation or changed their business. During the Track Record Period and up to the Latest Practicable Date, we did not have any material unresolved disputes or lawsuits with our distributors.

Principal Contractual Terms

We typically enter into a standard non-exclusive distribution agreement with our distributors. Key contractual terms of our distribution agreements include the following:

- **Duration:** The term of the distribution agreements is typically two years.
- **Payment:** We generally require the distributor to make full payment through bank transfer before the shipment of products.

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- ***Designated sales region:*** We normally designate geographic distribution regions for each distributor for their sales activities.
- ***Pricing policy:*** A fixed price is provided in each purchase order under the framework distribution agreement.
- ***Sales target and minimum purchase requirement:*** We determine the incentive amount based on our sales incentive scheme to encourage distributors to fulfill annual sales target and promote the sales of our products. We do not set minimum purchase requirements.
- ***Product warranty:*** We generally provide a warranty period of 12 months.
- ***Product return or exchange policy:*** We typically do not allow distributors to return or exchange products unless there are product quality issues caused by us.
- ***Termination:*** Both parties have the right to unilaterally terminate the agreement by giving at least 30 days’ advance written notice. Additionally, we have the right to unilaterally terminate the distribution agreement if a distributor materially breaches its obligations under the distribution agreement.

Relationship with Distributors

We maintain seller-buyer relationships with our distributors. Historical sales generated by our distributors were generally recurring in nature and the discounts and rebates provided to our distributors are in line with market practice, according to Frost & Sullivan. We strictly forbid existing employees to work for or have equity in our distributors. To the best of our knowledge and after reasonable inquiry, save as Yiwill Holdings Connected Persons as disclosed in “Connected Transactions — Connected Persons,” during the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties. One of our Independent Third Party distributors is a company in which we hold a 40% equity interest and one of our five largest customers in each period during the Track Record Period (“**Company A**”). Company A primarily purchased mobile phones from us during the Track Record Period. Our transaction with Company A was conducted in the ordinary course of business and carried out on commercial terms that were negotiated at arm’s length.

Sub-Distributors

We permit our distributors to engage sub-distributors within their respective designated sales territories to help them market and sell our products. During the Track Record Period and up to the Latest Practicable Date, we did not have any direct contractual relationships with our sub-distributors, thus generally having no control over sales activities of such sub-distributors.

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Our distributors are generally responsible for managing their sub-distributors, including ensuring that the sub-distributors’ operations are in line with our overall sales and distribution strategy, including designated sales territories and pricing policies. In the event of any violation or misconduct of sub-distributors identified by our distributors, our distributors will accordingly notify the relevant sub-distributors and request them to take corrective and rectification measures.

Selection and Management

We select our distributors based on comprehensive criteria, including their distribution network coverage, customer management capabilities, financial stability, logistics infrastructure and compliance track record. We establish sales guidelines for our distributors, covering pricing policies, inventory management, payment requirements and business integrity, to ensure they operate in accordance with our market strategies and legal requirements. To maintain transparency and control over sales channels, we require our distributors to provide delivery and sales statistics, allowing us to track the final destination of our products. We regularly review distributor performance based on their sales volume, customer engagement, and operational compliance, and assess contract renewals accordingly.

In order to prevent channel stuffing and cross-region sales, and to mitigate cannibalization risk within our distribution channels, we implemented the following measures to oversee and manage our distributors:

- ***Geographic distribution restrictions:*** We designate sales region for each distributor in our distribution agreements. We are entitled to impose penalties, withdraw certain market resources or suspend promotional policies if distributors breach these terms.
- ***Product traceability:*** We track mobile phones through their unique international mobile equipment identity (“IMEI”) codes, which help us to trace activation location and detect irregularities. This enhances transparency and mitigates the risk of cross-regional or cross-channel sales.
- ***Pricing guidance:*** We provide pricing guidance to our distributors. Distributors who engage in malicious low-price sales, including selling products below cost in a manner that disrupts the market, may face deductions from performance assessments or fines for breach of contract.
- ***Inventory control and management:*** We require distributors to maintain appropriate stock levels sufficient to meet market demand, which generally should not fall below a specified turnover period. Distributors are also required to adopt a first-in, first-out method to avoid product obsolescence. In addition, distributors shall submit inventory balance reports from time to time. Our regional managers communicate with them regularly and conduct on-site inspections to review and monitor their

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inventory levels including reviewing relevant sales and inventory records in distributors’ internal systems, inspecting warehouse facilities and verifying inventory conditions, which enables us to independently assess their operational and inventory status.

- ***Sales record audit and compliance:*** We require distributors to retain sales documents, such as contracts, invoices, payment records for a period of time for audit purposes.
- ***Ongoing distributor management:*** We maintain close communication and oversight of our distributors, including conducting on-site inspections and monitoring sales performance based on IMEI code activation. Any irregularities or improper practices are identified and addressed in a timely manner.

During the Track Record Period and up to the Latest Practicable Date, we did not identify any material instances of cross-regional or cross-channel sales, underscoring the effectiveness of our approach to minimize cannibalization among different sales channels and different geographical areas.

Pricing

We price our products considering a variety of factors, primarily including (i) customer demands, (ii) raw material costs, (iii) product differentiation and (iv) competitive landscape of the markets. We adjust the final pricing based on the specific client on a case-by-case basis.

Marketing

We continuously invest in our brands to enhance our brand image and awareness. To increase brand visibility, we carry out various advertising and promotional activities, including:

- ***Celebrity partnerships:*** We engage celebrities, such as movie stars and singers, as our brand spokespersons to strengthen consumer confidence in our products. As of December 31, 2025, we had partnered with over 20 celebrities across various countries to promote our products and services.
- ***Sponsorships:*** We sponsor major sports and e-sports events, such as the FIFA World Cup Qatar, the Africa Cup of Nations, the AFC Champions League and professional e-sports leagues, which help us reach broad consumer audiences and highlight specific product features, for instance, smartphones optimized for gaming.
- ***Co-branding campaigns:*** We collaborate with well-known designers, brands and games to launch limited-edition products, such as the *TECNO CAMON 20 Mr. Doodle Edition*, the *TECNO POVA 5 Free Fire Edition* and *POVA 6 Free Fire Edition*, and the *TECNO SPARK 30 Series Transformers Edition*.

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- **Traditional media advertising:** We advertise on television, which is an effective promotional medium in emerging markets, as well as on billboards and branded vehicles.
- **Online marketing:** We leverage new media platforms and e-commerce platforms to strengthen our online presence and reach younger consumer segments.
- **KOL collaborations:** We collaborate with KOLs to produce and publish unboxing or reviewing videos featuring our products. During the Track Record Period, we partnered with KOLs from various countries and regions.

Our Major Customers

During the Track Record Period, our customers primarily consisted of our distributors. In 2023, 2024 and 2025, revenue generated from our five largest customers amounted to RMB7,919.6 million, RMB9,997.0 million and RMB8,786.9 million, respectively, accounting for 12.7%, 14.5% and 13.4% of our total revenue in the same periods, respectively. Revenue 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, respectively.

During the Track Record Period and up to the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who owned or, to the knowledge of our Directors, had owned more than 5% of our issued share capital) had any interest in any of our five largest customers. All of our five largest customers during each period of the Track Record Period were Independent Third Parties. One of our five largest customers in each period of the Track Record Period is a company in which we hold a 40% equity interest and was our distributor during the Track Record Period. See “—Our Sales Channels and Network—Distributorship—Relationship with Distributors.”

THIRD-PARTY PAYMENT ARRANGEMENTS

Background

During the Track Record Period, certain customers (individually or collectively, the “**Relevant Customer(s)**”) settled payments with us through accounts belonging to parties (individually or collectively, the “**Relevant Payor(s)**”) other than the contractual counterparties under the corresponding sales and purchase agreements (the “**Relevant Payment Arrangements**”) entered into between us and such Relevant Customers. The Relevant Customers during the Track Record Period primarily consisted of our distributors in emerging markets.

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To the best of our knowledge, the Relevant Payors primarily consisted of:

- Payors who make payments to us for the Relevant Customers through providing the Authorization Letters to us (the “**Payors with Authorization Letters**”). The majority of such Payors with Authorization Letters are independent third parties of the Relevant Customers located in United Arab Emirates (“UAE”), Kenya or Hong Kong, whose principal businesses include trading and the sale of mobile phone and its accessories, while a small proportion of such Authorized Payers are affiliated entities of the Relevant Customers, including entities which are under common control with the Relevant Customers. Since October 2025, we have replaced the Authorization Letter with revised Payment Notification Deed. See “—Internal Control Measures for Third-Party Payment Arrangements—Enhanced Internal Control Measures.” Payors who make payments to us for the Relevant Customers with revised Payment Notification Deed (the “**Payors with revised Payment Notification Deed**”) are substantially the same as Payors with Authorization Letters; and
- Payors who make payments to us for the Relevant Customers without providing the Authorization Letters to us (the “**Payors without Authorization Letters**”). Such payors are mainly local sub-distributors of the Relevant Customers located in Ethiopia and Bangladesh, who are independent third parties of the Relevant Customers.

To the best of our knowledge, each of the Relevant Payors does not have any past or present relationships (whether business, employment, family, trust, fund flow, financing or otherwise) with our Company, our subsidiaries, shareholders, directors or senior management, or any of their respective associates, apart from being a Relevant Payor.

The following table sets forth amount attributable to different types of Relevant Payors under Relevant Payment Arrangements for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Payors with Authorization Letters . . .	20,535,462	99.4	21,392,506	98.9	13,409,296	44.2
Payors without Authorization Letters .	121,574	0.6	244,427	1.1	102,093	0.4
Payors with revised Payment Notification Deed	—	—	—	—	10,709,207	55.4
Total	20,657,036	100.0	21,636,933	100.0	24,220,596	100.0

In 2023, 2024, and 2025, the number of the Relevant Customers was 735, 1,038 and 990, respectively, which represented 21.6%, 31.8% and 25.3% of the number of the total customers. In 2023, 2024 and 2025, the aggregate amount involving the Relevant Payment Arrangements was RMB20,657.0 million, RMB21,636.9 million and RMB24,220.6 million, respectively, which represented approximately 33.2%, 31.5% and 36.9% of our total revenue, respectively. No individual Relevant Customer had made a material contribution to our revenue during the Track Record Period and up to the Latest Practicable Date. The aggregate amount involving the Relevant Payment Arrangements from the single largest Relevant Customer accounted for less than 2% of the total payments we received from all customers during the Track Record Period and up to the Latest Practicable Date.

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During the Track Record Period and up to the Latest Practicable Date, all Relevant Payment Arrangements were initiated by Relevant Customers, not by us. The pricing and payment terms we provided to the Relevant Customers were in line with those provided to customers not involved in the Relevant Payment Arrangements in all material respect. During the Track Record Period and up to the Latest Practicable Date, we did not provide any discount, commission, rebate or other benefits to any of the Relevant Customers or Relevant Payors to facilitate or incentivize the Relevant Payment Arrangements. To the best of our knowledge, we were not the subject of any investigations, enquiries, penalties, or surcharges as a result of our involvement in the Relevant Payment Arrangements during the Track Record Period and up to the Latest Practicable Date. In addition, we had not encountered any refund requests, actual or pending disputes or disagreements due to Relevant Payment Arrangements or any material claims against us in relation to the Relevant Payment Arrangements during the Track Record Period and up to the Latest Practicable Date.

Reasons for Third-Party Payment Arrangements

To the best knowledge of the Directors, Relevant Payment Arrangements was primarily due to the business needs of the Relevant Customers, and specifically, the Relevant Customers utilized Relevant Payment Arrangements primarily because:

- ***Payment through Payors with Authorization Letters and Payors with revised Payment Notification Deed:*** To minimize foreign exchange risks, we generally accept settlements U.S. dollars or United Arab Emirates Dirham (“AED”, which is pegged to the U.S. dollar), and typically requires full payment from customers prior to the delivery of goods. Certain Relevant Customers made payments to us through Payors with Authorization Letters and Payors with revised Payment Notification Deed, mainly due to the shortage of foreign exchange in emerging markets, which made it necessary for such Relevant Customers to rely on such payors that had U.S. dollar or AED reserves and reciprocal currency conversion needs.
- ***Payment through Payors without Authorization Letters:*** Certain Relevant Customers made payments to us through their sub-distributors, primarily due to the inefficiency of local banking systems, where multiple bank transfers may take considerable time to process and complete. Therefore, to expedite settlement and meet our strict prepayment requirements prior to shipment, certain Relevant Customers arranged for their sub-distributors to make payments to us directly, thereby bypassing one layer of bank transfer and improving payment efficiency. Such Relevant Payment Arrangements mostly occurred in countries such as Ethiopia and Bangladesh where we operated local sales companies and is required to settle in local currency.

According to Frost & Sullivan, it is a common commercial practice in cross-border transactions, particularly in emerging markets where foreign currency resources are limited and foreign exchange controls or restrictions are in place, for customers to arrange for their payments to suppliers to be made through other payors, and it may not be commercially viable for them to completely cease this practice.

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Internal Control Measures for Third-Party Payment Arrangements

Internal Control Measures

During the Track Record Period, we implemented internal control measures (the “**Current Internal Control Measures**”) to monitor and manage the Relevant Payment Arrangements. Since prior to our A-share listing application in 2019, we have required the Relevant Customers and Relevant Payors to provide us with written letters of authorization (the “**Authorization Letters**”) prior to making payments under the Relevant Payment Arrangements before the implementation of the revised Payment Notification Deed. We are not a signing party to the Authorization Letters, but are designated therein as the recipient of payments. The Authorization Letter typically specifies the following: (i) the Relevant Payor is authorized by the Relevant Customer to make payments to us on behalf of the Relevant Customers through the pre-agreed account of the Relevant Payor; (ii) payment made by the Relevant Payor does not confer upon such Relevant Payor any rights or entitlements against us; (iii) payment made by Relevant Payors is irrevocable and we have no obligation to refund any of the payment; (iv) any legal dispute arising from the Relevant Payment Arrangements shall be resolved between the Relevant Customers and the Relevant Payors, without involving us; (v) the Relevant Payors and their affiliates have no affiliation with us or any of our affiliates; (vi) both the Relevant Customers and the Relevant Payors have confirmed and declared that (a) their business is lawful and does not belong to any cash-intensive industries, (b) they have never been involved in any money laundering, terrorist financing, proliferation of weapon of mass destruction or drug trafficking activities, and (c) they are not on any sanctions or specially designated lists of any jurisdiction or international organization; (vii) the Relevant Payors have confirmed and declared that the funds used for payment to be made to us are generated from normal and lawful business operations, comply with applicable foreign exchange regulations, and have not been used to facilitate any money laundering, commercial bribery, or other unlawful activities; (viii) the Relevant Payors have confirmed and declared that they have not received any funds from unknown third parties for the purpose of making such payments; (ix) the Relevant Customers have confirmed that they have conducted due diligence on the Relevant Payors to the maximum extent commercially reasonable, and to their best knowledge, no material risk or irregularity has been identified in relation to the Relevant Payors or their sources of funds; and (x) both the Relevant Customers and the Relevant Payors have confirmed and declared that all information and facts provided are true, complete and accurate, and undertake to be jointly and severally liable for any misrepresentation or breach of the foregoing undertakings.

During the Track Record Period, substantially all of the Relevant Customers had provided us with Authorization Letters before making payments under the Relevant Payment Arrangements before the implementation of the revised Payment Notification Deed. For payments made through Payors without Authorization Letters, such payments were generally made by sub-distributors on behalf of the Relevant Customers, were settled in local currencies and did not involve cross-border fund transfers, and the amount of each payment was relatively small. Given the nature of such arrangements, we did not require Authorization Letters in these limited circumstances, which accounted for less than 1.1% of the total amount under the

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Relevant Payment Arrangements during each period of the Track Record Period. Nevertheless, such payments remained subject to the other internal control measures described below. We had notified all Relevant Customers who made payments through Payors without Authorization Letters in August 2025 that we would terminate such Relevant Payment Arrangements, with all such terminations completed by October 2025.

In addition, we have adopted enhanced KYC procedures to verify the identities of the Relevant Customers and Relevant Payors and to ensure that Relevant Payments are made in accordance with contractual arrangements. To verify the authenticity of Relevant Payment Arrangements, our finance staff are authorized to only recognize payments from Relevant Payors and match such payments to the corresponding Relevant Customers on the condition that the information of Relevant Payors matches that in the corresponding Authorization Letter or revised Payment Notification Deed. As part of the enhanced KYC efforts, we screen Relevant Payors through the Dow Jones risk database to ensure they do not appear on sanctions lists, anti-money laundering watchlists. Any abnormalities identified during the screening process will be reported to the legal department for assessment of whether the transactions may proceed. We will also promptly verify and, where necessary, implement relevant measures in coordination with the Relevant Customers. All Relevant Payment Arrangements were required to be settled via bank transfers. We designated certain receiving banks with stringent internal control systems, including anti-money laundering, and anti-bribery monitoring. Payments from the Relevant Payors were processed by these banks in accordance with their standard compliance procedures before being credited to our accounts.

We believe the Current Internal Control Measures have been effective in safeguarding the legitimacy of the Relevant Payment Arrangements, mitigating risks of fraud and money laundering, and ensuring the accuracy and completeness of its accounting books and records.

Enhanced Internal Control Measures

To safeguard our interest against risks associated with Relevant Payment Arrangements, in addition to the Current Internal Control Measures, since October 2025, we have implemented enhanced internal control measures to strengthen control over Relevant Payment Arrangements in transactions (collectively, the “**Enhanced Internal Control Measures**”). The Enhanced Internal Control Measures include, among other things:

- ***Revised sales and purchase agreement:*** we have adopted revised sales and purchase agreement which expressly provide that payments shall in principle be made directly by the customer. Only under limited circumstances may a payor be appointed, and such appointment shall be subject to our prior review and acceptance at its sole discretion. The revised sales and purchase agreement requires the customer to provide comprehensive business information and supporting documents of the payor, together with the revised Payment Notification Deed duly executed between the customer and the payor, which shall only take effect upon being duly stamped and accepted by us. All customers that intend to appoint a payor for payment are required to enter into a Payment Notification Deed with the payor and submit

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relevant supporting materials for our review and acceptance prior to any payment made by the payor. The revised Payment Notification Deed, once executed by us, shall be incorporated by reference into and form an integral part of the sales and purchase agreement, and any payment made by the payor in accordance with the terms thereof shall be deemed to constitute valid payment made by the customer;

- ***Revised Payment Notification Deed:*** we have adopted the revised Payment Notification Deed (previously the Authorization Letter), which, being executed as a deed, ensures the legal enforceability by us against the contracting parties. The revised Payment Notification Deed (i) clearly makes reference to the underlying sales and purchase agreements, (ii) specifies a validity period of authorization, (iii) includes comprehensive representations, warranties, and undertakings by both the customer and the payor that all payments are irrevocable and non-refundable, that the payor has no affiliation with us and acquires no rights vis-à-vis us by making such payments, and that funds used are legitimate and compliant with applicable anti-money laundering and sanctions regulations, (iv) provides that we are entitled to refuse any payment if there is reasonable basis to suspect risk, (v) provides that the customer shall remain fully liable for any unpaid obligations notwithstanding the appointment of a payor; and (vi) provides that the customer and the payor shall be jointly and severally liable to us for any breach of their respective obligations under the Payment Notification Deed, and that we may enforce such liability directly against either party without first proceeding against the other, with such liability remaining effective notwithstanding any variation of the underlying agreements. As both the revised sales and purchase agreement and the revised Payment Notification Deed are governed by Hong Kong law, we have sought advice from our special legal advisor as to Hong Kong law advising on the Relevant Payment Arrangements. As advised by our Special Legal Advisor as to Hong Kong law, (i) the revised Payment Notification Deed is signed among us, the customer and the payor and constitutes a tripartite contractual arrangement and (ii) upon execution of the revised Payment Notification Deed, the payor is obligated to make all payments that the customer is obligated to make to us pursuant to the terms of the revised sale and purchase agreement upon the request of the customer;
- ***Enhanced internal policy and procedural control:*** we have further improved the Administrative Measures for Relevant Payment Arrangements, which clearly provides that, we shall, in principle, only accept payments made directly by the customer. Only in specific circumstances where (i) the customer is incorporated or located in emerging market countries, (ii) the customer faces practical difficulties in making direct payments, and (iii) upon completion of proper internal approval procedures, may a payor be accepted. In assessing whether a customer faces practical difficulties in making direct payments, we consider a number of factors on a case-by-case basis, including whether the customer is located in a jurisdiction where foreign currency resources are limited, whether there are limitations in local payment infrastructure that may hinder direct cross-border payments, and whether there are other regulatory or administrative constraints. Customers are generally

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required to provide supporting explanations or documentation, and such arrangements are subject to internal review and approval procedures. We have also adopted measures to minimize the use of Relevant Payment Arrangements going forward, such that such arrangements will only be permitted on a limited and exceptional basis, subject to more stringent internal approval procedures and ongoing review; and

- ***Enhanced system control:*** to implement Administrative Measures for Relevant Payment Arrangements and prevent inappropriate payment arrangement, we have upgraded its online finance system to include a dedicated module for Relevant Payment Arrangements, which requires (i) uploading the revised Payment Notification Deed duly executed between the customer and the payor and duly stamped and accepted by us, in our prescribed form; (ii) uploading the Dow Jones screening record for any newly introduced payor; and (iii) uploading the business license and other qualification documents of the payor.

Following the implementation of the Current Internal Control Measures and Enhanced Internal Control Measures, we (i) will regularly check their effectiveness so as to promptly address any deficiency and (ii) expects to accept Relevant Payment Arrangements only in specific circumstances where customers in emerging market countries face practical difficulties in making direct payments. We do not expect the aggregate amount involving Relevant Payment Arrangements to significantly increase as a proportion of the total payments we receive from all customers in the near future, unless there are significant changes in (i) the economic or financial policies of emerging markets countries leading to further foreign exchange shortages, or (ii) settlement methods, which may involve a shift in how payments are processed or made (e.g., adoption of new payment channels or currency mechanisms), both of which are factors outside of our control.

Our internal control consultant conducted an independent and follow-up review of the Current Internal Control Measures and Enhanced Internal Control Measures and found no material deficiencies in (i) ensuring the sources of funds from the Relevant Customers and the Relevant Payors are reasonable and supported by properly executed contracts, (ii) ensuring the accuracy and completeness of our accounting books and records, and (iii) preventing typical risks associated with Relevant Payment Arrangements, including money laundering risks or other risks relating to violation of applicable laws and regulations. We will further enhance its internal control measures as appropriate in accordance with the recommendations of the internal control consultant as and when it is needed. Having taken into account the work and procedures performed by our internal control consultant, as well as the independent due diligence conducted by the Sole Sponsor, nothing has come to the attention of the Sole Sponsor that would reasonably cast doubt on the effectiveness and adequacy of the Enhanced Internal Control Measures, and the Sole Sponsor is not aware of any issues indicating that the Enhanced Internal Control Measures would have any material adverse effect on the Group's operations and financial performance.

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Legality of Third-Party Payment Arrangements

The sales and purchase agreement, the revised sales and purchase agreement and the revised Payment Notification Deed are governed by Hong Kong law primarily because our Hong Kong subsidiaries, as the major sales entities, are the signing party for the majority of our sales and purchase agreement, accounting for approximately 60% of our total revenue during the Track Record Period. Our special legal advisor as to Hong Kong law is of the view that (i) the Relevant Payment Arrangements do not violate any applicable laws and/or regulations in Hong Kong, (ii) the sales and purchase agreement, the Authorization Letter, the revised sales and purchase agreement and the revised Payment Notification Deed are not in breach of any Hong Kong laws and are valid, binding and enforceable as between us and the Relevant Customer, (iii) the Authorization Letter and the revised Payment Notification Deed serves as a valid document for the Relevant Customer to appoint the Relevant Payor as its agent to settle payment on its behalf, and (iv) the revised sales and purchase agreement and the revised Payment Notification Deed are enforceable against the contracting parties under the Hong Kong law.

We confirm that, to our best knowledge, there were no instances of breaches of Hong Kong laws and regulations in relation to money laundering activities or terrorist financing (including but not limited to the Organized and Serious Crimes Ordinance (Chapter 455 of the laws of Hong Kong) and the United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575 of the laws of Hong Kong) tax related administrative penalties in relation to our activities under the Relevant Payment Arrangements during the Track Record Period and up to the Latest Practicable Date in all material respects.

During the Track Record Period, Relevant Payment Arrangements involved more than 100 jurisdictions. We have sought advice from legal advisors from the jurisdictions where the majority of the Relevant Payors are incorporated, including UAE, Kenya, Hong Kong, DR Congo, Iraq, Bangladesh, Ethiopia, Tanzania, Guinea, Zambia, Liberia and Uganda, which together accounted for a substantial majority of the total transaction amount under the Relevant Payment Arrangements in 2025. We have further tightened our control over Relevant Payment Arrangements, and since June 1, 2026, we only accept payors located in jurisdictions for which we have obtained local legal advice in connection with the Relevant Payment Arrangements, subject to enhanced internal approval and ongoing compliance review procedures. As advised by our UAE Legal Advisor, Kenya Legal Advisor, DR Congo Legal Advisor, Iraq Legal Advisor, Bangladesh Legal Advisor, Ethiopia Legal Advisor, Tanzania Legal Advisor, Guinea Legal Advisor, Zambia Legal Advisor, Liberia Legal Advisor, Uganda Legal Advisor, and our Special Legal Advisor as to Hong Kong Law, (i) the Relevant Payment Arrangements do not violate any applicable local laws and regulations, (ii) the Relevant Payors are not required to obtain any specific license to make payments on behalf of the Relevant Customers, nor are we required to obtain any specific license to receive such payments from the Relevant Payors; (iii) the risk of us being required to return payments to the Relevant Payors under the Relevant Payment Arrangements is remote, (iv) the risk of us being prosecuted of money laundering, bribery or corruption solely by reason of the existence of the Relevant Payment Arrangements is remote and (v) the revised Payment Notification Deed are enforceable against the contracting parties. We consider that advice from legal advisors in such representative jurisdictions provides a reasonable basis to address the legal concerns in relation to the Relevant Payment Arrangements.

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Having taken into account the views of our UAE Legal Advisor, Kenya Legal Advisor, DR Congo Legal Advisor, Iraq Legal Advisor, Bangladesh Legal Advisor, Ethiopia Legal Advisor, Tanzania Legal Advisor, Guinea Legal Advisor, Zambia Legal Advisor, Liberia Legal Advisor, Uganda Legal Advisor, and our Special Legal Advisor as to Hong Kong Law, together with its independent due diligence conducted, nothing has come to the attention of the Sole Sponsor that would reasonably cast doubt on the legality of the Relevant Payment Arrangements.

THE IMPACT OF SANCTIONS, 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 572 business customers located in certain regions subject to sanctions imposed by the United States, the European Union or the United Nations (the “**International Sanctions**”), 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**”). Revenue generated from sales to customers in Relevant Regions was approximately RMB14,488.3 million, RMB14,562 million and RMB11,165 million in 2023, 2024 and 2025, respectively, accounting for 23.3%, 21.2% and 17.0% of our total revenue for the respective periods. Our mobile phones products and IoT products sold to customers in the Relevant Regions are used by local individual consumers for personal use and our contracts with such customers include clauses prohibiting any military use of our products. As of the Latest Practicable Date, we have not identified any indication that our mobile phones products and IoT products sold to the customers in the Relevant Regions have military applications. During the Track Record Period, we also procured agricultural products from 47 suppliers in Ethiopia. The purchase amounts were approximately RMB98.6 million, RMB61.8 million and RMB116.5 million in 2023, 2024 and 2025, respectively, accounting for 0.2%, 0.1% and 0.2% of the total procurement amount for the same periods. Our sales and procurement activities in the Relevant Regions are ongoing.

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, given that (1) none of the Relevant Regions were comprehensively sanctioned countries at the time of the relevant transactions (our sales to the customer in Syria commenced in September 2025, after the comprehensive OFAC sanctions program against Syria was terminated on August 26, 2025), (2) our products sold to the Relevant Regions are not specifically designed for, nor predominantly marketed to, entities operating in industries subject to heightened or sectoral sanctions (e.g., defense, energy, or finance), and (3) none of our business customers and suppliers in the Relevant Regions during the Track Record Period were Sanctioned Targets at the time of the relevant transactions.

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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 majority of our products are not subject to the EAR, because such products are not of U.S. origin or located in the U.S., do not incorporate U.S.-origin components, software, or technology to the level that would trigger EAR jurisdiction under the *de minimis* rule, and are not direct products of U.S.-origin technology or software, and are not produced using any complete plant or major component that is itself a direct product of such controlled U.S. technology or software. However, our products that move in transit through the United States to customers in Latin America do fall under the EAR. Our International Trade Controls Legal Advisor is of the view that such products are subject to limited U.S. controls under the EAR, and are prohibited from being provided to any restricted customers or prohibited regions. After due and careful inquiry, we have not identified any customers that were listed on the Entity List at the time of the relevant transactions. Nor did we provide our products subject to the EAR to any restricted customers or prohibited regions. As a result, our International Trade Controls Legal Advisor is of the view that the current U.S. government export controls should not have any material adverse effect on our business.

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.

Tariffs under the International Emergency Economic Powers Act (“IEEPA”)

In February and March 2025, the United States imposed cumulative 20% tariffs on imports from China (including Hong Kong SAR) under IEEPA in response to fentanyl-related concerns, later reducing the cumulative rate by 10% in November 2025. In April 2025, the United States introduced “reciprocal tariffs” on imports from major trading partners, including China, with rates on Chinese goods rising as high as 125% (in addition to existing tariffs) before being reduced to 10% following bilateral negotiations in May 2025. On February 20, 2026, the United States Supreme Court issued its decision that the IEEPA does not authorize the President to impose tariffs, and invalidating both the reciprocal tariffs and the tariffs in response to fentanyl-related concerns. On the same day, the U.S. government announced the end of the IEEPA tariffs, including the reciprocal tariffs, stating that such duties “shall no longer be in effect and, as soon as practicable, shall no longer be collected.”

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Tariffs under Section 122 of the Trade Act of 1974

On February 20, 2026, the U.S. government announced that it would impose, for a period of 150 days, a 10% ad valorem import duty on articles imported into the United States under Section 122 of the Trade Act of 1974, effective February 24, 2026. During the Track Record Period, our revenue generated from our product sales to the U.S. amounted to approximately RMB137.7 million, RMB63.2 million and RMB7.3 million, respectively, accounting for 0.2%, 0.1% and 0.01% of the total revenue for the respective periods. 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.

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. In addition, 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 (“**AI**”).

We have developed certain AI systems, which were developed for integration into our mobile phone and IoT products, or for use in screen inspection, knowledge base integration, and business scenario modeling. All such AI systems were trained using a quantity of computing power that do not meet the technical threshold of “notifiable transactions” or “prohibited transactions” under the OISP, and we do not plan to develop any AI systems that meet such technical threshold. Our AI-related research and development activities are not intended for military end use, government intelligence or mass-surveillance end use, cybersecurity applications, digital forensics tools, penetration testing tools, or the control of robotic systems. As advised by our International Trade Controls Legal Advisor, our AI-related research and development activities do not fall under the definition of a “notifiable transaction” or a “prohibited transaction” under the OISP, and we are not a “covered foreign person” under the Final Rule, as we do not engage in any “covered activity” as defined therein.

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RAW MATERIALS AND SUPPLIERS

Raw Materials Procurement

Our raw materials primarily include (i) electronic components, mainly including memory chips and SoCs, (ii) cameras and (iii) screens. We procure raw materials mainly from globally recognized manufacturers and their authorized distributors. We formulate our procurement plans dynamically, taking into account historical demand, sales forecasts, inventory levels, R&D needs, and market expansion strategies. All materials undergo quality inspections prior to warehousing, ensuring compliance with our strict standards.

During the Track Record Period, we did not have significant reliance on any single supplier. We maintain a diversified supplier base and have established long-term and stable relationship with suppliers. During the Track Record Period, we collaborated with over 10,000 suppliers across Chinese Mainland, Hong Kong and Taiwan. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any shortages with our procurement that materially affected our operations.

Key Arrangements with Suppliers

We generally enter into framework agreements with raw material suppliers, which set forth the general terms and conditions of purchase. Salient terms of the framework supply agreements with our raw material and component suppliers typically include:

- ***Duration and Termination:*** The term of the supply agreements is typically two years, with either party entitled to terminate for breach.
- ***Product Specifications:*** We specify the product specification, price, quantity, delivery timeline and other detailed items in each purchase order we send to our suppliers.
- ***Risk Transfer:*** The risk transfers to us after we complete inspection and confirm receipt of the products.
- ***Quality Assurance:*** Suppliers generally grant a warranty period of 13 months. In the event of a quality issue arising during the warranty period, the supplier is obliged to provide a response and resolution.
- ***Product Return:*** We have the right to reject, replace or return products which are non-conforming with product quality standard, product specifications or quantity with the order placed.
- ***Payment:*** Payment terms vary by supplier or product, or situation, and we are generally granted credit terms between 30 and 90 days.

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Supplier Management

We typically engage reputable suppliers with proven track records to ensure the quality of our products. We have established a comprehensive supplier management system to ensure supply chain stability, cost efficiency, and quality compliance. Our supplier lifecycle management covers the entire engagement process, including selection, evaluation, performance tracking, and potential disengagement. We consider a comprehensive set of factors when selecting suppliers, which mainly include cost competitiveness, delivery reliability, quality assurance, and technical capabilities. New suppliers must undergo rigorous qualification processes, including registration, capability assessment, material certification, on-site inspections, and contractual agreements before being included in our approved supplier list. Existing suppliers are subject to quarterly and annual performance reviews, which classify them into different categories based on performance. Suppliers that fail to meet performance expectations may be subject to corrective action plans, reduced procurement volumes, or contract termination. In addition, we conduct regular supplier training programs to enhance their understanding of product quality, corporate social responsibility, and compliance requirements.

Major Suppliers

The following table sets forth the details of our five largest suppliers in each period during the Track Record Period.

Rank	Supplier	Purchase Amount	Percentage of Total Purchase	Type of Products Provided	Business Relationship Since
(RMB'000)					
<i>For year ended December 31, 2023</i>					
1	Supplier A ⁽¹⁾	5,361,669	10.8	Memory chips and SoCs	2015
2	Supplier B ⁽²⁾	4,925,516	10.0	SoCs	2015
3	Supplier C ⁽³⁾	3,834,155	7.7	Functional chips, control and display assemblies, memory chips and home appliances	2021
4	Supplier D ⁽⁴⁾	2,231,807	4.5	Memory chips and driver ICs	2019
5	Supplier E ⁽⁵⁾	1,849,480	3.7	Memory chips	2021
Total . .		18,202,627	36.7		

Rank	Supplier	Purchase Amount	Percentage of Total Purchase	Type of Products Provided	Business Relationship Since
(RMB'000)					

For the year ended December 31, 2024

1	Supplier A ⁽¹⁾	6,220,150	12.3	Memory chips and SoCs	2015

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Rank	Supplier	Purchase Amount	Percentage of Total Purchase	Type of Products Provided	Business Relationship Since
<i>(RMB'000)</i>					
2	Supplier B ⁽²⁾	5,344,465	10.6	SoCs	2015
3	Supplier C ⁽³⁾	3,276,438	6.5	Functional chips, control and screen assemblies, memory chips and home appliances	2021
4	Supplier D ⁽⁴⁾	1,968,451	3.9	Memory chips and driver ICs	2019
5	Supplier F ⁽⁶⁾	1,881,322	3.7	Memory chips	2015
Total . .		18,690,826	37.0		

Rank	Supplier	Purchase Amount	Percentage of Total Purchase	Type of Products/Services Provided	Business Relationship Since
<i>(RMB'000)</i>					
<i>For the year ended December 31, 2025</i>					
1	Supplier B ⁽²⁾	4,547,033	9.2	SoCs	2015
2	Supplier D ⁽⁴⁾	3,782,638	7.6	Memory chips and driver ICs	2019
3	Supplier A ⁽¹⁾	3,524,373	7.1	Memory chips and SoCs	2015
4	Supplier F ⁽⁶⁾	3,108,788	6.3	Memory chips	2015
5	Supplier G ⁽⁷⁾	2,119,219	4.3	Production consumables, screens, home appliances and appliance assemblies	2019
Total . .		17,082,051	34.5		

Notes:

- (1) Supplier A is established in Shenzhen, China and primarily engages in the distribution of electronic components. It was listed on the Shenzhen Stock Exchange in April 2023.
- (2) Supplier B is established in Hong Kong SAR and primarily engages in the distribution of semiconductor and electronics.
- (3) Supplier C is established in Taiwan, China and primarily engages in the distribution of semiconductor and other electronic components. It was listed on the Taiwan Stock Exchange in December 2007.
- (4) Supplier D is established in Hong Kong SAR and primarily engages in the technology development, wholesale and sales of optoelectronic display products, electronic products and electronic application materials.
- (5) Supplier E is established in Hong Kong SAR and primarily engages in the manufacturing of memory chips and provides memory solutions.
- (6) Supplier F is established in Hong Kong SAR and primarily engages in the manufacturing of electronic components and equipment.
- (7) Supplier G is established in Shenzhen, China and primarily engages in the manufacturing of mobile and automotive display products, providing comprehensive customized display solutions and rapid service support. It was listed on the Shenzhen Stock Exchange in March 1995.

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During the Track Record Period and up to the Latest Practicable Date, none of our Directors, their respective associates, nor any shareholders of our Company (who or which to the knowledge of the Directors owned more than 5% of our Company’s issued share capital) had any interest in any of our five largest suppliers. None of our major suppliers are our major customers and vice versa. All of our five largest suppliers in each period during the Track Record Period were Independent Third Parties.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

We engage qualified third-party logistics service providers to deliver our products from the manufacturing facilities to the locations specified by our customers. We conduct regular evaluations of these third-party logistics providers to ensure their compliance with our quality standards and efficient delivery performance. To the best of our knowledge, during the Track Record Period, all of our logistics service providers are Independent Third Parties.

Inventory Management

We place high importance on our inventory and turnover health, assigning dedicated personnels in our supply chain team to maintain routine inventory check and provide reports to our management team for review. Our inventories primarily consist of (i) raw materials, (ii) work in progress, (iii) finished goods and (iv) consigned materials for processing.

To maintain our competitiveness, align our products with evolving market demand, and prevent inventory obsolescence, we have implemented measures to optimize our inventory levels. We adopt a first-in, first-out management policy and maintain a safety stock level to prepare for unexpected increase in demand or delay, shortage in supply. We routinely monitor our inventory and ensure that all goods in transit are effectively managed. We also proactively track market condition change and pre-order and stockpile in advance strategic raw materials in anticipation of potential supply shortage, particularly for key raw materials that are subject to price or availability fluctuations, such as memory chips. For further details, see “Financial Information—Selected Balance Sheet Items—Current Assets/Liabilities—Inventories.”

QUALITY CONTROL

We are committed to maintaining the highest level of quality across our products and solutions. Our comprehensive quality management system ensures full lifecycle quality control, covering R&D, design, testing, production, delivery, and after-sales service. Our commitment to high quality and reliability helps strengthen the recognition of our brand. As of December 31, 2025, we had a quality control workforce of over 200 personnel. Our quality control team is equipped with advanced inspection instruments for higher testing capabilities to ensure product quality. Our quality control team is responsible for formulating, managing and supervising our quality control system. All employees in the quality control team enter

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have completed training in quality management systems and regularly undergo training on quality management regulations to continuously enhance their professional knowledge and legal expertise in quality and safety management, ensuring their competence in performing their duties.

Our Quality Accreditations

We adhere to globally recognized quality and environmental management standards, ensuring that our products and operations comply with the highest industry benchmarks. We have obtained ISO9001, ISO14001 and ISO45001 certifications, covering R&D, supply chain management, and customer service, which systematically enhance our operational quality and risk management capabilities.

To ensure compliance with environmental and hazardous substance regulations, we strictly follow European Union’s Restriction of Hazardous Substances (“RoHS”) (“歐盟有害物質限制”) and Registration, Evaluation, Authorization, and Restriction of Chemicals (“REACH”) (“歐盟關於化學物質的註冊、評估、授權和限制法規”) directives, ensuring that all our products meet the latest environmental safety requirements. In addition, our quality control efforts have been recognized by the industry. These recognitions reinforce our ongoing commitment to product safety, quality management, and sustainable production practices, positioning us as a trusted and responsible player in the industry.

Our Quality Control Programs

Supply Chain Quality Control

A robust supply chain quality control process is essential to maintaining consistent and high-performing components. We enforce strict supplier audits, evaluating potential partners based on manufacturing capabilities, quality track record, and regulatory compliance. Only materials that pass our rigorous qualification and certification process are approved for use. Throughout the procurement and production cycle, we maintain full-process quality management, ensuring that all raw materials meet our design specifications and environmental compliance standards. We implement multi-layered quality checks, from incoming material inspections to critical material sealing procedures, preventing substandard components from entering production. This proactive approach enables us to minimize quality risks, strengthen supplier accountability, and ensure stable supply chain performance.

Production Quality Control

We have established a comprehensive quality control system across various stages of our production. To ensure effective implementation and compliance with national and industry production standards as well as our internal production guidelines, our quality control staff conduct routine inspections and periodic sample checks throughout the entire production process. Our quality control measures include (i) establishing quality standards and inspection plans to guide quality control activities; (ii) conducting inspections of incoming materials and

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first-article checks to ensure only qualified components enter production; (iii) performing in-process monitoring, including patrol, process-wide and control point inspections, to identify and address quality risks; (iv) carrying out finished product inspections, including sampling audits and reliability tests, to ensure compliance with quality and safety standards; and (v) implementing post-production measures, including inventory re-inspections and ongoing monitoring, to enhance product reliability prior to delivery.

Finished Products Quality Control

Before shipment, finished products undergo comprehensive quality testing to ensure performance, reliability, and compliance with international standards. Our hardware testing verifies circuit integrity, thermal stability, and structural durability, while software testing assesses functionality, firmware stability, and user experience. We conduct extensive reliability testing, simulating real-world operating conditions to validate long-term product performance. Additionally, we ensure compliance with international certification requirements, such as environmental substance testing and target market regulatory approvals, to facilitate seamless global market entry. Through these rigorous validation processes, we endeavor to guarantee that every product meets our strict quality benchmarks before reaching customers.

Customer Services

To better serve users of our smart devices, we have established a comprehensive after-sales service network under the brand Carlcare. Carlcare provides repair, online consultation and other value-added services. Our after-sale services ensure a reliable user experience and supports long-term customer satisfaction.

We have developed a multi-tiered customer service system to provide timely and comprehensive support to our distributors, end-users, and other stakeholders. This system covers both post-sales support and general consumer inquiries. Post-sales services are typically provided through direct, one-on-one assistance to resolve product-related issues effectively. For general inquiries — including product information, usage suggestions, and feedback on marketing — we engage users through various channels, such as our customer hotline and official social media platforms, ensuring a seamless and responsive communication experience.

As of December 31, 2025, we operated over 2,000 customer service centers globally, which handle product- and service-related inquiries and complaints. Our customer service team regularly coordinates with other departments to improve service quality and address evolving customer needs. During the Track Record Period and up to the Latest Practicable Date, we did not have any material complaints in relation to our products and services.

Product Return Policies

For our distributors, we maintain a relatively stringent return policy under which distributors are generally not allowed to return or exchange products after receipts unless there are quality issues. If a product is found to have quality defects caused by us, we will recall the affected products to our production facilities for further handling, and we will bear the costs

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incurred in connection with such product exchanges or returns. During the Track Record Period, our product returns were primarily due to quality issues that could not be repaired by our local after-sales service team. The value of products returned by us accounted for less than 0.4% of our total revenue during the Track Record Period. During the Track Record Period and up to the Latest Practicable Date, we did not experience any product recalls, product returns, or product liability claims that materially and adversely affected our business.

INTELLECTUAL PROPERTY

Our patents, copyrights, trademarks, domain names, know-how, proprietary technologies, trade secrets and other intellectual property rights are critical to our business operations. 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. See “Appendix IV—B Further Information about Our Business—Intellectual Property Rights” for more details of the material intellectual property rights.

We rely primarily on a combination of patents, copyrights, trademarks, trade secret and unfair competition laws and contractual rights, such as confidentiality agreement, to protect our intellectual property rights. We clearly state all rights and obligations regarding the ownership and protection of intellectual properties in all employment agreements and commercial agreements we enter into. When encountering infringement, we conduct relevant investigations, obtain proper evidence, take appropriate action such as warnings and legal proceedings, to safeguard our legal rights and interests. During the Track Record Period and up to the Latest Practicable Date, we were involved in certain intellectual property disputes, including claims relating to standard essential patents (“SEPs”) which are common within the industry and other non-SEP intellectual properties proceedings. See “—Legal Proceedings and Compliance—Legal Proceedings” for details. However, as of the Latest Practicable Date, none of such Proceedings had resulted in any final and enforceable judicial determination that we had infringed any third party’s intellectual property rights. Based on the forgoing, our Directors are of the view that during the Track Record Period and up to the Latest Practicable Date, we did not infringe any third-party intellectual property rights and that we were not involved in any legal proceedings in relation to infringement of any intellectual property rights which would have any material adverse impacts on our business, financial condition, and results of operations. See “Risk Factors—Risks Relating to Our Business and Industry—We may not be able to obtain or maintain adequate intellectual property rights or trade secrets protection for our products and may become involved in lawsuits to protect or enforce our intellectual property” and “Risk Factors—Risks Relating to Our Business and Industry—If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and damages and may have to redesign or suspend the sales of products involved.”

INFORMATION SECURITY AND DATA PRIVACY

We have established a strict company-wide policy on data collection and processing and have implemented a network of process and software controls to preserve individual personal information and privacy. In accordance with our policy, the processing of any user data is

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required to go through the following assessment procedures: (i) providing adequate notice to users as to why and how their data is being collected and used, (ii) providing users with the choice to opt-out or opt-in, (iii) making reasonable efforts to prevent loss or leakage of any user data, (iv) providing users access to personal information held about them, and (v) enforcing the policy with effective means.

We collect personal data primarily through our devices, operating systems and related applications and services, including those provided through Transsion OS. We only collect users’ personal data after they have been presented with our privacy policy and have provided their consent. Personal data are mainly obtained through (i) information voluntarily provided by users when they register accounts, use certain functions or submit information through our devices, applications or services, and (ii) data generated during the provision of services based on users’ authorization and interaction with our systems and applications.

With prior user consent and depending on the types of services that users engage with, we may collect the following categories of personal and behavioral data: (i) contact information (such as name, birthday, gender, mobile phone number, e-mail address, and delivery address); (ii) device information (such as IMEI code, serial number and hardware usage patterns); (iii) software and application usage information; (iv) social activities (such as current employer, job title and education background); (v) transaction activities (such as purchase records, bank account number, and credit card number); (vi) location information; and (vii) Internet browsing activities.

We only process behavioral statistics as part of our effort to develop more advanced AI technology for our products and services. We do not sell our users’ personal data. Subject to users’ authorization and in accordance with applicable data protection requirements, we may share limited information, such as encrypted advertising identifiers, with third-party advertising platforms for the purpose of advertisement placement. We encrypt user data in network transmission. For back-end storage, we also use various encryption technologies at software and hardware levels to protect sensitive user data.

To minimize the risk of data loss or leakage, we conduct regular data backup and data recovery tests. We also require any access to or processing of user data to go through strict assessment and approval procedures in order to assure that only valid and legitimate requests are executed. Our proprietary mobile security software protects users from phishing sites in real time. In order to comply with relevant local laws and regulations, user and behavioral data is primarily stored in the facilities of our domestic and international cloud service providers in Chinese Mainland, Hong Kong, United States, India and Germany. Where permitted under applicable laws and regulations, we may transfer data across borders for storage or processing purposes. In conducting such cross-border data transfer, we implement appropriate security measures, including encryption and de-identification, to safeguard personal data. All user and behavioral data are only stored for a fixed period of time in accordance with local laws and regulations, and only until the business purposes for collecting and processing such data has been fulfilled, whichever is earlier. The user data collected is under our control, and we may analyze and utilize such data for permitted applications under relevant laws and regulations, as well as in accordance with user consent.

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We prioritize user data security and privacy by strictly following our policy. We have a dedicated team to enforce our privacy practices. Since 2021, the privacy practice of our Transsion OS has been certified under ISO/IEC 27001:2022, ISO/IEC 27701:2019 and ISO/IEC 27018:2019 by Det Norske Veritas, a global provider of privacy compliance and risk management services, which conducts comprehensive assessments of privacy policies and control measures. Each member of our big data team is required to sign an additional agreement with respect to the safeguarding of user data, in addition to standard employment agreements. Upon any breach of our data privacy and protection policy, as incorporated into our employee handbook, we may subject the relevant employees to strict disciplinary actions, including possible termination, as well as pursuing legal action for damages against such employees, based on such additional agreement. Similarly, we pursue legal actions against any business partner who violates data privacy and protection-related provisions of the cooperation agreements that we have in place with them. Our specific measures for preventing improper use and disclosure of data include: (i) strict classification of business and user data, (ii) network segregation, (iii) multi-factor authentication, and (iv) advanced encryption and watermarking technology.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material claims by users or material penalties from regulatory authorities regarding personal information leakage, misuse or any other related matters, nor have there been any material investigations, penalties, litigations or legal proceedings against us relating to data privacy and protection. Our Directors and our PRC Legal Advisor are of the view that, during the Track Record Period and up to the Latest Practicable Date, we have complied with currently effective and applicable PRC laws and regulations on data privacy and security in all material respects.

INFORMATION TECHNOLOGY SYSTEM

Our information technology systems are integral to our operational efficiency, data security, and business continuity. Our core information technology systems include (i) an enterprise resource planning system that covers key business functions, including supply chain, production, materials management, sales, marketing, finance and human resources, and integrates data across procurement, inventory, planning, orders, logistics and finance; (ii) a supplier relationship management system that integrates supplier management, sourcing and procurement, order and logistics collaboration and accounts payable reconciliation, enhancing efficiency and transparency across the supply chain; (iii) a customer relationship management system that consolidates functions such as work order management, warehousing, call center operations and materials control, supporting customer service and operational coordination; and (iv) a digital channel retail system that integrates digitalized functions for marketing, channel distribution, retail terminal management, warehousing and workforce management, supporting execution across retail and distribution channels.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material IT system failure or downtime that had a material adverse effect on our business operations.

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COMPETITION

We operate in a competitive and rapidly evolving market. We primarily compete with a large and increasing number of companies engaged in the global mobile phone market and mobile Internet service market in emerging markets. Our ability to maintain and expand our market share depends on our capacity to compete effectively with these market participants. The competitive landscape is influenced by various factors, including brand equity, product functionalities, consumer preferences and trends, pricing and consumer perception, distribution network, digitalization capabilities, product innovation, and overall economic conditions. See “Industry Overview—Overview of Global Mobile Phone Market and Mobile Internet Service Market—Competitive Landscape of the Global Mobile Phone Market” for details of comparison of product functionalities between us and our peers.

We believe that our diversified product portfolio, optimal product functionalities, and extensive sales and distribution network enable us to serve a broad customer base. In addition, our advanced technological capabilities differentiate us from our competitors and provide us with long-term competitive advantages, supporting our sustainable growth. See “Industry Overview” for more details. Specifically, we plan to implement a number of initiatives to secure orders and enhance our competitiveness in the global market. For example, we plan to (i) strengthen our mobile phones by continuing to upgrade our product portfolio and expanding mid-to-high-end product offering, (ii) strengthen our mobile Internet services by expanding the range of services available on our platform, and (iii) strengthen our IoT products by expanding our connected device offerings and enhancing integration across devices to provide a more comprehensive smart lifestyle experience. To support these initiatives, we will continue to increase our investment in research and development to drive product innovation and improve user experience.

TRANSFER PRICING ARRANGEMENT

During the Track Record Period, we conducted our operations through subsidiaries in China and multiple overseas jurisdictions, with an aggregate intra-group transaction amount of RMB204.9 billion, RMB216.4 billion and RMB227.0 billion in 2023, 2024 and 2025, respectively, to expand our operation in the international markets. Our intra-group transactions primarily include (i) purchase and sales of raw materials and finished goods, (ii) transactions of rights to use intangible assets, (iii) intra-group services, and (iv) loan transactions. During the Track Record Period, we did not make any transfer pricing adjustments as the estimated tax exposures are not material to our Group’s financial performance.

The Organization for Economic Cooperation and Development (the “**OECD**”), an international organization of international cooperation, promulgated the transfer pricing guidelines for multinational enterprises and tax administrations (the “**OECD Transfer Pricing Guidelines**”), which is generally followed by the relevant tax jurisdictions involved in the intra-Group transactions. According to the OECD Transfer Pricing Guidelines, the intra-Group transactions should be at arm’s length basis to avoid distorted taxable income in different jurisdictions.

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After consultation with our transfer pricing consultant, our Directors are of the view that (i) our intra-group transactions were in line with the arm’s length principle under both OECD Transfer Pricing Guidelines and complied with the applicable local laws and regulations related to transfer pricing in the relevant jurisdictions in material respects, and (ii) the risk for our Group to conduct material transfer pricing adjustment and pay additional tax can be considered as relatively low. In addition, our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we had not been subject to nor were we aware of any material outstanding enquiries, audit, investigation or challenge by any tax authorities in relation to our intra-group transactions and transfer pricing arrangements. Based on discussions with the transfer pricing consultant and our Directors on our Group’s intra-group transactions against the OECD Guidelines and applicable local transfer pricing regulations, and having considered our Directors’ confirmations that (i) such transactions complied with applicable laws during the Track Record Period and up to the Latest Practicable Date, (ii) no material transfer pricing compliance issues have been identified, and (iii) the associated transfer pricing risk can be considered relatively low, nothing has come to the attention of the Sole Sponsor that would reasonably cast doubt on our Directors’ view on the compliance of our Group’s transfer pricing arrangements with applicable tax law and regulations.

OUR OPERATIONS IN NON-IOSCO COUNTRIES

We have business operations in certain countries that are not members of the International Organization of Securities Commissions Multilateral (“**IOSCO**”) or full signatories to the IOSCO Multilateral Memorandum of Understanding (“**IOSCO MMOU**”) (Collectively, the “**Non-IOSCO Countries**,” each a “**Non-IOSCO Country**”). Specifically:

- **Subsidiaries:** During the Track Record Period, certain of our subsidiaries were incorporated in Non-IOSCO Countries, including Burkina Faso, Cambodia, Cameroon, Côte d’Ivoire, Democratic Republic of Congo, Ethiopia, Mali, Myanmar, Nepal, Philippines, Rwanda, Senegal and Togo. In 2023, 2024 and 2025, revenue generated from subsidiaries incorporated in Non-IOSCO Countries was approximately RMB170.5 million, RMB212.2 million and RMB272.0 million, respectively, representing approximately 0.3%, 0.3% and 0.4% of our total revenue for the respective periods. As of December 31, 2023, 2024 and 2025, the assets of subsidiaries incorporated in Non-IOSCO Countries were approximately RMB241.7 million, RMB121.6 million and RMB189.5 million, respectively, representing approximately 0.5%, 0.3% and 0.4% of our total assets as of the same dates. Except for the subsidiary incorporated in Ethiopia which primarily engages in the manufacturing of mobile phones, our subsidiaries incorporated in Non-IOSCO Countries primarily provide after-sale services. See “—Production—Our Production Bases” for more details on our production base in Ethiopia.
- **Sales:** During the Track Record Period, certain of our products and services were delivered to Non-IOSCO Countries, including Afghanistan, Azerbaijan, Benin, Bolivia, Botswana, Burkina Faso, Cambodia, Cameroon, Chad, Côte d’Ivoire, Democratic Republic of the Congo, Djibouti, Ethiopia, Gabon, Gambia, Guatemala, Guinea, Guinea-Bissau, Iraq, Kyrgyzstan, Laos, Lebanon, Liberia, Libya, Madagascar, Mali, Mauritania, Mozambique, Myanmar, Namibia, Nepal, Niger, Papua New Guinea, Paraguay, Philippines, Republic of the Congo, Rwanda, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Sudan, Tajikistan,

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Togo, Ukraine, Uzbekistan, Venezuela, Yemen, Zimbabwe, Burundi and Equatorial Guinea. In 2023, 2024 and 2025, revenue generated from products and services delivered to Non-IOSCO Countries was RMB20,415.7 million, RMB23,664.7 million and RMB22,317.8 million, respectively, representing 32.8%, 34.4% and 34.0% of our total revenue for the respective periods.

Despite the above, we consider our operations in and sales to Non-IOSCO Countries will not affect our suitability for [REDACTED] on the basis that:

- Our place of central management and control is China. Except for one of our Directors with place of residence in Singapore, all the members of our Board of Directors and senior management are located in China to direct, control and coordinate our business both within and outside China.
- We generate, store and maintain the principal books and records of our subsidiaries in the finance management system whose server is located in China, ensuring timely access to financial and operational information for regulatory oversight.
- We are listed on the Shanghai Stock Exchange and regulated by the CSRC which is a full signatory to the IOSCO MMOU.
- We have adopted measures and plan to continuously monitor our management procedures to ensure the Hong Kong regulators can obtain information as to our operations in Non-IOSCO Countries as and when necessary and in a timely manner.

In addition, we have adopted measures and plan to continuously monitor our management procedures to ensure the Hong Kong regulators can obtain information as to our operations in Non-IOSCO Countries as and when necessary and in a timely manner. The measures include: (i) we from time to time reviews its internal control policies on the management of books and records of its overseas subsidiaries stored in the finance management system located in PRC; (ii) our legal department provides timely legal advice to our Board of Directors and other relevant personnels on the applicable laws, rules and regulations concerning its operations. We may from time to time hire external legal counsel to provide legal advice on specific legal issues; and (iii) our Directors have attended, and will continue to attend, relevant training on the ongoing obligations, duties and responsibilities of directors of publicly listed companies under applicable laws and regulations.

We will cooperate and procure our relevant employees and staff to cooperate with the Hong Kong regulators to ensure their full and timely access to information as to our business in the Non-IOSCO Countries.

While we continue to expand, we do not expect significant growth in the revenue contribution or assets of our subsidiaries incorporated in Non-IOSCO Countries in the near future, nor do we anticipate a significant increase in the production volume of the manufacturing facility located in Ethiopia. We have no intention of establishing any additional subsidiaries or manufacturing facilities in Non-IOSCO Countries in the near future. Based on the foregoing, we believe we are and will be in compliance with Rule 8.02A of the Listing Rules. Based on its due diligence conducted, the Sole Sponsor is not aware of any issues indicating that the Group is not in compliance with Rule 8.02.

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EMPLOYEES

The following table sets forth a breakdown of our employees by function as of December 31, 2025.

Function	Number	Percentage of Total Number (%)
Sales and marketing	10,631	44.2
Production	5,820	24.2
R&D	5,037	21.0
Administrative	2,537	10.6
Total	24,025	100.0

The table sets forth a breakdown of our employees by their work geographical locations as of December 31, 2025.

Geographical location	Number	Percentage of Total Number (%)
China	11,205	46.6
South Asia	3,823	15.9
Africa	2,800	11.7
Southeast Asia	5,797	24.1
Other regions	400	1.7
Total	24,025	100.0

We recruit employees primarily through referrals, headhunters, online job portals and campus job fairs. We offer new employee orientation training and regular on-the-job training to our employees. We and employees enter into individual employment contracts covering matters including salary, bonuses, employee benefits, confidentiality obligations, non-compete clauses, work product and intellectual property transfer clauses and reasons for contract termination. The remuneration packages of our employees include salary and bonuses, which are usually determined based on their seniority, performance appraisal and term of service. We also provide share incentives and promotion opportunities to motivate our employees.

Sharing success with employees and empowering them to grow is one of the core elements of our corporate culture. We always strive to provide employees with comprehensive social benefits, a safe working environment and diverse career development opportunities. Meanwhile, we strictly abide by the laws, regulations and standards on workplace safety in relevant countries and regions. We are committed to creating a safe and healthy working environment for employees and ensuring their safety and physical and mental health by implementing a highly efficient management system.

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We believe that we maintain good working relationships with our employees, and we have not experienced any material labor disputes, strikes, protests or any difficulty in recruiting staff for our operations that could have a material and adverse effect on our business, financial condition or results of operations during the Track Record Period and up to the Latest Practicable Date.

Social Insurance and Housing Provident Fund Contributions

During the Track Record Period, we had not made social insurance and housing provident fund contributions for certain of our employees, in full, in accordance with the relevant PRC laws and regulations. This was primarily because (i) certain employees had chosen for us not to pay the social insurance and housing provident fund contributions in full, as that also requires additional contributions from the employee, (ii) certain employees had chosen to participate in the rural social security contribution plans in their residential places or their hometowns, and (iii) consistent with the industry norm, our employees are highly mobile, which made it impracticable for us to make full contributions in time for relevant employees that leave us shortly after onboarding. We estimate that the aggregate shortfall of social insurance and housing provident fund contributions accounted for approximately 0.1% of our total revenue in each period during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, (i) we had obtained enterprise credit reports for substantially all of our subsidiaries from competent local social insurance and housing provident fund governmental authorities, as confirmed by our PRC Legal Advisor, each stating that the relevant subsidiary had not subject to any administrative penalty, (ii) no administrative action or penalty had been imposed by the relevant governmental authorities with respect to our social insurance and housing provident fund contributions, (iii) we had not received any notification from the relevant PRC authorities requiring us to pay material shortfalls or the penalties with respect to social insurance and housing provident fund contributions, and (iv) we were not aware of any material employee complaints nor were involved in any material labor disputes with our employees with respect to social insurance and housing provident fund contributions.

Based on the foregoing, our PRC Legal Advisor is of the view that the likelihood that we are subject to material administrative penalties due to our failure to make full contribution of social insurance and housing provident fund contributions during the Track Record Period is remote. As a result, we had not made any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date.

We have taken the following internal control enhancement measures relating to social insurance and housing provident funds contributions: (i) we have designated our human resource department to monitor the reporting and contributions of social insurance and housing provident fund contributions; (ii) we will consult PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments; and (iii) we will actively communicate with relevant social insurance and housing fund local authorities to ensure we have the most updated information about the relevant laws and regulations concerning social insurance and housing fund.

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As of the Latest Practicable Date, in an effort to make full contributions to the extent possible and as soon as practicable, we were in the process of actively communicating with our employees to seek their understanding and cooperation in complying with the applicable payment base, which require additional contributions from them. We undertake to make full contributions of social insurance and housing provident funds in accordance with relevant PRC laws and regulations as soon as practicable, subject to the cooperation of our employees in making full contributions. Additionally, if relevant authorities order us to fully contribute to the social insurance and/or housing provident funds going forward, we undertake to make full contributions and/or make such rectification measures promptly within the specified period.

However, there is no assurance that our historical and current practice with respect to the contribution of social insurance plans will at all times be deemed in full compliance with relevant laws and regulations in Chinese Mainland by government authorities. As a result, we may be required to make additional contributions to social insurance fund and/or housing provident fund and pay late payments and fines under PRC laws and regulations.

INSURANCE

We maintain insurance policies to cover various aspects of our business, including commercial general liability insurance, employer’s liability insurance and cargo insurance, to safeguard our business continuity. In accordance with the requirements of relevant laws and regulations, we take out social insurances for our employees working in China, including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance. In line with general market practice, we do not maintain any business interruption insurance or insurance policies covering damages to our network or information technology systems. We regularly review our insurance policies to ensure compliance with statutory requirements. Our insurance coverage is in line with industry standards, according to Frost & Sullivan.

PROPERTIES

Owned Properties

Land

As of Latest Practicable Date, we had the right to use one land parcel in Nigeria, with an aggregate gross site area of approximately 4,000 sq.m., which were primarily expected to be used as our offices, staff dormitory or other operational purpose. As of our Latest Practicable Date, our rights to use such lands were lawful and valid, and there were no disputes or potential disputes over the ownership over such lands.

Buildings

As of the Latest Practicable Date, we owned (i) 37 properties in China with an aggregate gross floor area of approximately 396,000 sq.m., and (ii) five properties in Kenya, Nigeria and Tanzania, with an aggregate gross site area of approximately 8,000 sq.m., which were primarily used as our offices and staff dormitories. During the Track Record Period and up to the Latest Practicable Date, we had obtained the building ownership certificates for all of our owned properties in China.

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Lease Properties

As of Latest Practicable Date, our leased properties in China and overseas were primarily used as our offices, production bases and after-sale services centers.

During the Track Record Period and up to the Latest Practicable Date, with respect to six leased properties in mainland China with relatively large gross floor area, the lessors had obtained the relevant title certificates and/or consent, authorization, or approval which entitled the lessors to lease out such properties.

During the Track Record Period and up to the Latest Practicable Date, for the 18 properties our Company and our major subsidiaries leased in China, we had not completed lease registration or lease registration modification for any of these properties. As the registration of a lease agreement requires the cooperation between the lessor and lessee and lessors are typically unwilling to undertake the administrative, we were not able to complete the registration of lease agreements mentioned above. During the Track Record Period and up to the Latest Practicable Date, in relation to the leased properties that had not completed lease registration or lease registration modification, we had not been required by the relevant local housing administrative authorities to complete the registrations, nor been penalized or fined by the relevant authorities. According to our PRC Legal Advisor, we may be subject to fines ranging from RMB1,000 to RMB10,000 for each lease agreement that is unregistered if we fail to rectify the non-compliance within the time frame prescribed by the relevant authorities, and the potential maximum penalties would be RMB18,000. As advised by our PRC Legal Advisor, the absence of registrations will not affect the validity of the lease agreements, nor materially and adversely affect our operations.

See “Risk Factors—Risks Relating to Our Business and Industry—Failure to renew our leases or comply with PRC property-related laws and regulations regarding certain of our properties and leased properties could adversely affect our business” for risks relating to our properties.

Property Valuation

As of December 31, 2025, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include in this document any valuation report. Pursuant to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 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 of our interests in land or buildings.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to social responsibility and recognize the importance of Environmental, Social, and Governance (the “ESG”) factors in our path towards sustainable development. Our primary goal is to generate and amplify a positive impact on our employees, customers and business partners. Simultaneously, we are dedicated to enhancing our environmental accountability and our role in the public sphere. To comply with applicable laws and regulations, from time to time, our Board of Directors periodically reviews our policies and, if needed, makes adjustments to accommodate substantial modifications in labor and workplace safety regulations.

ESG Governance

We are committed to integrating ESG principles into our corporate strategy and daily operations. To enhance decision-making effectiveness and governance efficiency, we have established a structured ESG governance framework that aligns with our long-term development strategy. Our ESG governance structure consists of three levels, strategic, policy, and execution, covering our Board of Directors, ESG committee, and ESG Working Group, each with distinct roles and responsibilities, ensuring effective implementation of ESG initiatives.

Our Board of Directors serves as the highest decision-making body for ESG strategy. It is responsible for supervising, reviewing and making decisions on major ESG matters. The Chairman of the Board also acts as the head of the ESG Committee, ensuring the alignment of ESG initiatives with corporate priorities. The ESG Committee takes the lead in advancing ESG governance framework and its integration with corporate strategy. It is primary responsible for conducting research and proposing suggestions for our long-term development strategy, as well as on major investment, financing, significant capital operations and asset management projects that require Board approval under the Articles of association. The Committee also identifies and evaluates material ESG-related risks and opportunities, and advises on our ESG strategy. Under the guidance of the ESG Committee, the ESG Working Group is responsible for executing ESG-related tasks and ensuring the implementation of ESG policies at the operational level.

ESG-related Risk Identification and Assessment

We have established a comprehensive risk management framework that clearly defines responsibilities at each level and continuously refines processes for risk identification, assessment, and response, thereby strengthening our overall risk control capabilities.

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Strategies Addressing ESG-related Risks

Our ESG risk management process includes risk identification and assessment, response and ongoing improvement, integrating environmental, social, and governance considerations into our overall business strategy. During the Track Record Period, the amount of capital expenditure, financing or investment deployed by us towards addressing climate-related risks and opportunities was approximately RMB48.0 million, mainly relating to green energy efficiency.

We regularly review and assess ESG reports from comparable industry peers to facilitate timely identification of emerging ESG-related risks. We continuously monitor regulatory developments and update internal policies and management processes to maintain compliance with evolving environmental and governance requirements. We periodically assess the implementation of environmental safety management goals to facilitate the effective implementation of management measures, thereby reducing environmental compliance risks. We assess carbon emission risks and update our carbon management policies to comply with the latest government regulations. We continue to enhance our climate change governance framework and advance the management of climate change response. We implement environmental responsibility management for external suppliers and service providers to encourage their compliance with our environmental control standards. Additionally, we enforce oversight of contractors and third-party personnel, requiring adherence to relevant environmental and safety regulations to prevent environmental pollution and workplace safety incidents.

Goals, Measures and Targets

Environmental and Energy Management

We continue to optimize energy consumption by adopting energy-efficient equipment and advancing energy structure transition, supported by a monitoring system that continuously evaluates and adjusts our energy strategies. To achieve this goal, we have implemented the following measures: (i) promote clean energy utilization by advancing energy structure transition and upgrading clean energy infrastructure, including in 2024 expanding photovoltaic power generation in our plants, enhancing our energy monitoring platform, and building an energy management system to increase the proportion of renewable energy; (ii) advance energy-saving technologies by identifying and assessing energy consumption risk points across production stages, conducting analysis, and implementing process and equipment upgrades to reduce energy intensity per unit of product; (iii) initiate digital energy management to improve overall energy performance through advanced management practices alongside ongoing equipment upgrades; and (iv) enforce strict air-conditioning and lighting control policies, conduct regular inspections to prevent energy waste, and implement a central air-conditioning condensate recovery and circulation system to reduce chiller energy consumption and electricity load.

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Water Resource and Waste Management

We place great importance on water conservation and proper waste management, strictly complying with national environmental regulations and promoting initiatives to improve water use efficiency and waste disposal practices. To this end, we have implemented the following measures: (i) source all water supply from municipal sources for our plants in Shenzhen, Chongqing, Nanchang, and Bangladesh in 2024, with no water withdrawn from water-stressed regions, thereby reducing pressure on local water resources and mitigating water-related risks, with no material impact from changes in water extraction, consumption, drainage, or storage; (ii) promote employee awareness on water conservation, conduct facility inspections to prevent leaks, and optimize water usage efficiency in office operations; (iii) minimize waste generation by optimizing production processes, strengthening the classification, collection, and proper disposal of hazardous waste, and strictly controlling wastewater, exhaust gas, and noise pollution in line with the principles of “reduction, recycling, and harmless treatment”; and (iv) minimize air pollutant emissions by establishing a systematic pollutant management framework supported by technological innovation and stringent compliance practices. We also integrate environmental protection throughout the entire product lifecycle, including research and development, design, production, use, and recycling, by prioritizing eco-friendly materials and reducing packaging in product design, strictly controlling pollutant emissions in production, and actively conducting electronic waste recycling to prevent environmental pollution.

Monitoring Indicators and Targets

We monitor the following indicators to assess and manage our environmental and climate-related risks arising from our business operations.

	Year ended December 31,		
	2023	2024	2025
Indicator			
GHG Emission			
– Scope 1 Emissions (tons of CO ₂ e) ⁽¹⁾ . . .	24.9	219.2	255.7
– Scope 2 Emissions (tons of CO ₂ e) ⁽²⁾ . . .	18,078.3	25,769.4	31,802.8
– Scope 3 Emissions (tons of CO ₂ e) ⁽³⁾ . . .	3,354,518.0	1,626,511.6	1,497,897.0
– Total GHG emission (tons of CO ₂ e) . . .	3,372,621.2	1,652,500.2	1,529,955.6
– Total GHG emission per unit of revenue (tons of CO ₂ e/RMB in million)	54.1	24.0	23.3
– Year-over-year change of total GHG emission per unit of revenue (%)	N/A	(55.6)	(3.0)
Gasoline Consumption			
– Total gasoline consumption (Liters) ⁽⁴⁾ . .	722.6	7,931.5	21,163.6
– Total gasoline consumption per unit of revenue (Liters/RMB in million)	0.01	0.1	0.3

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	Year ended December 31,		
	2023	2024	2025
– Year-over-year change of total gasoline consumption per unit of revenue (%) . . .	N/A	895.1	222.7
Power Consumption			
– Total electricity consumption (MWh) ⁽⁴⁾ .	31,699.6	48,023.5	59,937.4
– Total electricity consumption per unit of revenue (MWh/RMB in million)	0.5	0.7	0.9
– Year-over-year change of total electricity consumption per unit of revenue (%) . . .	N/A	37.3	30.5
Water Consumption			
– Total water consumption (Tons) ⁽⁴⁾	145,047.9	151,778.0	197,602.6
– Total water consumption per unit of revenue (tons/RMB in million)	2.3	2.2	3.0
– Year-over-year change of total water consumption per unit of revenue (%) . . .	N/A	(5.1)	36.9
Waste generation			
– Amount of non-hazardous waste (tons) .	237.4	1,176.1	4,933.0
– Amount of hazardous waste (tons)	8.6	16.3	21.0
– Total amount of waste ⁽⁴⁾	246.0	1,192.4	4,954.0
– Total amount of waste per unit of revenue (tons/RMB in million)	0.004	0.02	0.1
– Year-over-year change of total amount of waste per unit of revenue (%)	N/A	339.4	277.6

Notes:

- (1) Scope 1 emissions refer to direct emissions from fuel consumption, following Greenhouse Gas Accounting System—Enterprise Accounting and Reporting Standard.
- (2) Scope 2 emissions refer to indirect emissions from electricity consumption, following Greenhouse Gas Accounting System—Enterprise Accounting and Reporting Standard.
- (3) Scope 3 emissions refer to other indirect emissions, including emissions from operational waste, business travel and sold products, following Greenhouse Gas Accounting System—Enterprise Accounting and Reporting Standard. Our Scope 3 emissions decreased from 2023 to 2024 and 2025, primarily due to the decrease in GHG emissions of sold products since 2024 as a result of (a) the improvement of charging efficiency of our products due to optimization of charging technologies and (b) the decrease in sales of high-voltage products.
- (4) Our gasoline, power and water consumption and waste generation increased during the Track Record Period, primarily due to our business expansion and enhanced tracing, monitoring and management of such data.

In 2024, our total GHG emissions, total electricity consumption, total water consumption and total waste generation were lower than the corresponding averages of (i) a technology company listed on the Nasdaq Stock Market engaged in the design, manufacture and sale of

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smartphones, personal computers and related services, (ii) a smartphone manufacturer primarily engaged in smart devices and mobile Internet services, (iii) a consumer electronics company specializing in smartphones, smart devices and related services, and (iv) a technology company listed on The Stock Exchange of Hong Kong Limited engaged in smartphones, AIoT platforms and internet services, which amounted to 4,009,456.0 tons of CO₂e, 1,167,134.6 MWh of electricity, 151,778.0 tons of water and 16,045.0 tons of waste, respectively.

Based on our 2024 consumption data, we plan to lower electricity, gasoline and water consumption intensity as well as waste generation intensity by 2% by 2030 and GHG emission by 2% by 2030, primarily through measures including (i) enhancing energy efficiency by upgrading equipment and optimizing operational processes, (ii) strengthening energy use management through digital monitoring and regular performance review, (iii) improving water recycling and reuse systems to enhance water efficiency and (iv) implementing waste reduction and classification measures to minimize waste generation.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may, from time to time, become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. In addition, we were not aware of any pending or threatened legal, arbitral or administrative proceedings 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 “Risk Factors—Risks Relating to Our Business and Industry—We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, financial condition and results of operations” and “Risk Factors—Risks Relating to Our Business and Industry—If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and damages and may have to redesign or suspend the sales of products involved.”

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The following table sets forth the details of ongoing material legal proceedings that our Group was involved in during the Track Record Period and up to the Latest Practicable Date.

No.	Background and Latest Status	Products Alleged to Infringe the IPs at Issue	Claims and Maximum Potential Legal Consequences
1.	In 2025, InterDigital VC Holdings, Inc., together with certain European subsidiaries of InterDigital, Inc., as the plaintiffs, filed a lawsuit against us before the Unified Patent Court, alleging that the manufacture and sale of our mobile phone products in certain European jurisdictions, including Denmark, Finland, France, Germany, Italy, the Netherlands and Sweden, infringe a standard-essential patent (“SEP”) relating to cellular communication standards allegedly held by the plaintiffs. As of the Latest Practicable Date, the case is under first-instance proceedings.	All mobile phones manufactured and/or sold by us in Denmark, Finland, France, Germany, Italy, the Netherlands and Sweden that are alleged by the plaintiffs to infringe the standard-essential patent at issue. During the Track Record Period, we did not generate any revenue from the manufacture or sale of mobile phone products in the aforementioned European jurisdictions.	The plaintiffs seek, among other relief, (i) injunctive relief, (ii) monetary damages of approximately €0.4 million from us, together with litigation costs, and (iii) compensatory damages calculated based on a reasonable royalty that would have been payable for the use of the patents at issue absent the alleged infringement. We intend to seek a settlement with the plaintiffs on FRAND terms. However, if no such settlement is reached and the court determines that our products infringe the plaintiffs’ SEP, we may be subject to the relief sought by the plaintiffs, including injunctive relief, litigation costs, monetary damages and compensatory damages.
2.	In 2025, InterDigital Patent Holdings, Inc., together with certain European subsidiaries of InterDigital, Inc., as plaintiffs, filed a lawsuit against us before the Unified Patent Court, alleging that the manufacture and sale of our mobile phone products in certain European jurisdictions, including Denmark, Finland, France, Germany, Italy, the Netherlands and Sweden, infringe a SEP relating to the high efficiency video coding (“HEVC”) standard allegedly held by the plaintiffs. As of the Latest Practicable Date, the case is under first-instance proceedings.	All mobile phones manufactured and/or sold by us in Denmark, Finland, France, Germany, Italy, the Netherlands and Sweden that are alleged by the plaintiffs to infringe the standard-essential patent at issue. During the Track Record Period, we did not generate any revenue from the manufacture or sale of mobile phone products in the aforementioned European jurisdictions.	The claims, relief sought and potential legal consequences are substantially the same as those disclosed in Case 1 above.

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No.	Background and Latest Status	Products Alleged to Infringe the IPs at Issue	Claims and Maximum Potential Legal Consequences
3.	In 2025, Telefonaktiebolaget L.M. Ericsson (“Ericsson”), together with certain of its subsidiaries, as plaintiffs, filed a lawsuit against us before the the Hague Local Division of the Unified Patent Court, alleging that the manufacture and sale of our mobile phone products in certain European jurisdictions, including Germany, France, the Netherlands, Italy, Austria, Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, Latvia, Malta, Portugal, Sweden, Slovenia and Spain, infringe a SEP relating to cellular communication standards allegedly held by the plaintiffs. As of the Latest Practicable Date, the case is under first-instance proceedings.	All mobile phones manufactured and/or sold by us in Germany, France, the Netherlands, Italy, Austria, Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, Latvia, Malta, Portugal, Sweden, Slovenia and Spain that are alleged by the plaintiffs to infringe the standard-essential patent at issue. During the Track Record Period, we did not generate revenue from the manufacture and sale of mobile phones in Germany, France, the Netherlands, Italy, Austria, Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, Latvia, Malta, Portugal, Sweden, Slovenia and Spain. Revenue generated from mobile phones sold in Bulgaria and Romania amounted to RMB68.4 million, RMB15.9 million and RMB0.2 million in 2023, 2024 and 2025, respectively, accounting for 0.11%, 0.02% and 0.00% of our total revenue for the respective periods.	The plaintiffs seek, among other relief, (i) injunctive relief, (ii) monetary damages of approximately €0.8 million from us, together with litigation costs, and (iii) compensatory damages calculated based on a reasonable royalty that would have been payable for the use of the patents at issue absent the alleged infringement. We intend to seek a settlement with the plaintiffs on FRAND terms. However, if no such settlement is reached and the court determines that our products infringe the plaintiffs’ SEP, we may be subject to the relief sought by the plaintiffs, including injunctive relief, litigation costs, monetary damages and compensatory damages.
4.	In 2025, Ericsson, together with certain of its subsidiaries, as plaintiffs, filed a lawsuit against us before the the Mannheim Local Division of the Unified Patent Court, alleging that the manufacture and sale of our mobile phone products in certain European jurisdictions, including Germany, France, Italy, the Netherlands, Belgium, Austria, Sweden, Finland, Denmark, Portugal, Luxembourg, Estonia, Latvia, Lithuania, Bulgaria, Romania and Slovenia, infringe a SEP relating to cellular communication standards allegedly held by the plaintiffs. As of the Latest Practicable Date, the case is under first-instance proceedings.	All mobile phones manufactured and/or sold by us in Germany, France, Italy, the Netherlands, Belgium, Austria, Sweden, Finland, Denmark, Portugal, Luxembourg, Estonia, Latvia, Lithuania, Bulgaria, Romania and Slovenia that are alleged by the plaintiffs to infringe the standard-essential patent at issue. During the Track Record Period, we did not generate revenue from the manufacture and sale of mobile phones in Germany, France, Italy, the Netherlands, Belgium, Austria, Sweden, Finland, Denmark, Portugal, Luxembourg, Estonia, Latvia, Lithuania and Slovenia. Revenue generated from mobile phones sold in Bulgaria and Romania amounted to RMB68.4 million, RMB15.9 million and RMB0.2 million in 2023, 2024 and 2025, respectively, accounting for 0.11%, 0.02% and 0.00% of our total revenue for the respective periods.	The plaintiffs seek, among other relief, (i) injunctive relief, (ii) monetary damages of approximately €0.1 million from us, together with litigation costs, and (iii) compensatory damages calculated based on a reasonable royalty that would have been payable for the use of the patents at issue absent the alleged infringement. We intend to seek a settlement with the plaintiffs on FRAND terms. However, if no such settlement is reached and the court determines that our products infringe the plaintiffs’ SEP, we may be subject to the relief sought by the plaintiffs, including injunctive relief, litigation costs, monetary damages and compensatory damages.

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No.	Background and Latest Status	Products Alleged to Infringe the IPs at Issue	Claims and Maximum Potential Legal Consequences
5.	In 2025, Ericsson, together with certain of its subsidiaries, as plaintiffs, filed a lawsuit against us before the Paris Local Division of the Unified Patent Court, alleging that the manufacture and sale of our mobile phone products in certain European jurisdictions, including Germany, France, Italy, the Netherlands, Austria, Sweden and Belgium, infringe a SEP relating to cellular communication standards allegedly held by the plaintiffs. As of the Latest Practicable Date, the case is under first-instance proceedings.	During the Track Record Period, we did not generate any revenue from the manufacture or sale of mobile phone products in the aforementioned European jurisdictions.	The claims, relief sought and potential legal consequences are substantially the same as those disclosed in Case 4 above.
6.	In 2026, Ericsson, together with certain of its subsidiaries, as plaintiffs, filed a lawsuit against us before the Central Intellectual Property and International Trade Court of Thailand, alleging that the manufacture and sale of our mobile phone products in Thailand infringe a SEP relating to cellular communication standards allegedly held by the plaintiffs. As of the Latest Practicable Date, the case is under first-instance proceedings.	All mobile phones manufactured and/or sold by us in Thailand that are alleged by the plaintiffs to infringe the standard-essential patent at issue. Revenue generated from mobile phones sold in Thailand amounted to approximately RMB441.0 million, RMB654.0 million and RMB420.0 million in 2023, 2024 and 2025, respectively, accounting for approximately 0.7%, 1.0% and 0.6% of our total revenue for the respective years.	The plaintiffs seek, among other relief, (i) monetary damages of approximately THB100.8 million from us, together with interest thereon, and (ii) compensation for lost profits and other associated costs allegedly incurred by the plaintiffs as a result of the alleged infringement, in an amount of approximately THB4.0 million per month. We intend to seek a settlement with the plaintiffs on FRAND terms. However, if no such settlement is reached and the court determines that our products infringe the plaintiffs’ SEP, we may be subject to the relief sought by the plaintiffs, including monetary damages and compensation.
7.	In 2026, Ericsson, together with certain of its subsidiaries, as plaintiffs, filed a complaint against us before the Bureau of Legal Affairs of the Intellectual Property Office of the Philippines, alleging that the manufacture and sale of our mobile phone products in the Philippines infringe a SEP relating to cellular communication standards allegedly held by the plaintiffs. As of the Latest Practicable Date, the case is under preliminary examination.	All mobile phones manufactured and/or sold by us in the Philippines that are alleged by the plaintiffs to infringe the standard-essential patent at issue. Revenue generated from mobile phones sold in the Philippines amounted to approximately RMB3,178.0 million, RMB3,711.0 million and RMB3,605.0 million in 2023, 2024 and 2025, respectively, accounting for approximately 5.1%, 5.4% and 5.5% of our total revenue for the respective years.	The plaintiffs seek, among other relief, monetary damages of approximately US\$29.2 million from us, together with other associated costs. We intend to seek a settlement with the plaintiffs on FRAND terms. However, if no such settlement is reached and the court determines that our products infringe the plaintiffs’ SEP, we may be subject to the monetary relief sought by the plaintiffs.

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No.	Background and Latest Status	Products Alleged to Infringe the IPs at Issue	Claims and Maximum Potential Legal Consequences
8.	In 2024, PTC Inc., as plaintiff, filed a lawsuit against us before the Chongqing First Intermediate People’s Court, alleging that we had, without authorization, installed and used multiple copies of its industrial design software on computers at our business premises in connection with the design and development of our mobile phone products, thereby infringing its copyrights. In December 2025, the court ruled that (i) the alleged copyright infringement be ceased, and (ii) we pay monetary damages of RMB2.8 million to the plaintiffs. Both the plaintiffs and we appealed the judgment to the Chongqing High People’s Court, seeking to reverse the lower court’s rulings. As of the Latest Practicable Date, the appeal remained pending.	N/A	The plaintiff initially seeks, among other relief, (i) injunctive relief, (ii) litigation costs, and (iii) monetary damages of approximately RMB86.7 million from us. We intend to defend ourselves vigorously. However, if the court determines that we have infringed one or more of the plaintiff’s patents, we may be liable for the claimed damages and associated litigation costs.

During the Track Record Period and up to the Latest Practicable Date, (i) none of our Directors is named as a party to, or otherwise involved in, any of the aforementioned proceedings and, accordingly, such proceedings do not and are not expected to adversely affect the suitability of our Directors, (ii) we had not been subject to any final and conclusive judgment or ruling by any court or competent authority determining that our Group had infringed any third-party intellectual property rights, which infringement could, individually or in the aggregate, have a material adverse effect on our Group’s business operation and financial condition, and (iii) we have made provisions for the aforementioned legal proceedings based on either prevailing industry cumulative royalty rates or the relevant first-instance judgments, as applicable, which we believe that such provisions are sufficient to cover the aggregate claim amounts in respect of these pending legal proceedings.

We have implemented enhanced measures to prevent potential infringement of third-party intellectual property. We conduct regular trademark monitoring to identify and address potential conflicts through oppositions, invalidation proceedings, or negotiations with trademark owners. We have embedded intellectual property risk screening in our procurement, R&D, and sales processes, including contract reviews and overseas exhibition activities. We maintain an internal reporting system requiring employees to escalate suspected infringement issues to our intellectual property team for coordinated resolution.

Based on the foregoing, our Directors are of the view that the aforementioned legal proceedings have not had, and are not expected to have, any material adverse impact on our Group’s business operations or financial condition, nor do they indicate any material deficiencies in our internal controls that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations, primarily because

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(i) Cases 1 to 7 relate to SEPs, and we operate in an industry where disputes relating to SEPs arise in the ordinary course of business. According to Frost & Sullivan, SEP-related claims and litigation are prevalent among market participants, particularly those in competitive positions such as our Company, and may include claims based on allegations that are ultimately determined to be without merit; (ii) after consulting our legal advisor as to SEPs, our Directors are of the view that the likelihood of the courts ruling in favor of the plaintiffs’ claims in their entirety is remote, and such cases are typically resolved through commercial settlements; (iii) with respect to Case 8, the amounts claimed by the plaintiffs are immaterial to our overall financial condition, amounting to less than 0.2% of our total revenue in any given period during the Track Record Period; (iv) we have made sufficient provisions; and (v) we have engaged an independent internal control consultant to conduct regular reviews of our internal controls, particularly in respect of IP-related matters, and, based on their advice, we have adopted enhanced internal control measures to better detect, prevent and mitigate IP infringement risks.

Compliance

During the Track Record Period and up to the Latest Practicable Date, according to our PRC Legal Advisor, Singapore Legal Advisor, Bangladesh Legal Advisor, UAE Legal Advisor, Ethiopia Legal Advisor, India Legal Advisor, and our Local Legal Advisor as to Hong Kong Law, (i) we had complied with applicable laws and regulations in all material aspects, and (ii) we had not been subject to any material investigations in relation to our business operation in the jurisdictions that we have material businesses. See “Regulatory Overview” for more information about the laws and regulations applicable to us.

INTERNAL CONTROL AND RISK MANAGEMENT

We have developed and implemented risk management policies and internal control measures in relation to our business operations, financial reporting, compliance with sanctions and international trading laws and regulations and general compliance. To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted and will adopt, among other things, the following risk management measures:

- We design a comprehensive set of policies to identify, analyze, manage and monitor various risks, and periodically assess and update our risk management policies;
- Our Board is responsible for overseeing the overall risk management and internal control;
- Our Audit Committee is authorized to review and evaluate our financial control, risk management and internal control system. See “Directors and Senior Management—Management and Corporate Governance—Board Committees—Audit Committee” for the composition of the Audit Committee and the qualifications and experience of them;

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- We will adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;
- We will continue to organize training sessions for our Directors and senior management with respect to the relevant requirements of the Listing Rules and duties of directors of companies [REDACTED] in Hong Kong;
- We have established a comprehensive compliance control framework covering economic sanctions, export control and anti-money laundering, supported by a dedicated compliance management committee to oversee implementation and material compliance matters;
- We conduct due diligence and screening on customers and suppliers, including verification of their regulatory compliance status and assessment of potential exposure to sanctions and trade restrictions;
- We maintain ongoing monitoring of international sanctions regimes, export control regulations and restricted party lists, and ensure relevant business activities are assessed against applicable laws across multiple jurisdictions;
- Our procurement department performs supplier on-boarding screening, maintains databases of materials, software and technologies (including export control classifications), and escalates any potential export control issues to the compliance management committee for further assessment;
- Our sales department is responsible for customer on-boarding, due diligence and transaction monitoring, including identification and reporting of large or suspicious transactions and potential sensitive business activities; and
- We have established internal approval and escalation procedures for cross-border transactions and potential high-risk activities, supported by management oversight, employee training and coordinated compliance measures across business functions.

IMPACT OF COVID-19

COVID-19 did not have a material adverse effect on our business or financial performance during the Track Record Period, primarily because the COVID-19 outbreak has largely subsided since late 2022 and, we did not expect any further significant impact from COVID-19 on our business operations going forward as of the Latest Practicable Date.

BUSINESS

LICENSES, APPROVALS AND PERMITS

We are required to maintain various licenses and permits to operate our business. We closely monitor the status of our licenses and permits and making timely applications for renewal. The following table sets forth material licenses and permits obtained by our Group.

<u>Jurisdiction</u>	<u>License/Permit</u>	<u>Grant Date</u>	<u>Expiry Date</u>
China	Fixed Pollution Source Discharge Registration (Shenzhen)	November 15, 2022	November 14, 2027
China	Fixed Pollution Source Discharge Registration (Chongqing)	August 25, 2025	August 24, 2030
China	Fixed Pollution Source Discharge Registration (Nanchang)	July 12, 2024	July 11, 2029
China	Municipal Sewage Discharge Permit	March 27, 2023	March 27, 2028
Hong Kong . . .	Business registration certificate (Tecno Reallytek Limited)	April 28, 2025	April 27, 2026
Hong Kong . . .	Business registration certificate (Tecno Mobile Limited)	March 27, 2025	March 26, 2026
Hong Kong . . .	Business registration certificate (Infinix Mobility Limited)	March 25, 2025	March 24, 2026
Hong Kong . . .	Business registration certificate (Itel Mobile Limited)	March 25, 2025	March 24, 2026
Hong Kong . . .	Radio Dealer License (Tecno Reallytek Limited)	September 1, 2025	August 31, 2026
Hong Kong . . .	Radio Dealer License (Tecno Mobile Limited)	September 1, 2025	August 31, 2026
Hong Kong . . .	Radio Dealer License (Infinix Mobility Limited)	September 1, 2025	August 31, 2026
Hong Kong . . .	Radio Dealer License (Itel Mobile Limited)	September 1, 2025	August 31, 2026
Bangladesh . . .	Trade Licence (Head Office — Infinix)	July 8, 2025	June 30, 2026
Bangladesh . . .	Trade Licence (Head Office — Tecno)	July 8, 2025	June 30, 2026
Bangladesh . . .	Trade Licence (Factory)	August 19, 2020	May 20, 2026
Bangladesh . . .	Factory Licence	August 6, 2025	August 2, 2026
Bangladesh . . .	Environmental Clearance	July 10, 2023	July 17, 2028
Bangladesh . . .	Mobile Phone Handset Manufacturer and Vendor Enlistment Certificate	April 18, 2023	April 17, 2026
Bangladesh . . .	Radio Equipment Importer and Vendor Enlistment Certificate	July 7, 2022	July 14, 2026
UAE	General Trading Licence	January 11, 2015	January 10, 2027
Ethiopia	Commercial Registration Certificate	November 28, 2025	November 27, 2026

BUSINESS

Jurisdiction	License/Permit	Grant Date	Expiry Date
Ethiopia	Business Licence — Manufacture of Communication Machineries, Spare Parts and Apparatus	November 29, 2025	November 29, 2026
Ethiopia	Business Licence — Manufacture of Electrical Machinery and Apparatus	December 2, 2025	December 1, 2026
Ethiopia	Business Licence — Manufacture of Computer, Computer Equipment and Apparatus	December 29, 2025	December 28, 2026
Ethiopia	Title Deed Certificate	January 12, 2024	January 11, 2047
India	Certificate of Incorporation	August 30, 2016	N/A
India	Importer-Exporter Code	December 12, 2016	N/A
India	Registration Certificate for Import of Products	August 8, 2025	N/A
India	Registration Certificate for Manufacturer and Packers of Products	August 8, 2025	N/A

During the Track Record Period and up to the Latest Practicable Date, according to our PRC Legal Advisor, Singapore Legal Advisor, Bangladesh Legal Advisor, UAE Legal Advisor, Ethiopia Legal Advisor, India Legal Advisor, and our Local Legal Advisor as to Hong Kong law, we had obtained all material requisite licenses, approvals and permits from relevant government authorities that are material to our business operations in China and overseas. During the Track Record Period and up to the Latest Practicable Date, according to our PRC Legal Advisor, Singapore Legal Advisor, Bangladesh Legal Advisor, UAE Legal Advisor, Ethiopia Legal Advisor, India Legal Advisor, and our Local Legal Advisor as to Hong Kong law, all material requisite licenses and permits had remained in full effect, and there are no material legal impediment to renewing relevant licenses, approvals and permits and currently we do not expect any material difficulties in such renewal.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Our Board will comprise 10 Directors, including six executive Directors and four independent non-executive Directors. The following table sets out the key information in respect of the Directors of our Company.

Name	Age	Position	Time of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationship with other Directors and members of senior management
Mr. Zhu Zhaojiang (竺兆江) . . .	52	Executive Director, chairman of the Board and general manager	August 2013	October 2017	Responsible for the strategic planning, decision-making and overall management of our Group	N/A
Mr. Zhang Qi (張祺)	47	Executive Director, and deputy general manager	August 2013	October 2017	Primarily responsible for the overall operation and management of supply chain business of our Group	N/A
Mr. Yan Meng (嚴孟)	46	Executive Director	August 2013	October 2017	Responsible for the overall operation and management of the energy storage business of our Group	N/A
Mr. Ye Weiqiang (葉偉強) . . .	49	Executive Director	August 2013	October 2017	Responsible for planning, development, operation and management of our business premises	N/A
Mr. Chowdhury Mohammad Ariful Hasan (阿里夫) . . .	45	Executive Director	August 2013	October 2020	Responsible for managing the overseas public relations of our Group	N/A
Ms. Yang Hong (楊宏)	57	Executive Director and deputy general manager	August 2013	October 2023	Primarily responsible for managing the legal affairs, securities-related matters and intellectual properties of our Group	N/A

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Time of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationship with other Directors and members of senior management
Mr. Huang Yijian (黃益建)	46	Independent non-executive Director	October 2023	October 2023	Responsible for providing independent advice on the operations and management of our Group	N/A
Mr. Chen Linrong (陳林榮) . . .	54	Independent non-executive Director	October 2023	October 2023	Responsible for providing independent advice on the operations and management of our Group	N/A
Mr. Zhang Huailei (張懷雷) . . .	50	Independent non-executive Director	October 2023	October 2023	Responsible for providing independent advice on the operations and management of our Group	N/A
Ms. Wong Yee Man (黃綺汶) . . .	37	Independent non-executive Director	[REDACTED]	[REDACTED]	Responsible for providing independent advice on the operations and management of our Group	N/A

Executive Directors

Mr. Zhu Zhaojiang (竺兆江), aged 52, is our founder and has been our Director, chairman of our Board and the general manager of our Company since October 2017. He will be redesignated as an executive Director with effect from the [REDACTED]. He is primarily responsible for the strategic planning, decision-making and overall management of our Group. In August 2013, Mr. Zhu founded the Company, leveraging his extensive industry knowledge and experience. He also held various directorship and executive positions in several subsidiaries of our Group.

Prior to joining our Group, Mr. Zhu served as the general manager of mobile phone division (手機事業部) and overseas division (海外事業部) of Ningbo Bird Co., Ltd. (寧波波導股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600130.SH) from June 1996 to September 2006.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhu obtained his master’s degree in business administration from Tsinghua University (清華大學) in the PRC in December 2019. Mr. Zhu has received numerous prestigious awards and accolades throughout his career, including the China Business Leader of the Year Award 2017 (2017年度中國商業領袖) from CNBC in November 2017, the EY Entrepreneur of the Year Award (安永企業家獎) from Ernst & Young in October 2019, and recognition as one of the 40 Most Respected Entrepreneurs in the Shenzhen Special Economic Zone (深圳特區40周年“最受尊敬40位企業家”) by Securities Times in August 2020. He was also honored as a Pioneer of Emerging Industries in the Guangdong-Hong Kong-Macao Greater Bay Area in 2022 (2022年粵港澳大灣區戰略性新興產業拓荒人物) by the Shenzhen Strategic Emerging Industry Development Promotion Association and Shenzhen Special Economic Zone Daily in November 2022. Furthermore, Mr. Zhu was recognized in Forbes China’s Best CEOs 2024 (2024福布斯中國最佳CEO) in November 2024.

Mr. Zhang Qi (張祺), aged 47, has been our Director and our deputy general manager since October 2017, and will be redesignated as an executive Director with effect from the [REDACTED]. He is primarily responsible for the overall operation and management of supply chain business of our Group. Mr. Zhang joined our Group since the establishment of our Company in August 2013 and has held various directorship and executive positions in several subsidiaries of our Group, including serving as the director of Shenzhen Xiaochuan Industrial Limited and Shenzhen Zhanxiang Information Technology Co., Ltd.

Prior to joining our Group, Mr. Zhang served as a quality engineer (質量部工程師) at Ningbo Bird Co., Ltd. from July 2001 to May 2002, a laboratory manager (實驗室負責人) of Ningbo Bird Sagem Electronics Co., Ltd. (寧波波導薩基姆電子有限公司) from June 2002 and July 2004, a deputy manager of quality management department of Ningbo Bird Co., Ltd. Suizhou Branch (寧波波導股份有限公司隨州分公司) from July 2004 to June 2007, and a deputy general manager of Shenzhen Tecno from June 2007 to August 2013.

Mr. Zhang obtained his bachelor’s degree in mechanical and electrical engineering from Shenyang University of Technology (瀋陽工業學院) in the PRC in July 2001.

Mr. Yan Meng (嚴孟), aged 46, has been our Director since October 2017, and will be redesignated as an executive Director with effect from the [REDACTED]. He is responsible for the overall operation and management of the energy storage business of our Group. Mr. Yan joined our Group since the establishment of our Company in August 2013. He has served as the director of Shenzhen Dynamic Energy Technology Co., Ltd. (深圳市鈦氮能源科技有限公司). Prior to joining our Group, Mr. Yan served as a sales manager of Ningbo Bird Co., Ltd from August 2002 to September 2007.

Mr. Yan studied accounting education (財會教育) at Ningbo University (寧波大學) in the PRC in June 2002.

Mr. Ye Weiqiang (葉偉強), aged 49, has been our Director since October 2017, and will be redesignated as an executive Director with effect from the [REDACTED]. He is responsible for planning, development, operation and management of our business premises. Mr. Ye joined our Group since the establishment of our Company in August 2013. He has held various

DIRECTORS AND SENIOR MANAGEMENT

directorship and executive positions in several subsidiaries of our Group, including serving as the director of Chuanxiang Commercial Services (Shenzhen) Co., Ltd. (傳想商業服務(深圳)有限公司), Chongqing Chuanxiang Property Management Co., Ltd. (重慶傳想物業管理有限公司) and Shenzhen Chuanxiang Industrial Operation Co., Ltd. (深圳傳翔產業運營有限公司).

Prior to joining our Group, Mr. Ye worked at Ningbo Bird Co., Ltd. from July 1999 to July 2007, successively serving as an engineer, a supervisor and a manager. He served as the general manager at Shenzhen Tecno from July 2007 to August 2013.

Mr. Ye obtained his bachelor’s degree in applied physics from China Agricultural University (中國農業大學) in the PRC in July 1999, and his master’s degree in Executive Master of Business Administration (EMBA) from China Europe International Business School (中歐國際工商學院) in the PRC in April 2021.

Mr. Chowdhury Mohammad Ariful Hasan (阿里夫) (“Mr. Arif”), aged 45, has been our Director since October 2020, and will be redesignated as an executive Director with effect from the [REDACTED]. He is responsible for managing the overseas public relations of our Group. Mr. Arif joined our Group since the establishment of our Company in August 2013. He has held various directorship and executive positions in several subsidiaries of our Group, including serving as the director of Transsion Mobility Mideast DMCC and TRANSSION TECHNOLOGY PTE. LIMITED.

Prior to joining our Group, Mr. Arif served as a regional manager of Ningbo Bird Co., Ltd. from June 2004 to April 2006 and a key account manager of Ningbo Bird Sagem Electronics Co., Ltd. from April 2006 to October 2006.

Mr. Arif obtained his master’s degree in business administration from Tsinghua University (清華大學) in the PRC in June 2024, and his bachelor’s degree in computer science and technology from Tongji University (同濟大學) in the PRC in July 2004.

Ms. Yang Hong (楊宏), aged 57, has been our Director since October 2023, and will be redesignated as an executive Director with effect from the [REDACTED]. She joined our Group since the establishment of our Company in August 2013. She is primarily responsible for managing the legal affairs, securities-related matters and intellectual properties of our Group. Ms. Yang has served as the director of several subsidiaries of our Group, including TRANSSION TECHNOLOGY PTE. LIMITED and Transsion Technology Limited.

Prior to joining our Group, Ms. Yang served as a financial manager at Ningbo BIRD Sales Co., Ltd. (寧波波導銷售有限公司) from March 2001 to March 2010.

Ms. Yang studied industrial financial accounting at Jilin Electric Power Technology College (吉林電氣化高等專科學校) in the PRC in July 1991. She passed all the professional examinations held by Certified Public Accountants Examination Committee of the Ministry of Finance (財政部註冊會計師考試委員會) in April 2001.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-Executive Directors

Mr. Huang Yijian (黃益建), aged 46, has been our independent Director since October 2023, and will be redesignated as an independent non-executive Director with effect from the [REDACTED]. He is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Huang has been working at Central University of Finance and Economics (中央財經大學) since June 2008 and was appointed as an associate professor in October 2014. He also served as an independent director in a number of listed companies, including Beijing Roborock Technology Co., Ltd. (北京石頭世紀科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688169), from January 2019 to February 2025, Zhongdian Electric Co., Ltd. (中電電機股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603988), from January 2019 to February 2025, GigaDevice Semiconductor Co., Ltd. (聚辰半導體股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688123), from September 2018 to October 2023, Sichuan Languang Development Co., Ltd. (四川藍光發展股份有限公司), a company previously listed on the Shanghai Stock Exchange (stock code: 600466), from May 2021 to September 2023, and Chengdu Huashen Technology Group Co., Ltd. (成都華神科技集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000790), from April 2017 to July 2023.

Mr. Huang obtained his Ph.D. in finance management from Southwestern University of Finance and Economics (西南財經大學) in the PRC in June 2008. He obtained the qualification of independent director from the Shenzhen Stock Exchange in February 2017. He was appointed as a member of the Fourth Corporate Accounting Standards Advisory Committee (第四屆企業會計準則諮詢委員會委員) by the Ministry of Finance of the People's Republic of China (中華人民共和國財政部) in September 2023, and has served as a member of the Independent Directors Committee of the China Association for Public Companies (中國上市公司協會) since April 2023.

Mr. Chen Linrong (陳林榮), aged 54, has been our independent Director since October 2023, and will be redesignated as an independent non-executive Director with effect from the [REDACTED]. He is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Chen served as an associate professor at Hangzhou Dianzi University (杭州電子科技大學) from January 2010 to December 2014. He has served as an associate professor at Zhejiang Gongshang University (浙江工商大學) since December 2014, and was appointed as a professor in December 2024. He also served as an independent director at Zhejiang Founder Motor Co., Ltd. (浙江方正電機股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002196), since April 2023, and at Hengyi Petrochemical Co., Ltd. (恒逸石化股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000703), since September 2023.

Mr. Chen obtained his Ph.D. in accounting from Central South University (中南大學) in the PRC in December 2009.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhang Huailei (張懷雷), aged 50, has been our independent Director since October 2023, and will be redesignated as an independent non-executive Director with effect from the [REDACTED]. He is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Zhang has served at Wuhan College (武漢學院) (formerly known as Zhongnan University of Economics and Law Wuhan College (中南財經政法大學武漢學院)) since July 2011, and was appointed as associate professor in June 2013, primarily engaging in teaching in finance and taxation.

Mr. Zhang Huailei obtained a Ph.D. degree in finance from Southwestern University of Finance and Economics (西南財經大學) in the PRC in July 2011.

Ms. Wong Yee Man (黃綺汶), aged 37, has been appointed as our independent non-executive Director with effect from the [REDACTED]. She is primarily responsible for providing independent advice on the operations and management of our Group.

Ms. Wong has a wealth of experience in accounting, auditing, and compliance management. She served as the Manager at KPMG, the Senior Consultant at FTI Consulting (Hong Kong) Limited, the Manager of the Monitoring and Central Compliance Department at Invesco Hong Kong Limited, and the Manager of the Intermediaries Supervision Department at the Securities & Futures Commission of Hong Kong. She has served at PAL Advisory Limited as a director since October 2024. She also served as an independent non-executive director at First Tractor Company Limited, a company listed on the Hong Kong Stock Exchange (stock code: 00038), since December 2024.

Ms. Wong obtained her bachelor’s degree in business administration in accountancy from The Hong Kong Polytechnic University (香港理工大學) in Hong Kong in November 2010, and an LL.B. from University of London in the United Kingdom in August 2020. She has been a Certified Public Accountant, a Certified ESG Analyst (CESGA) and a practicing accountant with the HKICPA since 2025, 2022 and 2014, respectively. She has also been serving as a member of the Young Members Committee of the HKICPA since 2024.

SENIOR MANAGEMENT

Our senior management team is responsible for the day-to-day operations and overall management of our business. The following table sets out the key information in respect of the senior management of our Company.

Name	Age	Position	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with other Directors and members of senior management
Mr. Zhu Zhaojiang (竺兆江) . . .	52	Executive Director, chairman of the Board and general manager	August 2013	October 2017	Responsible for the strategic planning, decision-making and overall management of our Group	N/A

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with other Directors and members of senior management
Mr. Zhang Qi (張祺)	47	Executive Director, and deputy general manager	August 2013	October 2017	Primarily responsible for the overall operation and management of supply chain business of our Group	N/A
Ms. Yang Hong (楊宏)	57	Executive Director and deputy general manager	August 2013	October 2017	Primarily responsible for managing the legal affairs, securities-related matters and intellectual properties of our Group	N/A
Mr. Lei Weiguo (雷偉國)	44	Deputy general manager	August 2013	October 2017	Primarily responsible for the product expansion and new business management of our Group	N/A
Mr. Wang Haibin (王海濱)	43	Deputy general manager	August 2013	October 2023	Primarily responsible for the research and development of the mobile phone business of the Group	N/A
Mr. Jiang Shuming (姜曙明)	45	Deputy general manager	August 2013	October 2023	Responsible for overall management, strategic planning and decision-making of our three brands, TECNO, Infinix and itel	N/A
Mr. Wu Wen (吳文)	47	Deputy general manager	August 2013	October 2023	Primarily responsible for the strategic planning and operational management of the manufacturing, customer service and quality management departments of our Group	N/A
Mr. Xiao Yonghui (肖永輝)	56	Chief Financial Officer (財務負責人)	August 2013	October 2017	Primarily responsible for financial operations management of our Group	N/A
Mr. Zeng Chun (曾春)	46	Secretary to the Board	April 2020	October 2020	Primarily responsible for overseeing and managing the corporate affairs and investor relations of our Group	N/A

DIRECTORS AND SENIOR MANAGEMENT

For the biographies of (i) Mr. Zhu Zhaojiang, our executive Director, chairman of the Board and general manager; (ii) Mr. Zhang Qi, our executive Director and deputy general manager; and (iii) Ms. Yang Hong, our executive Director and deputy general manager, who are also members of our senior management, please refer to “— Directors — Executive Directors” in this section.

Mr. Lei Weiguo (雷偉國), aged 44, has served as the deputy general manager of our Company since March 2017. He is primarily responsible for the product expansion and new business management of our Group. Mr. Lei joined our Group since the establishment of our Company in August 2013 and has held various directorship and executive positions in several subsidiaries of our Group, including serving as director of Shenzhen Sainex Electronics Technology Co., Ltd. (深圳賽尼克斯電子科技有限公司) and Chongqing Xiaochuan.

Prior to joining our Group, Mr. Lei served as a sales manager of Ningbo Bird Co., Ltd. Shenzhen Branch from June 2003 to August 2006.

Mr. Lei obtained his bachelor’s degree in automation from Xi’an University of Electronic Science and Technology (西安電子科技大學) in the PRC in July 2003.

Mr. Wang Haibin (王海濱), aged 43, has served as the deputy general manager of our Company since October 2023. He is primarily responsible for the research and development of the mobile phone business of our Group. Mr. Wang joined our Group since the establishment of our Company in August 2013 and has held various directorship and executive positions in several subsidiaries of our Group, including serving as director of Shanghai Transsion and Chongqing Transsion Communications Technology Co., Ltd. (重慶傳音通訊技術有限公司).

Prior to joining our Group, Mr. Wang served as the industrial design manager (工業設計主管) of Ningbo Bird Sagem Electronics Co., Ltd. from July 2006 to August 2009, responsible for the appearance design and delivery of mobile phone products.

Mr. Wang obtained his bachelor’s degree in art design from Chengdu University of Technology (成都理工大學) in the PRC in July 2006.

Mr. Jiang Shuming (姜曙明), aged 45, has served as the deputy general manager of our Company since October 2023. He has been responsible for overall management, strategic planning and decision-making of our three brands, TECNO, Infinix and itel. Mr. Jiang joined our Group since the establishment of our Company in August 2013 and has held various directorship and executive positions in several subsidiaries of our Group, including serving as the director of Caricare Service THA Company Limited.

Prior to joining our Group, Mr. Jiang served as a project director of the international business department (國際業務部項目處處長) of Ningbo Bird Co., Ltd. from July 2003 to October 2005.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Jiang obtained his master’s degree in business administration from Tsinghua University (清華大學) in the PRC in June 2025.

Mr. Wu Wen (吳文), aged 47, has served as the deputy general manager of our Company since October 2023. He is primarily responsible for the strategic planning and operational management of the manufacturing, customer service and quality management departments of our Group. Mr. Wu joined our Group since the establishment of our Company in August 2013 and has held various directorship and executive positions in several subsidiaries of our Group, including serving as the director of Shenzhen Tecno, Shenzhen Transsion Manufacture and Chongqing Transsion Technology.

Prior to joining our Group, Mr. Wu served as a supervisor of Ningbo Bird Sagem Electronics Co., Ltd. from July 2001 to May 2004 and a deputy manager of BIRD Suizhou Electric Co., Ltd. (隨州波導電子有限公司) from May 2004 to February 2008. He served as a deputy general manager of Shenzhen Tecno from October 2010 to August 2013.

Mr. Wu obtained his bachelor’s degree in electronic engineering from Chongqing University (重慶大學) in the PRC in June 2001.

Mr. Xiao Yonghui (肖永輝), aged 56, has served as the Chief Financial Officer (財務負責人) of our Company since October 2017. He is primarily responsible for financial operations management of our Group. Mr. Xiao joined our Group since the establishment of our Company in August 2013 and has served as our Chief Financial Officer since January 2014. He has held various directorship and executive positions in several subsidiaries of our Group, including serving as director of TRANSSION TECHNOLOGY PTE. LIMITED, Transsion International Limited, Transsion Investment Limited and Transsion Technology Limited.

Prior to joining our Group, Mr. Xiao served as a financial manager of Ningbo Bird Co., Ltd. from July 2002 to May 2013.

Mr. Xiao studied industrial finance and accounting at Jingdezhen Ceramic Institute (景德鎮陶瓷學院) in the PRC in July 1991. He passed all the professional examinations held by Certified Public Accountants Examination Committee of the Ministry of Finance (財政部註冊會計師考試委員會) in 1998.

Mr. Zeng Chun (曾春), aged 46, joined our Company in April 2020 and has served as our secretary to the Board since October 2020. He is primarily responsible for overseeing and managing the corporate affairs and investor relations of our Group.

Prior to joining our Group, Mr. Zeng served at the Sichuan Branch and the head office of Industrial and Commercial Bank of China from July 2005 to March 2007. He successively served at Bohai Securities Co., Ltd. (渤海證券股份有限公司) and CITIC Securities Co., Ltd. (中信證券股份有限公司) from 2007 to 2020, engaging in IPOs, refinancing, and M&A investment banking activities.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zeng obtained his master’s degree in finance from Southwestern University of Finance and Economics (西南財經大學) in the PRC in June 2005.

JOINT COMPANY SECRETARIES

Mr. Zeng was appointed as one of our joint company secretaries. See “— Senior Management” above in this section for more details.

Ms. Chan Pui Ching (陳佩貞) has been appointed as one of our joint company secretaries on November 12, 2025 with effect from the [REDACTED].

Ms. Chan is currently a senior manager of Company Secretarial Services of Tricor Services Limited, a member of Vistra Group. She is responsible for providing professional corporate services to Hong Kong listed companies. Ms. Chan has over 17 years of experience in company secretary and corporate governance field.

Ms. Chan is a Chartered Secretary, a Corporate Governance Professional and an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Chan obtained a bachelor’s degree of social sciences from The University of Hong Kong in December 2003.

OTHER INFORMATION

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on November 28, 2025, and (ii) understands his or her obligations as a director of a [REDACTED] issuer under the Listing Rules.

Each of the independent non-executive Directors confirms (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointments.

Save as disclosed above and in “Relationship with Our Controlling Shareholders” in this document, each of our Directors confirms that he or she does not have any interest in a business apart from the business of our Group which competes or is likely to compete, whether directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Except as disclosed above, none of our Directors and members of senior management held any other directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the Latest Practicable Date.

DIRECTORS AND SENIOR MANAGEMENT

To the best knowledge, information and belief of the Directors having made all reasonable inquiries, there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, and there were no other matters with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

Audit Committee

Our Board has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”). The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of our Group and provide advice and comments to the Board. The Audit Committee comprises Ms. Wong Yee Man (being our independent non-executive Director with appropriate professional qualifications), Mr. Huang Yijian and Mr. Zhang Huailei, with Ms. Wong Yee Man as the chairperson.

Remuneration and Appraisal Committee

Our Board has established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management. The Remuneration and Appraisal Committee comprises Mr. Zhang Huailei, Mr. Zhu Zhaojiang and Mr. Chen Linrong, with Mr. Zhang Huailei as the chairperson.

Nomination Committee

Our Board has established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and management of Board succession. The Nomination Committee comprises Mr. Chen Linrong, Mr. Zhu Zhaojiang and Ms. Wong Yee Man, with Mr. Chen Linrong as the chairperson.

Strategy and Sustainable Development (ESG) Committee

Our Board has established the Strategy and Sustainable Development (ESG) Committee with written terms of reference. The primary duties of the Strategy and Sustainable Development (ESG) Committee are to provide strategic advice on major investments,

DIRECTORS AND SENIOR MANAGEMENT

sustainable development, operations, ESG matters and other key matters impacting our Company’s development. The Strategy and Sustainable Development (ESG) Committee comprises Mr. Zhu Zhaojiang, Mr. Zhang Qi and Mr. Huang Yijian, with Mr. Zhu Zhaojiang as the chairperson.

Corporate Governance

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. In order to accomplish this, we expect to comply with all applicable code provisions of the Corporate Governance Code upon [REDACTED] save for the below.

Pursuant to code provision C.2.1 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Our Company deviates from this provision because Mr. Zhu Zhaojiang performs both the roles of the chairman of our Board and our general manager. Mr. Zhu has been responsible for the overall strategic planning, decision-making and management of our Group since its establishment. Our Board believes that, in view of his experience, personal profile and understanding of our business operations as mentioned above, Mr. Zhu Zhaojiang is the Director best suited to identify strategic opportunities and focus of the Board. Vesting the roles of both chairman and general manager to Mr. Zhu Zhaojiang can ensure consistent leadership within our Group, promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board.

Our Board considers that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and independent non-executive Directors. Our Board will reassess the division of the roles of chairman and the general manager from time to time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of our Group as a whole.

Board Diversity

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. We recognize and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. In reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a number of aspects, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

DIRECTORS AND SENIOR MANAGEMENT

Our Board currently consists of two female and eight male Directors ranging from 37 to 57 years old with a balanced mix of knowledge and skills, including, but not limited to, overall management and strategic development, accounting and corporate governance in addition to industry experience relevant to our Group’s operations and business in the mobile phone industry. They obtained degrees in various majors including engineering, computer science, applied physics, business administration, finance and accounting. Taking into account our existing business model and specific needs, as well as the diverse background of our Directors, the composition of our Board satisfies the board diversity policy.

Our Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors receive remuneration in the form of fees, salaries, wages, bonuses, housing fund, retirement and other benefits and share-based compensation. We determine the remuneration of our Directors based on their responsibilities, qualification, position and seniority.

The aggregate amount of remuneration of our Directors for the years ended December 31, 2023, 2024 and 2025 were RMB52.1 million, RMB37.7 million and RMB20.4 million, respectively. None of our Directors waived or agreed to waive any emolument during the same periods.

Under the arrangements in force as of the date of this document, we estimate the aggregate remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2026 to be approximately RMB24 million.

The five highest paid individuals of our Group for the years ended December 31, 2023, 2024 and 2025 included two, one and one Director(s), respectively. During the same periods, the aggregate amount of remuneration of the remaining three, four and four highest-paid non-Director individuals (including salaries, wages and bonuses, housing fund, retirement and other benefits and share-based compensation) were RMB52.3 million, RMB66.6 million and RMB35.6 million, respectively.

During the Track Record Period, no remuneration was paid to, or received by, our Directors or the five highest paid individuals as an inducement to join or upon joining us. No compensation was paid to, or received by, our Directors, former directors, or the five highest paid individuals for the loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

Save as disclosed above, no other payments have been made or are payable by our Group to our Directors in respect of the Track Record Period.

DIRECTORS AND SENIOR MANAGEMENT

COMPLIANCE ADVISOR

We have appointed Red Sun Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. The compliance advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will, amongst other things, advise our Company in the following circumstances:

1. before the publication of any regulatory announcement, circular or financial report;
2. where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;
3. where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where our business activities, development or results of our Group deviate from any forecast, estimate or other information in this document; and
4. where the Stock Exchange makes an inquiry of our Company concerning unusual movements in the [REDACTED] or [REDACTED] volume of our [REDACTED] securities or any other matters under Rule 13.10 of the Listing Rules.

The term of appointment of our compliance advisor shall commence on the [REDACTED] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As of the Latest Practicable Date, our Company was held as to 46.71% by Transsion Investment. Pursuant to the articles of association of Transsion Investment, Mr. Zhu is entitled to exercise 67.00% of its voting rights, despite holding only 20.68% of its equity interests. For further details, please refer to the paragraphs headed “History and Corporate Structure — Corporate Structure” in this document.

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], Transsion Investment and Mr. Zhu will together constitute a group of our Controlling Shareholders under the Listing Rules.

Apart from the business of our Group, Mr. Zhu also has majority interest in Yiwill Holdings Limited (深圳易為控股有限公司) (“**Yiwill Holdings**” and its associates (collectively, “**Yiwill Holdings Connected Persons**”). For details of its shareholding structure, see “Connected Transactions — Connected Persons”. Further details of the business of Yiwill Holdings Connected Persons and reason for their exclusion from our Group are set out below:

Delineation of business

We principally engage in the design, R&D, manufacturing, sales and brand management of smart devices, with a focus on mobile phones and in Africa and other emerging markets. For details of our business, see “Business”. Yiwill Holdings Connected Persons engage in a broad range of businesses, including retail of electronic products, LED lighting products and household appliances in the African market.

Our Group and Yiwill Holdings Connected Persons operate under fundamentally distinct business models and market positioning with no horizontal competition between them. Our Group adopts an integrated business model comprising R&D, production and sales of self-designed products (including mobile phones and other products) primarily under our own brands through distributors. Consequently, our product portfolio focuses on our own brands, and we maintain a significant R&D commitment. Our R&D expenses were approximately RMB2,255.98 million, RMB2,516.63 million and RMB2,950.23 million for the years ended December 31, 2023, 2024 and 2025, respectively. In contrast, Yiwill Holdings Connected Persons purely engages in third-party retail, primarily targeting retail customers, and does not participate in R&D or production of mobile phones and other products for its product retail business. Under such retail-oriented business model, Yiwill Holdings Connected Persons offer a diverse portfolio of multiple third-party brands, among which our branded products only represent a part of their overall product offerings. Accordingly, the businesses of our Group and Yiwill Holdings Connected Persons are vertically complementary along the industry value chain rather than horizontally competitive.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Based on the above, our Directors are of the view that our Group’s business are clearly delineated from Yiwill Holdings Connected Persons in terms of business model.

Our Company is managed and operated independently from Yiwill Holdings Connected Persons. All key administrative functions of our Group (including administration, accounting and finance and human resources management) have been, and will continue to be, handled by our own personnel, independent of and without support of Yiwill Holding Connected Persons. As of the Latest Practicable Date, neither Mr. Zhu nor any of our Company’s core management team members holds any position in Yiwill Holdings Connected Persons.

Given the clear business delineation and independence of management team, we do not consider that the businesses of Yiwill Holdings Connected Persons compete or are likely to compete with the business of our Group.

Save as disclosed above, as of the Latest Practicable Date, each of our Controlling Shareholders confirms that he/it had no interest in any business apart from the business of our Group which competes or is likely to compete, either directly or indirectly, with the business of our Group, which would require disclosure under Rule 8.10 of the Listing Rules as of the Latest Practicable Date.

NON-COMPETITION UNDERTAKINGS

For the purpose of the listing of our A Shares on the STAR Market and in order to avoid any potential competition between our Group and our Controlling Shareholders, each of our Controlling Shareholders provided non-competition undertakings in favor of our Company, pursuant to which each of our Controlling Shareholders has undertaken that:

- (i) during the period in which our Controlling Shareholders directly or indirectly holds Shares in the Company, our Controlling Shareholders shall not engage, by way of equity participation, share control, association, joint venture, cooperation or others, in any business that is the same as, similar to, or constitutes a substantial competition to the current and future scope of business of the Company; and
- (ii) if any of our Controlling Shareholders breaches the above undertaking, the Company shall have the right to require such Controlling Shareholder to perform the above undertaking in accordance with the law, and to compensate the Company for all losses incurred as a result; any benefits obtained by such Controlling Shareholder from breaching the above undertaking shall belong to the Company.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders and his/its close associates upon [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Management Independence

Upon [REDACTED], our Board will comprise 10 Directors, including six executive Directors and four independent non-executive Directors. Save for Mr. Zhu who is our Controlling Shareholder, an executive Director, the chairman of our Board and general manager, none of our Directors or members of the senior management is a Controlling Shareholder or holds any directorship or executive position in our Controlling Shareholders' close associates.

Although Mr. Zhu is our Controlling Shareholder, an executive Director, the chairman of our Board and general manager, our management and operational decisions are made collectively by our Board and senior management, most of whom have served our Group for a significant period of time and have substantial and extensive relevant industry experience and expertise as set out in the section headed “Directors and Senior Management” in this document. Also, when performing his duties as a Director, Mr. Zhu has been and will continue to be supported by the separate and senior management team of our Group. The balance of power and authority is ensured by the operation of the senior management and our Board. For details, please refer to the section headed “Directors and Senior Management” in this document. In addition, our Directors consider that our Board and senior management will function independently of our Controlling Shareholders for the following reasons:

- (i) each Director is aware of his or her fiduciary duties as a Director which require, among other things, that such Director acts for the best interests of our Company and our Shareholders as a whole and does not allow any conflict between his or her duties as a Director and his or her personal interests;
- (ii) our Company has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions pursuant to the relevant requirements under our Articles of Association and/or the Listing Rules;
- (iii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions;
- (iv) all of the other Directors are independent from our Controlling Shareholders, and decisions of the Board require the approval of a majority vote from the Board; and
- (v) we will have four independent non-executive Directors upon [REDACTED], comprising no less than one third of the total members of our Board, who have sufficient knowledge, experience and competence to provide a balance of the potentially interested Directors and independent Directors with a view to safeguard the interests of our Company and the Shareholders as a whole.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Based on the above, our Directors are of the view that our Board and senior management as a whole are capable to perform their roles in our Company independently and manage our business independently of our Controlling Shareholders and their close associates after [REDACTED].

Operational Independence

We are not operationally dependent on our Controlling Shareholders. We have established our own organizational structure, with each department assigned to specific areas of responsibilities which have been in operation and are expected to continue to operate independently of our Controlling Shareholders and their respective close associates. We have independent access to our suppliers and customers. We are also in possession of relevant assets, licenses, trademarks and other intellectual property and research and development facilities necessary to carry on and operate our business independently, and we have sufficient operational capacity in terms of capital and employees to operate independently.

Our Group entered into certain continuing connected transactions with Yiwill Holdings Connected Persons and Yimei Hotel Connected Persons which will continue after the completion of the [REDACTED], details of which are set out in the section headed “Connected Transactions” in this document. All such transactions have been determined after arm’s length negotiations and on normal commercial terms or better, and will constitute a de minimis continuing connected transaction of our Company pursuant to Rule 14A.76(1) of the Listing Rules that will be fully exempt from reporting, annual review, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. Despite our certain connected transactions with Yiwill Holdings Connected Persons, all essential administration, daily operations and decision-makings of our Company are carried out by our management team with the support from an experienced team of staff employed by our Company. For details, please refer to the section headed “Connected Transactions” in this document.

Based on the above, our Directors are satisfied that we will be able to operate independently of our Controlling Shareholders and their respective close associates after [REDACTED].

Financial Independence

We have the ability to operate independently of our Controlling Shareholders and their respective close associates from a financial perspective. We have an independent financial system and make financial decisions according to our own business needs. We have our independent financial department with a team of independent financial staff responsible for discharging the treasury function, and an audit committee comprising solely of independent non-executive Directors to oversee our accounting and financial reporting processes. We make tax registration and pay tax independently with our own funds. As such, our financial functions, such as cash and accounting management, invoices and bills, operate independently of our Controlling Shareholders and their respective close associates.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

We do not rely on our Controlling Shareholders or their respective close associates to provide financial assistance to our Group. We have independent access to third party financing and, if necessary, we are capable of obtaining financing from external sources without reliance on our Controlling Shareholders or their respective close associates. As of the Latest Practicable Date, none of our Controlling Shareholders or their respective close associates provided any other loans, borrowings or guarantees to our Group.

Based on the above, our Directors are satisfied that we will be able to maintain financial independence from our Controlling Shareholders and their respective close associates after [REDACTED].

CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflicts of interest with our Controlling Shareholders and their respective close associates:

- (i) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules which will become effective upon [REDACTED]. In particular, our Articles of Association provides that, unless otherwise provided, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her close associates has a material interest, nor shall such Director be counted in the quorum present at the Board meeting;
- (ii) where a transaction or arrangement of our Company is subject to Shareholders' approval under the provisions of the Listing Rules, any Controlling Shareholder that has a material interest in the transaction or arrangement shall abstain from voting on the resolution(s) approving the transaction or arrangement at the general meeting;
- (iii) our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable requirements under the Listing Rules; and
- (iv) we are committed that our Board shall include a balanced composition of executive Directors and independent non-executive Directors. We will have four independent non-executive Directors upon [REDACTED], and we believe our independent non-executive Directors possess sufficient experiences and are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our Shareholders as a whole. For details of our independent non-executive Directors, see “Directors and Senior Management — Directors — Independent Non-Executive Directors” in this document.

We have appointed Red Sun Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.

CONNECTED TRANSACTIONS

Upon [REDACTED], the following transactions between us and our connected persons will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

The parties set forth below will become our connected persons and have entered into transactions with us which will constitute our continuing connected transactions upon [REDACTED].

Shenzhen Yiwill Holdings Limited (深圳易為控股有限公司) (“Yiwill Holdings”) and its associates (collectively with Yiwill Holdings, “Yiwill Holdings Connected Persons”)

As of the Latest Practicable Date, Yiwill Holdings was held as to (i) approximately 62.0% by Shenzhen Jiali Information Technology Co., Ltd. (深圳市佳樂信息技術有限公司), which was in turn held as to 60% by Mr. Zhu, and (ii) approximately 13.0% by Shenzhen Duowei information Technology Co., Ltd. (深圳市多為信息技術有限公司) (“Duowei”), which was in turn held as to 60% by Mr. Zhu. Mr. Zhu is our executive Director, general manager and one of our Controlling Shareholders. Therefore, Yiwill Holdings will be our connected person upon [REDACTED].

Yimei Hotel Management (Shenzhen) Co., Ltd. (易美酒店管理(深圳)有限公司) (“Yimei Hotel”) and its associates (collectively with Yimei Hotel, “Yimei Hotel Connected Persons”)

As of the Latest Practicable Date, Yimei Hotel was held as to (i) approximately 14.63% by Duowei, which was in turn held as to 60% by Mr. Zhu, and (ii) approximately 19.81% by Ms. Ye Congxiao (葉叢笑), who is the spouse of Mr. Zhu. Mr. Zhu is our executive Director, general manager and one of our Controlling Shareholders. Therefore, Yimei Hotel will be our connected person upon [REDACTED].

Shenzhen Dynamic Energy Technology Co., Ltd. (深圳市鈦氮能源科技有限公司) (“Dynamic Energy”) and its associates (collectively with Dynamic Energy, “Dynamic Energy Connected Persons”)

As of the Latest Practicable Date, Dynamic Energy was held as to 66.67% by Shenzhen Zhanxiang Information Technology Co., Ltd. (深圳市展想信息技術有限公司), a wholly-owned subsidiary of our Company, and 33.33% by Shenzhen Xinju Huineng Enterprise Management Consulting Partnership (Limited Partnership) (深圳市新炬匯能企業管理諮詢合夥企業(有限合夥)) (“Xinju Huineng”), whose general partner was Shenzhen Danna Mike Information Technology Co., Ltd. (深圳市丹納覓刻信息技術有限公司), which was in turn held as to 99% by Mr. Yan Meng (嚴孟). Mr. Yan also held approximately 54.16% of the partnership interests in Xinju Huineng. Mr. Yan is our executive Director. Therefore, Dynamic Energy will be our connected subsidiary upon [REDACTED].

CONNECTED TRANSACTIONS

SUMMARY OF OUR CONNECTED TRANSACTIONS

No.	Transaction	Counterparty	Category of continuing connected transaction	Applicable Listing Rules	Waiver sought	Historical amounts <i>(RMB in millions)</i>	Proposed annual cap <i>(RMB in millions)</i>
Fully Exempt Continuing Connected Transactions							
1. . .	Supply of Products Framework Agreement	Yiwill Holdings Connected Persons	Fully exempt	14A.76(1)	N/A	2023: 70.60 2024: 67.76 2025: 107.94	2026: 40.00 2027: 40.00 2028: 40.00
2. . .	Provision of Service Framework Agreement	Yiwill Holdings Connected Persons	Fully exempt	14A.76(1)	N/A	2023: 1.15 2024: 0.85 2025: 0.97	2026: 5.00 2027: 5.00 2028: 5.00
3. . .	Procurement of Service Framework Agreement	Yimei Hotel Connected Persons	Fully exempt	14A.76(1)	N/A	2023: nil 2024: 0.80 2025: 0.40	2026: 5.00 2027: 5.00 2028: 5.00
Partially Exempt Continuing Connected Transactions							
4. . .	Provision of Service Framework Agreement	Dynamic Energy Connected Persons	Partially exempt	14A.35, 14A.49, 14A.71, 14A.76(2) and 14A.105	Announcement	2023: nil 2024: 9.04 2025: 28.82	2026: 80.00 2027: 100.00 2028: 200.00
5. . .	Purchase of Products Framework Agreement	Dynamic Energy Connected Persons	Partially exempt	14A.35, 14A.49, 14A.71, 14A.76(2) and 14A.105	Announcement	2023: 0.01 2024: 52.02 2025: 464.47	2026: 600.00 2027: 100.00 2028: 200.00

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Supply of Products Framework Agreement with Yiwill Holdings Connected Persons

During the Track Record Period, we have supplied the mobile phones and products of expanded range to Yiwill Holdings Connected Persons for its sales in Tanzania. Our Group has a long-term and stable business relationship with Yiwill Holdings Connected Persons. Such collaboration with Yiwill Holdings Connected Persons is commercially reasonable as it increases the sales of our products through expanding the sales channels for our mobile phone products, enhancing our product coverage and penetration in the African market. We expect to continue to provide the products after the [REDACTED].

CONNECTED TRANSACTIONS

On [●] 2026, our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the “**Supply of Products Framework Agreement with Yiwill Holdings Connected Persons**”) with Yiwill Holdings, which engages in a broad range of businesses, including retail of electronic products, LED lighting products and household appliances in the African market, pursuant to which, our Group will supply mobile phones, IoT products and other products to Yiwill Holdings Connected Persons for external sales to their customers including operators from the [REDACTED] to December 31, 2028. Pursuant to the Supply of Products Framework Agreement with Yiwill Holdings Connected Persons, we will supply mobile phones and certain products to Yiwill Holdings Connected Persons according to separate orders in respect of each of the transactions to be entered into by the relevant members of our Group with the relevant members of Yiwill Holdings Connected Persons. The pricing shall be determined after arm’s length negotiations with reference to the prevailing market prices of such products and shall be no less favorable to our Group than in comparable transaction with Independent Third Parties.

2. Provision of Service Framework Agreement with Yiwill Holdings Connected Persons

During the Track Record Period, we have provided the business support services, primarily including overseas logistical support to Yiwill Holdings’ employees on overseas business trips, to Yiwill Holdings Connected Persons for their overseas business because it would be convenient and cost efficient for Yiwill Holdings to leverage our Group’s overseas resources, and ensure the safety of its employees on overseas business trips. Our Group has a long-term and stable business relationship with Yiwill Holdings. Such collaboration with Yiwill Holdings is ancillary to the above transaction with Yiwill Holdings.

On [●], 2026, our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the “**Provision of Service Framework Agreement with Yiwill Holdings Connected Persons**”) with Yiwill Holdings, for itself and on behalf of its associates, pursuant to which, our Group will provide business support services for Yiwill Holdings Connected Persons, primarily including overseas logistical support, to Yiwill Holdings Connected Person from the [REDACTED] to December 31, 2028. Pursuant to the Provision of Service Framework Agreement with Yiwill Holdings Connected Persons, we will provide business support to Yiwill Holdings Connected Persons according to separate orders in respect of each of the transactions to be entered into by the relevant members of our Group with the relevant members of Yiwill Holdings Connected Persons. The pricing shall be determined after arm’s length negotiations with reference to historical transaction price, the nature of services and costs associated thereunder, and shall be no less favorable to our Group than in comparable transaction with Independent Third Parties.

3. Procurement of Service Framework Agreement with Yimei Hotel Connected Persons

During the Track Record Period, Yimei Hotel Connected Persons have provided advertising, marketing and promotion services to our Group. Such collaboration with Yimei Hotel Connected Persons is commercially reasonable as it improves efficiency of our Group.

CONNECTED TRANSACTIONS

On [●], 2026, our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the “**Procurement of Service Framework Agreement with Yimei Hotel Connected Persons**”) with Yimei Hotel, whose primary business is hotel management, for itself and on behalf of its associates, pursuant to which, Yimei Hotel Connected Persons will provide advertising, marketing and promotion services to our Group from the [REDACTED] to December 31, 2028. Pursuant to the Procurement of Service Framework Agreement with Yimei Hotel Connected Persons, Yimei Hotel Connected Persons will provide services to our Group according to separate orders in respect of each of the transactions to be entered into by the relevant members of our Group with the relevant members of Yimei Hotel Connected Persons. The pricing shall be determined after arm’s length negotiations with reference to historical transaction price, the prevailing market prices of services of similar nature and type and costs associated thereunder, and shall be no less favorable to our Group than in comparable transaction with Independent Third Parties.

Listing Rules Implication

In respect of the fully-exempt continuing connected transactions described above, all the applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be less than 0.1%. Therefore, these transactions will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders’ approval requirement under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

4. Provision of Service Framework Agreement with Dynamic Energy Connected Persons

On [●], 2026, our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the “**Provision of Service Framework Agreement with Dynamic Energy Connected Persons**”) with Dynamic Energy for itself and on behalf of its associates. Dynamic Energy is our subsidiary and its primary business is sales of energy storage products. Pursuant to such agreement, our Group will provide business support services, primarily including overseas logistical support, to Dynamic Energy Connected Persons from the [REDACTED] to December 31, 2028, and we will enter into separate orders in respect of each of the transactions with Dynamic Energy Connected Persons.

Reasons for the Transaction

During the Track Record Period, we have provided business support services to Dynamic Energy, which was to facilitate unified management within our Group and create a cohesive management framework (considering that Dynamic Energy is our subsidiary). It would also be cost efficient for our Group to leverage overseas resources internally, thereby enhancing our efficiency.

CONNECTED TRANSACTIONS

Consideration and Pricing Policies

The consideration in the Provision of Service Framework Agreement with Dynamic Energy Connected Persons shall be determined after arm’s length negotiations with reference to historical transaction price and costs associated thereunder, and shall be no less favorable to our Group than those in comparable transaction with Independent Third Parties.

Historical Amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to our provision of business support services were approximately nil, RMB9.04 million and RMB28.82 million, respectively.

Annual Caps

For the years ended December 31, 2026, 2027 and 2028, the proposed annual caps for the transaction amounts to be paid by Dynamic Energy to us under the Provision of Service Framework Agreement with Dynamic Energy Connected Persons are RMB80.00 million, RMB100.00 million and RMB200.00 million, respectively.

The proposed annual caps are determined based on: (i) the historical amounts of the transactions between our Group and Dynamic Energy Connected Persons during the Track Record Period in respect of the provision of such services; (ii) the anticipated increase in demand for such services based on the expected growth of business scale of Dynamic Energy; and (iii) other factors including but not limited to the expected market price of the similar service on normal commercial terms, the costs and expenses for provision of such services.

5. Purchase of Products Framework Agreement with Dynamic Energy Connected Persons

On [●], 2026, our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the “**Purchase of Products Framework Agreement with Dynamic Energy Connected Persons**”) with Dynamic Energy, for itself and on behalf of its associates, pursuant to which, our Group will act as a distribution channel through our subsidiaries to purchase new energy related products from Dynamic Energy Connected Persons and then sell the products to the customers designated by Dynamic Energy Connected Persons through our subsidiary incorporated in Dubai or to our customers in other markets, from the [REDACTED] to December 31, 2028. We will enter into separate purchase orders in respect of each of the transactions with Dynamic Energy Connected Persons.

CONNECTED TRANSACTIONS

Reasons for the Transaction

During the Track Record Period, we have conducted similar transactions with Dynamic Energy Connected Persons as part of our internal sales channel arrangement for our subsidiaries, and will continue such internal sales channel arrangement to leverage internal resources and coordination within our Group.

Consideration and Pricing Policies

The pricing of the new energy related products will principally be on a cost-plus basis and determined after arm’s length negotiations between our Group and Dynamic Energy Connected Persons.

Historical Amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to our purchase of new energy related products were approximately RMB0.01 million, RMB52.02 million and RMB464.47 million, respectively.

Annual Caps

For the years ended December 31, 2026, 2027 and 2028, the proposed annual caps for the transaction amounts to be paid by Dynamic Energy to us under the Purchase of Products Framework Agreement with Dynamic Energy Connected Persons are RMB600.00 million, RMB100.00 million and RMB200.00 million, respectively.

The proposed annual caps are determined based on: (i) the historical amounts of the transactions between our Group and Dynamic Energy Connected Persons during the Track Record Period in respect of the purchase of such products; (ii) the future business plan of Dynamic Energy; and (iii) our future plan for internal sales channel arrangement of our Group.

Listing Rules Implication

In respect of the partially-exempt continuing connected transactions set out above, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules for the three years ending December 31, 2028 will be more than 0.1% but less than 5% on an annual basis. Accordingly, such agreements are subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

CONNECTED TRANSACTIONS

CONFIRMATION BY DIRECTORS

Our Directors are of the view that the partially-exempt continuing connected transactions set out above have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms or better terms, are fair and reasonable and in the interests of our Group and Shareholders as a whole, and that the proposed annual caps in respect of such transactions are fair and reasonable, and in the interests of our Group and Shareholders as a whole.

CONFIRMATION BY THE SOLE SPONSOR

The Sole Sponsor has (i) reviewed the relevant documents and information provided by the Company in relation to the aforesaid partially-exempt continuing connected transactions, (ii) obtained necessary representations and confirmations from the Company and the Directors, and (iii) participated in the due diligence and discussions with the management of our Group. Based on the above, the Sole Sponsor is of the view that the aforesaid partially-exempt continuing connected transactions, for which a waiver has been sought, have been entered into in the ordinary and usual course of our business on normal commercial terms or better terms, are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps in respect of such partially-exempt continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

WAIVER GRANTED BY THE STOCK EXCHANGE

In respect of the partially-exempt continuing connected transactions set out above, we have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the announcement requirements under the Listing Rules pursuant to Rule 14A.105 of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] and the [REDACTED] are not exercised), the following persons will have an interest or short position in Shares and/or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company.

Name of Shareholder	Nature of interest ⁽¹⁾	Number and class of Shares or underlying Shares held	Approximate shareholding as of the Latest Practicable Date		Approximate shareholding upon completion of the [REDACTED] ⁽²⁾	
			in relevant class of Shares	in total issued share capital	in relevant class of Shares	in total issued share capital
Mr. Zhu Zhaojiang (竺兆江) ⁽³⁾	Interest in controlled corporation	537,696,463 A Shares	46.71%	46.71%	[REDACTED]%	[REDACTED]%
Transsion Investment ⁽³⁾	Beneficial owner	537,696,463 A Shares	46.71%	46.71%	[REDACTED]%	[REDACTED]%
MediaTek Inc. ⁽⁴⁾	Interest in controlled corporation	71,573,109 A Shares	6.22%	6.22%	[REDACTED]%	[REDACTED]%
Digimoc Holdings Limited ⁽⁴⁾	Beneficial owner	71,573,109 A Shares	6.22%	6.22%	[REDACTED]%	[REDACTED]%
Mr. Xiao Ming (肖明) ⁽⁵⁾	Interest in controlled corporation	62,005,336 A Shares	5.39%	5.39%	[REDACTED]%	[REDACTED]%
Beijing Chuanjiali	Beneficial owner	62,005,336 A Shares	5.39%	5.39%	[REDACTED]%	[REDACTED]%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the [REDACTED] H Shares and 1,151,184,545 A Shares in issue immediately following the completion of the [REDACTED] (assuming that the [REDACTED] and the [REDACTED] are not exercised).
- (3) Pursuant to the articles of association of Transsion Investment, Mr. Zhu is entitled to exercise 67.00% of its voting rights, despite holding only 20.68% of its equity interests. Therefore, by virtue of the SFO, Mr. Zhu is deemed to be interested in the Shares held by Transsion Investment.
- (4) Such Shares are held by CSAML, which is an asset management account for a financial product structured to invest in our A Shares for and on behalf of and was fully funded by Digimoc Holdings Limited. As of the Latest Practicable Date, Digimoc Holdings Limited was wholly owned by MediaTek Inc., which is listed on the Taiwan Stock Exchange (TPE: 2454). Therefore, by virtue of the SFO, MediaTek Inc. is deemed to be interested in the Shares held by Digimoc Holdings Limited.
- (5) As of the Latest Practicable Date, Beijing Chuanjiali was held as to approximately (i) 33.35% by Xiao Ming (肖明), our employee; (ii) 20.61% by Lu Weifeng (陸偉峰), our former employee; (iii) 10.21% by Mr. Zhu; (iv) 6.96% by Chen Yuanhai (陳元海), our employee; and (v) 28.87% by other 16 shareholders, who are our employees, with each of them holding less than 5% equity interests therein. Therefore, by virtue of the SFO, Xiao Ming is deemed to be interested in the Shares held by Beijing Chuanjiali.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the [REDACTED].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, our share capital was RMB1,151,184,545, comprising of 1,151,184,545 A Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately following completion of the [REDACTED] (assuming that the [REDACTED] and the [REDACTED] are not exercised), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital (%)
A Shares in issue	1,151,184,545	[REDACTED]
H Shares to be issued under the [REDACTED] . .	[REDACTED]	[REDACTED]
Total	<u>[REDACTED]</u>	<u>100.00</u>

Immediately following completion of the [REDACTED] (assuming that the [REDACTED] is fully exercised and the [REDACTED] is not exercised), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital (%)
A Shares in issue	1,151,184,545	[REDACTED]
H Shares to be issued under the [REDACTED] . .	[REDACTED]	[REDACTED]
Total	<u>[REDACTED]</u>	<u>100.00</u>

Immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and the [REDACTED] is fully exercised), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital (%)
A Shares in issue	1,151,184,545	[REDACTED]
H Shares to be issued under the [REDACTED] . .	[REDACTED]	[REDACTED]
Total	<u>[REDACTED]</u>	<u>100.00</u>

SHARE CAPITAL

Immediately following completion of the [REDACTED] (assuming that the [REDACTED] and the [REDACTED] are both fully exercised), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital (%)
A Shares in issue	1,151,184,545	[REDACTED]
H Shares to be issued under the [REDACTED] . .	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

OUR SHARES

Upon the completion of the [REDACTED], our Shares will consist of A Shares and H Shares. The A Shares and H Shares are all ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in Chinese Mainland, the qualified investors in Chinese Mainland under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (if our H Shares are eligible securities for that purpose) and other persons who are entitled to hold our H Shares pursuant to relevant PRC law or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons in Chinese Mainland.

Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between Chinese Mainland and Hong Kong. Our A Shares can be traded by investors in Chinese Mainland, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be traded by investors in Chinese Mainland in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the [REDACTED]. The Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (H股公司境內未上市股份申請“全流通”業務指引) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for [REDACTED] and [REDACTED] on the Stock Exchange.

SHARE CAPITAL

RANKING

Our A Shares and our H Shares are regarded as one class of Shares under our Articles of Association and shall rank pari passu with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made after the date of this document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends could also be distributed in the form of Shares. Holders of our H Shares will receive scrip dividends in the form of H Shares, and holders of our A Shares will receive scrip dividends in the form of A Shares.

APPROVAL FROM A SHAREHOLDERS REGARDING THE [REDACTED]

We obtained our A Shareholders’ approval to [REDACTED] H Shares and seek the [REDACTED] of H Shares on the Stock Exchange at the general meeting of our Company held on November 28, 2025. Pursuant to such approval, among other things:

- (i) ***Size of the [REDACTED]***: The proposed number of H Shares to be [REDACTED] shall not exceed [REDACTED]% of the total issued share capital enlarged by the H Shares to be issued pursuant to the [REDACTED] (before the exercise of the [REDACTED]). The number of H Shares to be issued pursuant to the full exercise of the [REDACTED] shall not exceed [REDACTED]% of the total number of H Shares to be [REDACTED] initially under the [REDACTED].
- (ii) ***Validity period***: The [REDACTED] and [REDACTED] of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date on which such matters were approved at the Shareholders’ meeting.

There is no other approved [REDACTED] plan for the Shares except the [REDACTED].

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND MEETING ARE REQUIRED

For details of circumstances under which our Shareholders’ general meeting is required, please refer to the paragraphs headed “Summary of Articles of Association of the Company” in Appendix III to this document.

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The following discussion and analysis should be read in conjunction with our consolidated financial statements included in the Accountants’ Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRSs.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in “Risk Factors” and “Forward-Looking Statements” and elsewhere in this document.

OVERVIEW

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. Our products and services include (i) mobile phones, (ii) mobile Internet services and (iii) IoT products and other products, creating an interconnected ecosystem of products, services and brands.

Our revenue was RMB62,294.9 million, RMB68,715.3 million and RMB65,591.2 million in 2023, 2024 and 2025, respectively. Our gross profit was RMB14,439.9 million, RMB14,340.8 million and RMB12,278.3 million in 2023, 2024 and 2025, respectively. Our gross profit margin was 23.2%, 20.9% and 18.7% in 2023, 2024 and 2025, respectively.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Consumer Demand of Our Products

Our business growth and financial performance mainly depend on consumer demand for our mobile phones. According to Frost & Sullivan, the mobile phone market size in emerging markets has experienced consistent growth in recent years. The mobile phone in emerging markets grew from US\$134.4 billion in 2020 to US\$171.1 billion in 2024, representing a CAGR of 6.2%. Driven by various factors including increasing importance of smartphones in daily life, economic growth and consumption upgrade, the mobile phone market size in the emerging market is expected to reach US\$236.7 billion in 2029, representing a CAGR of 6.7%, according to Frost & Sullivan.

In particular, in emerging markets, smartphones are becoming key tools for communication and the primary gateway to the Internet. Portability and multifunctionality of smartphones make them indispensable for consumers’ everyday activities. Additionally, the economic development and consumption upgrading in emerging markets have become

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important drivers for growth of smartphones. Consumers are increasingly willing to pay for devices with advanced features and improved user experiences. Smartphone penetration in emerging markets has grown from 67.8% in 2020 to 77.7% in 2024 and is expected to further increase to 85.4% by 2029, according to Frost & Sullivan.

The widespread use of smartphones allow consumers to access the Internet anytime and anywhere via various applications, which further accelerates the growth of mobile Internet services. Our financial results are influenced our development of mobile Internet services that align with the evolving need of consumers.

In addition, according to Frost & Sullivan, the demand for IoT products in emerging markets continues to grow as consumers increasingly adopt connected devices to enhance convenience, efficiency and automation in their daily life. The scale and pace of development of the IoT products, including consumer acceptance of the applications of IoT products in different scenarios and technological evolution may further propel the development and sales of our portfolio of IoT products. Our financial results may be affected by our ability to anticipate market trends and consumer preference to introduce competitive and differentiated IoT products.

Product Mix

Our ability to offer a comprehensive portfolio of products and services is one of the primary factors influencing our financial conditions and results of operations. Our future success depends on our ability to (i) maintain the sales growth of our existing products that meet the evolving demand and taste of consumers, and (ii) introduce new products and services to our existing consumer base and attract new consumers to expand our market share.

Our revenue may be affected by the development and sales of our existing products in particular, smartphones. During the Track Record Period, revenue from sales of smartphones contributed a majority of our total revenue, and fluctuations in the sales of smartphones affected our overall revenue.

Our success also depends on the development and sales of new products and services. In 2023, 2024 and 2025, our gross profit margin was 23.2%, 20.9% and 18.7%, respectively. In 2023, 2024 and 2025, the gross profit margin of mobile Internet services was 72.1%, 81.5% and 80.0%, respectively. We aim to continue to introduce new products and services to consumers, which may further improve our gross profit margin. By continuously refining our product mix and leveraging our experience at existing market and consumer insight, we are committed to sustaining robust financial performance and driving long-term growth.

Geographical Coverage

During the Track Record Period, we provided products and services in over 100 countries and regions. We have dedicated our efforts to emerging markets. Our business expansion in the emerging APAC markets, the Middle East and Latin America had contributed to the growth of our revenue.

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There remains vast opportunities for us in the global markets, and we plan to continue to expand our presence through organic growth and acquisitions, deepen our penetration, broaden our sales channels, enhance our branding efforts, and invest in infrastructure and personnel to support our global strategy. Our large scale, decades of experience and successful track record in overseas markets bring us considerable competitive advantages that will continue to serve us well in new markets.

Our strong market position in Africa lays a strong foundation for us to further expand our product offerings in new markets and enhance our products in new consumer base. We will focus on expanding operations in additional markets, such as the emerging APAC markets and other regions. We may have to adapt our business model to the local markets due to various legal requirements and market conditions. Our expansion and penetration in international markets may impact our financial condition and results of operations.

Cost of Revenue

Our profitability to a large extent depends on our ability to manage our cost of revenue. In 2023, 2024 and 2025, our cost of revenue was RMB47,855.0 million, RMB54,374.4 million and RMB53,313.0 million, respectively, representing 76.8%, 79.1% and 81.3% of our total revenue. During the Track Record Period, our raw materials primarily included (i) electronic components, mainly including memory chips and SoCs, (ii) cameras and (iii) screens.

The stability of the supply of raw materials may be affected by factors beyond our control. Among our raw materials, memory chips used in our mobile phones experience more fluctuations in the market price than other raw materials. To mitigate supply chain risks and price volatility, we closely monitor raw material costs through market trend analysis, supplier negotiations and periodic price assessments. We procure raw materials and adjust inventory levels based on price forecast to avoid disruption in our supply chain and control our raw material costs. For details of our inventory management, see “Business—Logistics and Inventory Management—Inventory Management.”

Marketing and Brand Promotion

Our brand is of utmost importance to our long-term success. We believe that our brand image is an important factor affecting consumers’ decisions regarding whether to purchase our products. The strength of our brand is underpinned in part by our reputation for providing high-quality value-for-money products with various product functions that cater to a wide range of consumer needs, complemented by consistent customer service across all of our sales network.

Branding is also an important focus of our broader globalization strategy, and we plan to enhance our efforts to promote the sales of products of our own brands based on our experience in the existing market and new markets. According to Frost & Sullivan, high brand awareness typically translates to consumer’ confidence in product quality and related services. Strong brand images, developed through long-term investment and constituting a high entry barrier, generally creates positive recognition from consumers, and will in turn attract more consumers.

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BASIS OF PRESENTATION

The Historical Financial Information of our Group have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRS Accounting Standards**”) issued by the International Accounting Standards Board (“**IASB**”). The historical financial information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities measured at fair value through profit or loss (“**FVPL**”).

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4 to the Accountants’ Report in Appendix I to this document.

New standards, amendments and interpretations to the existing standards that are effective during the Track Record Period have been adopted by our Group consistently throughout the years presented, unless prohibited by the relevant standard to apply retrospectively. Other than those material accounting policies information as disclosed elsewhere, a summary of the other accounting policies information has been set out in Note 38 to the Accountants’ Report in Appendix I to this document.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. We do not expect any material changes in these estimates and assumptions in the foreseeable future. Details of our critical accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in Note 4 to the Accountants’ Report in Appendix I to this document.

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RESULTS OF OPERATIONS

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

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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

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Revenue

During the Track Record Period, we generated revenue primarily from the sale of mobile phones and, to a lesser extent, from mobile Internet services and IoT products and other offerings.

Revenue by Product

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.

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

	Year ended December 31,		
	2023	2024	2025
	'000	'000	'000
Mobile phones	194,371	201,440	169,036
Smartphones	96,547	106,476	96,810
Feature phones	97,824	94,964	72,226
IoT products and others	16,160	21,692	23,625
IoT products	16,159	21,658	23,314
Energy storage products	0	25	254
Lightweight electric mobility devices	1	9	57

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

	Year ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
Mobile phones	295.0	313.7	345.8
Smartphones	532.4	543.8	566.3
Feature phones	60.7	55.7	50.2
IoT products and others	121.3	101.4	161.2
IoT products	121.0	97.5 ⁽¹⁾	141.8 ⁽¹⁾
Energy storage products	8,441.0 ⁽²⁾	2,691.7 ⁽²⁾	1,407.0 ⁽²⁾
Lightweight electric mobility devices . .	2,944.3	2,270.6	2,546.5

Notes:

- (1) The average selling price of our IoT products decreased in 2024 primarily due to an increase in the sales volume of power banks which have a lower unit price, the average selling price of our IoT products subsequently increased in 2025 primarily due to an increase in the sales volume of laptops which have a higher unit price.
- (2) The average selling price of our energy storage products decreased during the Track Record Period primarily due to changes in our product mix, where sales volume in 2023 was relatively low and weighted toward higher-priced inverters, whereas in 2025 our product offerings became more diversified, with increased sales of lower-priced products such as battery packs and solar panels.

Comparison between 2025 and 2024: Our revenue decreased by 4.5% from RMB68,715.3 million in 2024 to RMB65,591.2 million in 2025.

- **Mobile phones:** Revenue generated from our mobile phones decreased by 7.5% from RMB63,196.6 million in 2024 to RMB58,447.5 million in 2025 due to decreases in the revenue generated from our smartphones and feature phones.
 - (i) **Smartphones:** Revenue generated from our smartphones decreased by 5.3% from RMB57,906.0 million in 2024 to RMB54,820.8 million in 2025, primarily due to a 9.1% decrease in the sales volume of our smartphones from 106.5 million units in 2024 to 96.8 million units in 2025. The sales volume of smartphones decreased primarily due (i) strategic volume management in response to rising memory chip prices during 2025, as we prioritized margin preservation over volume growth, and (ii) market competition in certain overseas markets, which negatively impacted our sales performance in these regions.
 - (ii) **Feature phones:** Revenue generated from our feature phones decreased by 31.4% from RMB5,290.5 million in 2024 to RMB3,626.8 million in 2025, primarily due to (a) a 23.9% decrease in the sales volume of our feature phones

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from 95.0 million units in 2024 to 72.2 million units in 2025 and (b) a 9.9% decrease in the average selling price of our feature phones from RMB55.7 per unit in 2024 to RMB50.2 per unit in 2025. The decrease in (a) the sales volume and (b) the average selling price was a result of a decrease in consumer demand for feature phones, which was in line with the industry trend. See “Industry Overview—Overview of Mobile Phone Market in Emerging Markets—Development of Mobile Phone Market in Emerging Markets.”

- *Mobile Internet services:* Revenue generated from our mobile Internet services increased by 12.8% from RMB835.0 million in 2024 to RMB942.0 million in 2025, primarily attributable to an increase in revenue from in-application advertising services.
- *IoT products and others:* Revenue generated from IoT products and other products increased by 32.4% from RMB4,683.8 million in 2024 to RMB6,201.7 million in 2025, primarily attributable to an increase in revenue from the sales of our digital accessories and the increased sales volume of our laptop products.

Comparison between 2024 and 2023: Our revenue increased by 10.3% from RMB62,294.9 million in 2023 to RMB68,715.3 million in 2024.

- *Mobile phones:* Revenue generated from our mobile phones increased by 10.2% from RMB57,348.1 million in 2023 to RMB63,196.6 million in 2024, primarily attributable to an increase in revenue from the sales of smartphones, partially offset by a decrease in revenue from the sales of feature phones.
 - (i) *Smartphones:* Revenue generated from our smartphones increased by 12.6% from RMB51,406.1 million in 2023 to RMB57,906.0 million in 2024, primarily attributable to a 10.3% increase in the sales volume of smartphones from 96.5 million units in 2023 to 106.5 million units in 2024. The sales volume of smartphones increased primarily because of our business expansion in (a) the emerging APAC markets and (b) Latin America.
 - (ii) *Feature phones:* Revenue generated from our feature phones decreased by 11.0% from RMB5,942.0 million in 2023 to RMB5,290.5 million in 2024, primarily due to an 8.2% decrease in the average selling price of feature phones from RMB60.7 per unit in 2023 to RMB55.7 per unit in 2024. The average selling price of feature phones decreased primarily due to a decrease in consumer demand for feature phones, which was in line with the industry trend. According to Frost & Sullivan, in emerging markets, the mobile phone industry is transitioning from feature phones to smartphones, and consumers are increasingly purchasing smartphones. See “Industry Overview—Overview of Mobile Phone Market in Emerging Markets—Development of Mobile Phone Market in Emerging Markets.”

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- *Mobile Internet services:* Revenue generated from mobile Internet services increased by 5.5% from RMB791.1 million in 2023 to RMB835.0 million in 2024, primarily attributable to an increase in revenue from in-application advertising services.
- *IoT products and others:* Revenue generated from IoT products and other products increased by 12.7% from RMB4,155.7 million in 2023 to RMB4,683.8 million in 2024, primarily attributable to an increase in revenue from the sales of our digital accessories.

Revenue by Geographical Region

The following table sets forth a breakdown of our revenue by geographic regions, mainly based on (i) the designated sales region of our distributors for revenue from mobile phones and IoT products and others and (ii) the locations of our paying customer for revenue from mobile Internet services, 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

Comparison between 2025 and 2024: 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 the revenue generated from (i) Central and Eastern Europe and (ii) Latin America due to the market competition in these overseas markets, which negatively impacted our sales performance in these regions.

Comparison between 2024 and 2023: Our revenue increased by 10.3% from RMB62,294.9 million in 2023 to RMB68,715.3 million in 2024, primarily due to an increase in the revenue generated from sale of our mobile phones in Emerging APAC markets and Latin America.

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Cost of Revenue

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

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Cost of inventories sold	46,243,013	96.6	52,657,671	96.8	51,551,660	96.7
Inventories write-down	227,566	0.5	283,207	0.5	283,176	0.5
Warranty expenses	641,895	1.3	642,389	1.2	640,067	1.2
Employee benefits	400,992	0.8	475,467	0.9	496,102	0.9
Depreciation and amortization . . .	121,044	0.3	161,014	0.3	153,365	0.3
Costs related to cloud services and other services and contents . . .	220,469	0.5	154,692	0.3	188,595	0.4
Total	47,854,979	100.0	54,374,440	100.0	53,312,965	100.0

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	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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

Our cost of revenue increased by 13.6% from RMB47,855.0 million in 2023 to RMB54,374.4 million in 2024 and decreased by 2.0% to RMB53,313.0 million in 2025, which was in line with our revenue trend.

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Gross Profit and Gross Profit Margin

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	<u>14,439,898</u>	23.2	<u>14,340,839</u>	20.9	<u>12,278,271</u>	18.7

Comparison between 2025 and 2024: Our gross profit margin remained relatively stable at 20.9% in 2024 and 18.7% in 2025. Specifically:

- *Mobile phones:* The gross profit margin of our mobile phones decreased from 20.2% in 2024 to 18.0% in 2025 due to a decrease in the gross profit margin of smartphones and feature phones.
 - (i) *Smartphones:* The gross profit margin of our smartphones decreased from 19.6% in 2024 to 17.7% in 2025 primarily because of an increase in the unit cost of revenue of smartphones. The increase in the unit cost of revenue was primarily due to an increase in the procurement price of memory chips, one of the key raw materials of smartphones, which was in line with the industry trend, according to Frost & Sullivan. The price increase was driven by explosive growth in AI applications, which created surging demand for HBM (High Bandwidth Memory) and led suppliers to shift production capacity from consumer electronics to AI applications, tightening supply and raising prices.
 - (ii) *Feature phones:* The gross profit margin of our feature phones decreased from 27.1% in 2024 to 22.1% in 2025, primarily because of a 9.9% decrease in the average selling price of our feature phones from RMB55.7 per unit in 2024 to RMB50.2 per unit in 2025, as consumer demand decreased for feature phones, which was in line with the industry trend. See “Industry Overview—Overview of Mobile Phone Market in Emerging Markets—Development of Mobile Phone Market in Emerging Markets.”

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- *Mobile Internet services*: The gross profit margin of our mobile Internet services remained relatively stable at 81.5% in 2024 and 80.0% in 2025.
- *IoT products and others*: The gross profit margin of IoT products and other products decreased from 19.2% in 2024 to 16.3% in 2025, primarily due to (i) an increase in the sales proportion of our home appliances with lower gross profit margin and (ii) a decrease in the gross profit margin of some of our digital accessories.

Comparison between 2024 and 2023: Our gross profit margin decreased from 23.2% in 2023 to 20.9% in 2024.

- *Mobile phones*: The gross profit margin of our mobile phones decreased from 22.9% in 2023 to 20.2% in 2024, primarily due to a decrease in the gross profit margin of smartphones.
 - (i) *Smartphones*: The gross profit margin of our smartphones decreased from 22.5% in 2023 to 19.6% in 2024, primarily because of an increase in the unit cost of revenue of smartphones. The increase in the unit cost of revenue was primarily due to an increase in the procurement price of memory chips, one of the key raw materials of smartphones, which was in line with the industry trend, according to Frost & Sullivan. The procurement cost of memory chips increased primarily due to the rapid expansion of artificial intelligence-related applications, which drove significant demand for advanced memory solutions. In response, suppliers reallocated production capacity from consumer electronics to higher-demand segments, resulting in a tightening of supply for consumer-grade memory chips and an overall increase in procurement prices.
 - (ii) *Feature phones*: The gross profit margin of our feature phones remained relatively stable at 26.2% in 2023 and 27.1% in 2024.
- *Mobile Internet services*: The gross profit margin of our mobile Internet services increased from 72.1% in 2023 to 81.5% in 2024, primarily because of a decrease in the cost of revenue of mobile Internet services as we optimized our cloud services cost.
- *IoT products and others*: The gross profit margin of IoT products and other products remained relatively stable at 18.1% in 2023 and 19.2% in 2024.

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General and Administrative Expenses

The following table sets forth a breakdown of our general and administrative expenses, in absolute amounts and as percentages of our total general and administrative expenses, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Employee benefits	1,020,853	56.5	1,098,261	55.0	1,047,982	54.5
Professional service and other consulting fees	144,552	8.0	231,835	11.6	224,460	11.7
Taxes and surcharge	248,874	13.8	206,429	10.3	195,546	10.2
Depreciation and amortization	92,465	5.1	142,842	7.2	130,549	6.8
Office fees	82,067	4.5	111,513	5.6	114,153	5.9
Conference and travel expenses	41,005	2.3	43,717	2.2	49,193	2.6
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others ⁽¹⁾	178,411	9.8	160,831	8.1	155,344	8.0
Total	1,808,227	100.0	1,995,428	100.0	1,922,156	100.0

Note:

(1) Others primarily include property management and utilities fees and bank processing fees.

Our general and administrative expenses decreased by 3.7% from RMB1,995.4 million in 2024 to RMB1,922.2 million in 2025, primarily due to a decrease in employee benefits as a result of a decrease in our share-based payments.

Our general and administrative expenses increased by 10.4% from RMB1,808.2 million in 2023 to RMB1,995.4 million in 2024, primarily due to an increase in employee benefits as a result of an increase in share-based payments and the annual salaries of our administrative team.

Selling and Marketing Expenses

The following table sets forth a breakdown of our selling and marketing expenses, in absolute amounts and as percentages of our total selling and marketing expenses, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Advertising fees	2,799,099	64.7	3,123,228	64.6	3,266,880	62.8
Employee benefits	1,033,624	23.9	1,073,740	22.2	1,217,804	23.4

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	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Professional service and other consulting fees	277,743	6.4	350,371	7.2	394,004	7.6
Others ⁽¹⁾	218,082	5.0	288,526	6.0	325,329	6.2
Total	4,328,548	100.0	4,835,865	100.0	5,204,017	100.0

Note:

(1) Others primarily include conference and travel expenses, depreciation and amortization and office expenses.

Our selling and marketing expenses increased by 7.6% from RMB4,835.9 million in 2024 to RMB5,204.0 million in 2025, primarily due to (i) an increase in employee benefits as we expand our sales team and (ii) an increase in advertising fees as a result of our increased advertising and marketing activities.

Our selling and marketing expenses increased by 11.7% from RMB4,328.5 million in 2023 to RMB4,835.9 million in 2024, primarily due to an increase in advertising fees as a result of our increased advertising and marketing activities.

Research and Development Expenses

The following table sets forth a breakdown of our research and development expenses, in absolute amounts and as percentages of our total research and development expenses, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Employee benefits	1,669,511	74.0	1,708,326	67.9	2,085,090	70.7
Professional service and other consulting fees	236,654	10.5	425,038	16.9	427,715	14.5
R&D materials expenses	175,981	7.8	183,535	7.3	211,241	7.2
Depreciation and amortization . . .	69,932	3.1	76,554	3.0	112,775	3.8
Others ⁽¹⁾	103,902	4.6	123,172	4.9	113,410	3.8
Total	2,255,980	100.0	2,516,625	100.0	2,950,231	100.0

Note:

(1) Others primarily include conference and travel expenses, office expenses and licensing expenses.

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Our research and development expenses increased by 17.2% from RMB2,516.6 million in 2024 to RMB2,950.2 million in 2025, primarily due to an increase in employee benefits as we expanded our research and development team.

Our research and development expenses increased by 11.6% from RMB2,256.0 million in 2023 to RMB2,516.6 million in 2024, primarily due to an increase in professional service fees related to (i) design and validation fees and (ii) outsourced research and development fees.

Net Impairment Losses/Reversals of Financial Assets

We recorded net impairment reversals of financial assets at RMB1.6 million in 2024 and net impairment losses on financial assets of RMB27.2 million in 2025, primarily due to a higher proportion of credit sales in 2025, resulting in increased trade receivables and correspondingly higher impairment provisions.

We recorded net impairment losses of financial assets at RMB79.7 million in 2023 and net impairment reversals of RMB1.6 million in 2024, primarily due to a decrease in loss allowance of our trade receivables. The loss allowance of our trade receivables decreased primarily due to a decrease in impairment provisions for trade receivables with an aging of over three years.

Other Income

The following table sets forth a breakdown of our other income, in absolute amounts and as percentages of our total other income for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Government grants ⁽¹⁾	418,351	98.1	662,264	84.7	396,477	86.0
Additional deduction for VAT . . .	133	0.0	112,247	14.4	52,122	11.3
Dividends of other equity						
investments	1,212	0.3	2,683	0.3	3,665	0.8
Others	6,847	1.6	4,923	0.6	9,016	1.9
Total	426,543	100.0	782,117	100.0	461,280	100.0

Note:

- (1) Our government grants primarily comprise asset-related grants received in connection with production line upgrades and equipment improvement projects, and income-related grants including industrial stabilization subsidies, VAT refunds upon collection and other subsidy programs for which we qualify under applicable government policies, certain of which are non-recurring in nature.

Our other income decreased by 41.0% from RMB782.1 million in 2024 to RMB461.3 million in 2025 primarily due to a decrease in government grants.

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Our other income increased by 83.4% from RMB426.5 million in 2023 to RMB782.1 million in 2024, primarily due to an increase in government grants.

Other Gains, Net

The following table sets forth a breakdown of our net other gains, in absolute amounts and as percentages of our net other gains for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Net gains on financial instruments	–	–	108,076	17.8	79,968	44.4
Fair value changes on financial instruments	(68,159)	(35.6)	(156,724)	(25.9)	(20,673)	(11.5)
Net foreign exchange differences	3,583	1.9	(74,896)	(12.4)	(309,909)	(172.1)
Net (losses)/gains on disposal of property, plant and equipment and other long-term assets	(1,373)	(0.7)	(2,884)	(0.5)	3,789	2.1
Net losses on disposal of investments accounted for using the equity method	–	–	(731)	(0.1)	–	–
Net gains on disposal of subsidiaries	–	–	25,960	4.3	–	–
Net gains on disposal of financial instruments	289,138	150.9	601,995	99.4	425,286	236.1
Others ⁽¹⁾	(31,552)	(16.5)	104,732	17.4	1,641	1.0
Total	191,637	100.0	605,528	100.0	180,102	100.0

Note:

(1) Others primarily include donations and compensation income.

Our net other gains decreased by 70.3% from RMB605.5 million in 2024 to RMB180.1 million in 2025 primarily due to (i) a decrease in net foreign exchange differences due to fluctuations in the USD exchange rate and (ii) a decrease in net gains on disposal of financial instruments, which are influenced by available liquid funds and prevailing market interest rates.

Our net other gains increased significantly from RMB191.6 million in 2023 to RMB605.5 million in 2024, primarily due to an increase in the net gains on disposal of financial assets as a result of the maturity of some of our wealth management products with higher return.

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Finance Income, Net

The following table sets forth a breakdown of our net finance income, in absolute amounts and as percentages of our net finance income for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Finance income						
Interest income from financial assets held for cash management purposes	303,984	135.6	319,638	134.5	294,162	130.3
Finance costs						
Interest expenses on lease liabilities	(12,697)	(5.7)	(11,431)	(4.8)	(7,646)	(3.4)
Interest expenses on borrowings	(53,863)	(24.0)	(61,008)	(25.7)	(54,987)	(24.4)
Interest expenses on long term employee benefit	(13,172)	(5.9)	(9,527)	(4.0)	(5,780)	(2.5)
Finance costs total	<u>(79,732)</u>	<u>(35.6)</u>	<u>(81,966)</u>	<u>(34.5)</u>	<u>(68,413)</u>	<u>(30.3)</u>
Finance income, net	<u>224,252</u>	<u>100.0</u>	<u>237,672</u>	<u>100.0</u>	<u>225,749</u>	<u>100.0</u>

Our net finance income decreased by 5.0% from RMB237.7 million in 2024 to RMB225.7 million in 2025 primarily due to a decrease in interest income from financial assets held for cash management purposes as a result of lower level of our bank deposits and lower level of interest rate during this period.

Our net finance income increased by 6.0% from RMB224.3 million in 2023 to RMB237.7 million in 2024, primarily attributable to an increase in interest income from financial assets held for cash management purposes as a result of an increase in the size of our bank deposits during this period.

Income Tax Expenses

Our income tax expense represented income tax payable by us at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction in which we operate or are domiciled. See Note 11 to the Accountants’ Report in Appendix I to this document.

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The following table sets forth a breakdown of our income tax expenses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Current income tax	1,271,681	112.8	948,348	87.8	473,879	82.0
Deferred income tax	(144,350)	(12.8)	131,972	12.2	103,713	18.0
Total	<u>1,127,331</u>	<u>100.0</u>	<u>1,080,320</u>	<u>100.0</u>	<u>577,592</u>	<u>100.0</u>

Our effective tax rate (calculated as income tax expense divided by profit before tax) was 16.8%, 16.2% and 18.1%, in 2023, 2024 and 2025, respectively. Please see Note 11 to the Accountants’ Report in Appendix I to this document. As of the Latest Practicable Date, we had fulfilled all our tax obligations and did not have any material unresolved tax disputes.

Our income tax expense decreased by 4.2% from RMB1,127.3 million in 2023 to RMB1,080.3 million in 2024 and decreased by 46.5% to RMB577.6 million in 2025. The trend in our income tax expense during the Track Record Period were generally in line with the trend of our profit before income tax.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 53.5% from RMB5,597.3 million in 2024 to RMB2,605.2 million in 2025. Our profit for the year remained relatively stable at RMB5,587.1 million in 2023 and RMB5,597.3 million in 2024.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We have historically funded our cash requirements mainly from cash generated from our business operations and our fundraising activities. After the [REDACTED], we intend to finance our future capital requirements through cash generated from our business operations, the net [REDACTED] from the [REDACTED]. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future.

Our Directors are of the view that, taking into account the financial resources available to us, including cash and cash equivalents, our available banking facilities, cash flows from operating activities and net [REDACTED] from the [REDACTED], we have sufficient working capital for at least 12 months from the date of this document.

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Cash Flows Analysis

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

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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

Operating Activities

Our cash flows from operating activities reflect our profit before tax adjusted for: (i) non-cash or non-operating items such as net gains on disposal of financial instruments, share-based compensation expenses and interest income; (ii) the effects of movement in working capital such as receivables and payments; and (iii) other cash items such as income tax paid.

In 2025, we had net cash from operating activities of RMB1,350.0 million, which primarily consisted of profit before tax of RMB3,182.8 million, adjusted for (i) non-cash and non-operating items such as depreciation and amortization of non-current assets of RMB475.8 million and net foreign exchange differences of RMB309.9 million, (ii) the effects of movement in working capital such as increase in receivables of RMB885.6 million and increase in inventories of RMB522.7 million, and (iii) income tax paid of RMB818.9 million.

In 2024, we had net cash from operating activities of RMB2,795.0 million, which primarily consisted of profit before tax of RMB6,677.6 million, adjusted for (i) non-cash and non-operating items such as net gains on disposal of financial instruments of RMB602.0 million, depreciation and amortization of non-current assets of RMB420.2 million and share-based compensation expenses of RMB382.2 million, and (ii) the effects of movement in working capital such as increase in receivables of RMB2,385.3 million and decrease in payables of RMB2,080.7 million, and (iii) income tax paid of RMB1,089.8 million.

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In 2023, we had net cash from operating activities of RMB11,848.7 million, which primarily consisted of profit before tax of RMB6,714.4 million, adjusted for (i) non-cash and non-operating items such as share-based compensation expenses of RMB324.2 million, depreciation and amortization of non-current assets of RMB314.7 million and interest income of RMB304.0 million, (ii) the effects of movement in working capital such as increase in payables of RMB11,899.4 million and increase in inventories of RMB4,587.1 million, and (iii) income tax paid of RMB767.5 million.

Investing Activities

Our cash flows from investing activities primarily consisted of withdraw of wealth management products and placement of wealth management products.

In 2025, our net cash from investing activities was RMB1,799.4 million, which consisted primarily of withdraw of wealth management products of RMB20,357.6 million, as partially offset by placement of wealth management products of RMB18,099.9 million.

In 2024, our net cash from investing activities was RMB837.8 million, which consisted primarily of withdraw of wealth management products of RMB19,902.5 million, as partially offset by placement of wealth management products of RMB18,471.9 million.

In 2023, our net cash used in investing activities was RMB6,092.8 million, which consisted primarily of placement of wealth management products of RMB14,898.0 million, as partially offset by withdraw of wealth management products of RMB9,412.3 million.

Financing Activities

Our cash flows from financing activities primarily consisted of proceeds from borrowings, repayments of borrowings and dividends paid to our shareholders.

In 2025, our net cash used in financing activities was RMB3,097.9 million, which consisted primarily of repayment of borrowings of RMB2,998.6 million and dividend paid to our shareholders of RMB2,622.8 million, as partially offset by proceeds from borrowings of RMB2,463.6 million.

In 2024, our net cash used in financing activities was RMB3,289.9 million, which consisted primarily of dividends paid to our shareholders of RMB4,130.2 million and repayments of borrowings of RMB2,370.7 million, as partially offset by proceeds from borrowings of RMB3,055.6 million.

In 2023, our net cash used in financing activities was RMB3,389.7 million, which consisted primarily of dividends paid to our shareholders of RMB3,866.8 million and repayments of borrowings of RMB1,721.0 million, as partially offset by proceeds from borrowings of RMB2,250.0 million.

FINANCIAL INFORMATION

SELECTED BALANCE SHEET ITEMS

Current Assets/Liabilities

The following table sets out our current assets and liabilities as of the dates indicated.

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current assets				
Inventories	10,443,351	8,663,359	8,902,898	18,648,366
Prepayments and other receivables	1,138,793	1,657,562	1,245,516	1,673,661
Trade receivables	1,965,061	3,376,537	3,726,267	6,269,494
Financial assets at FVPL	13,518,867	12,599,228	10,754,367	6,002,544
Restricted cash	1,569,571	906,076	617,801	956,192
Cash and cash equivalents . .	11,029,112	11,310,093	11,122,560	9,085,147
Other current assets	467,183	296,264	1,369,956	817,515
Total current assets	40,131,938	38,809,119	37,739,365	43,452,919
Current liabilities				
Borrowings	1,763,695	2,443,322	1,878,308	3,708,310
Trade and notes payables . . .	19,141,739	17,212,937	16,793,364	19,860,125
Contract liabilities	930,232	1,117,434	1,062,351	838,743
Lease liabilities	72,113	77,029	77,383	69,482
Current income tax liabilities	527,611	410,767	105,637	499,084
Financial liabilities at FVPL .	3,657	450	14,229	—
Accruals and other payables .	1,432,323	1,264,836	1,551,091	1,160,307
Other current liabilities	3,184,340	1,458,607	1,578,338	1,607,738
Total current liabilities	27,055,710	23,985,382	23,060,701	27,743,789
Net current assets	13,076,228	14,823,737	14,678,664	15,709,130

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 the decreases 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 to the decreases in financial assets at FVPL and prepayments and other receivables, partially offset by an increase in other current assets.

FINANCIAL INFORMATION

Our net current assets increased by 7.0% from RMB14,678.7 million as of December 31, 2025 to RMB15,709.1 million as of May 31, 2026, primarily due to the increases in inventories and trade receivables, partially offset by an increase in trade and notes payables and borrowings.

Inventories

The following table sets forth our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	4,547,830	3,140,329	3,809,989
Work in progress	826,284	657,457	686,626
Finished goods	3,706,800	3,201,523	2,781,891
Consigned materials for processing ⁽¹⁾ . .	1,590,003	1,947,257	1,907,568
Less: provision for impairment	(227,566)	(283,207)	(283,176)
Total	10,443,351	8,663,359	8,902,898

Note:

- (1) Primarily include raw materials provided to, and semi-finished goods held at, our ODM and OEM providers. Certain key raw materials, such as memory chips, cameras and screens, are supplied by us to ODM and OEM providers for manufacturing, in order to ensure product quality and benefit from centralized procurement cost advantages. ODM and OEM providers are responsible for processing such materials in accordance with our specifications and are not permitted to use or dispose of such materials without our authorization. Such raw materials, together with semi-finished goods produced from them, remain our assets during the manufacturing process and are recorded as our inventories until the finished products are delivered to us.

Our inventories decreased by 17.0% from RMB10,443.4 million as of December 31, 2023 to RMB8,663.4 million as of December 31, 2024, primarily due to a decrease in raw materials as we adjusted our inventory based on our evaluation of market condition in early 2025.

Our inventories increased by 2.8% from RMB8,663.4 million as of December 31, 2024 to RMB8,902.9 million as of December 31, 2025, primarily due to an increase in raw materials resulted from arising from strategic stockpiling measures implemented in anticipation of raw material price fluctuations and to support our sales operations, partially offset by a decrease in finished goods in line with lower sales volumes.

The following table sets an aging analysis of our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
1-90 days	10,297,344	7,995,432	8,433,055
91-180 days	194,882	533,706	505,965
181-360 days	101,405	334,296	124,488
Over 360 days	77,286	83,132	122,566
Total	10,670,917	8,946,566	9,186,074

FINANCIAL INFORMATION

The following table sets forth our inventory turnover days for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days ⁽¹⁾	64.6	65.8	62.1

Note:

- (1) Average inventory turnover days were calculated based on the average of the beginning and ending balances of inventories of the respective period divided by cost of revenue for the same period and multiplied by 365 days for the year.

Our inventory turnover days remained relatively stable at 64.6 days, 65.8 days and 62.1 days in 2023, 2024 and 2025, respectively. As of May 31, 2026, RMB8,752.3 million, or 95.3%, of our inventories as of December 31, 2025 had been sold or utilized.

Prepayments and Other Receivables — Current

The following table sets forth a breakdown of our current prepayments and other receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current Prepayments			
Prepayments for raw materials	110,156	347,302	599,242
Prepayment for operating expense	127,409	91,638	76,500
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	237,565	438,940	696,739
Other receivables			
Tax refund receivables	690,413	1,160,539	512,945
Deposits	256,395	85,378	51,358
Advance to staff	5,263	5,872	6,256
Dividends receivable	2,714	—	—
Others	6,010	3,907	4,274
	1,198,360	1,694,636	1,271,572
Less: provision for impairment	(59,567)	(37,074)	(26,056)
Total	1,138,793	1,657,562	1,245,516

Our current prepayments and other receivables increased by 45.6% from RMB1,138.8 million as of December 31, 2023 to RMB1,657.6 million as of December 31, 2024, primarily due to an increase in tax refund receivables as we sold and exported more products.

Our current prepayments and other receivables decreased by 24.9% from RMB1,657.6 million as of December 31, 2024 to RMB1,245.5 million as of December 31, 2025, primarily due to a decrease in tax refund receivables as a portion of export tax refund claims relating to export sales completed in 2025 had not yet been filed with the relevant tax authorities.

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Trade Receivables

Our trade receivables primarily arise from sales of products and services to our customers on credit. The following table sets forth a breakdown of our trade receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	2,175,057	3,564,210	3,940,778
Less: credit loss allowance	(209,996)	(187,673)	(214,511)
Total	1,965,061	3,376,537	3,726,267

Our trade receivables increased by 71.8% from RMB1,965.1 million as of December 31, 2023 to RMB3,376.5 million as of December 31, 2024, primarily due to the recognition of the trade receivables owed by one of our former subsidiary in India. The former subsidiary in India is engaged in the manufacturing of mobile phones. We disposed of part of our equity interest in this subsidiary in July 2024 in light of the changes in the international market environment (the “**Disposal of Indian Subsidiary**”). In particular, the Indian government introduced a series of regulations and restrictions on foreign investment in India, particularly with respect to investments originating from China. While our formal subsidiary in India did not experience any material adverse impact from such regulations and restrictions during the Track Record Period, we decided to transfer our interest in the former subsidiary in India to an independent third party as a precautionary measure to mitigate any potential adverse impact that may arise from such regulations and restrictions in the future. Following the Disposal of Indian Subsidiary, the Indian subsidiary became an independent third-party OEM supplier. As we continued to sell raw materials to the Indian subsidiary during the Track Record Period, amounts previously eliminated upon consolidation were recognized as trade receivables at the Group level.

Our trade receivables further increased by 10.4% to RMB3,726.3 million as of December 31, 2025 primarily because certain overseas customers adopt more air freight instead of sea freight shipping. This transition extended delivery cycles, which in turn delayed the commencement of payment terms and resulted in higher outstanding receivables.

The following table sets forth the aging analysis of the trade receivables based on the revenue recognition date as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	2,068,197	3,487,265	3,874,155
1 to 2 years	43,530	26,070	10,608
2 to 3 years	6,824	28,887	16,106
Over 3 years	56,506	21,988	39,909
Total	2,175,057	3,564,210	3,940,778

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The following table sets forth our trade receivables turnover days during the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Trade receivables turnover days ⁽¹⁾	10.6	15.2	20.9

Note:

- (1) Trade receivables turnover days were calculated based on the average of opening and closing balance of trade receivables for the respective period, divided by the revenue for the same period and multiplied by 365 days for the year.

Our trade receivables turnover days increased from 10.6 days in 2023 to 15.2 days in 2024, primarily due to an increase in trade receivables due to the recognition of our sales of raw materials to the Indian subsidiary after the Disposal of Indian Subsidiary. Following the disposal, amounts previously eliminated upon consolidation became receivables due from an external counterparty. As a result, these balances from the sales of raw materials were recognized as trade receivables. Our trade receivables turnover days further increased from 15.2 days in 2024 to 20.9 days in 2025, primarily due to an increased level of trade receivables in 2025 primarily because certain overseas customers adopt more air freight instead of sea freight shipping. As of May 31, 2026, RMB3,707.7 million, or 94.1%, of our trade receivables as of December 31, 2025, had been settled.

Financial Assets at FVPL

The following table sets forth a breakdown of our financial assets at FVPL as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Wealth management products ⁽¹⁾	13,518,867	12,599,124	10,735,489
Derivative financial assets ⁽²⁾	—	104	18,878
Total	13,518,867	12,599,228	10,754,367

Notes:

- (1) Primarily include low-risk wealth management products purchased from large commercial banks.
- (2) Primarily include forward foreign exchange contracts and foreign exchange swap arrangements.

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Our financial assets at FVPL decreased by 6.8% from RMB13,518.9 million as of December 31, 2023 to RMB12,599.2 million as of December 31, 2024, and further decreased by 14.6% to RMB10,754.4 million as of December 31 2025, primarily due to the redemption of our wealth management products.

We have formulated investment management policies (“Investment Management Policies”) to regulate the investing activities across our Group and preserve and improve the return on our capital. Our investment strategy is oriented towards generating sustainable long-term returns that complement our core business operations and contribute to the overall economic interests and sustainable development of our Group.

Our shareholders’ meeting and our Board of Directors are generally responsible for the decision-making process of our investments. The approval procedures of our investing activities shall strictly comply with our Articles of Association, applicable laws and regulations, and shall abide by the authority and meeting procedures of our shareholders’ meeting and our Board of Directors. Specifically, our Investment Management Policies provide for the circumstances under which our shareholders or our Board of Directors shall be responsible for approving certain investments, such as based on the value of the underlying transaction(s) as a percentage of our total or net assets, revenue or net profit. Our Investment Management Policies establish a structured internal control framework under which our investment management department is responsible for feasibility assessment and post-investment monitoring, our legal and company secretary functions oversee compliance and approval procedures, and our finance department manages investment-related financial matters. Our investments in financial assets at FVPL after the [REDACTED] will be subject to compliance with Chapter 14 of the Listing Rules.

Other Current Assets

The following table sets forth a breakdown of our other current assets as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deductible input VAT	435,510	154,339	1,233,216
Prepaid corporate income tax	31,673	59,969	99,910
Others	—	81,956	36,830
Total	467,183	296,264	1,369,956

Our other current assets decreased by 36.6% from RMB467.2 million as of December 31, 2023 to RMB296.3 million as of December 31, 2024, primarily due to a decrease in deductible input VAT as we prioritized the consumption of our inventories resulting in output VAT and a decrease in input VAT credits carried forward.

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Our other current assets increased significantly from RMB296.3 million as of December 31, 2024 to RMB1,370.0 million as of December 31, 2025, primarily due to an increase in deductible input VAT as a portion of export tax refund claims relating to export sales completed in 2025 had not yet been filed with the relevant tax authorities.

Borrowings — Current

Our current borrowings increased by 38.5% from RMB1,763.7 million as of December 31, 2023 to RMB2,443.3 million as of December 31, 2024, primarily because we obtained additional short-term borrowings for our business operations.

Our current borrowings decreased by 23.1% from RMB2,443.3 million as of December 31, 2024 to RMB1,878.3 million as of December 31, 2025, primarily due to payments of our bank loans.

Trade and Notes Payables

The following table sets forth a breakdown of our trade and notes payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	14,073,653	13,286,143	11,813,616
Notes payables	5,068,086	3,926,794	4,979,748
Total	19,141,739	17,212,937	16,793,364

Our trade and notes payables decreased by 10.1% from RMB19,141.7 million as of December 31, 2023 to RMB17,212.9 million as of December 31, 2024, primarily due to a decrease in trade payables and notes payables as we adjusted our procurement of raw materials based on our evaluation of market condition in early 2025. Our trade and notes payables remained relatively stable at RMB16,793.4 million as of December 31, 2025.

The following table sets forth the aging analysis of the trade payables as of the dates indicated.

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	14,049,915	13,256,950	11,776,136
Over 1 year	23,738	29,193	37,480
	14,073,653	13,286,143	11,813,616

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The following table sets forth our trade payables turnover days during the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Trade payables turnover days ⁽¹⁾	75.7	91.8	85.9

Note:

- (1) Trade payables turnover days were calculated based on the average of opening and closing balance of trade payables for the respective period, divided by the cost of revenue for the same period and multiplied by 365 days for the year.

Our trade payables turnover days increased from 75.7 days in 2023 to 91.8 days in 2024, primarily due to (i) an increase in our payables related to our payment obligations from our licensing agreement and (ii) the recognition of trade payables arising from our procurement of finished goods from the Indian subsidiary following the Disposal of Indian Subsidiary. As we continued to purchase finished goods from the Indian subsidiary during the Track Record Period, amounts previously eliminated upon consolidation were recognized as trade payables at the Group level.

Our trade payables turnover days remained relatively stable at 91.8 days in 2024 and 85.9 days in 2025. As of May 31, 2026, RMB15,761.7 million, or 93.9%, of our trade and notes payable as of December 31, 2025, had been settled.

Contract Liabilities

Our contract liabilities arise from customers’ prepayments for our products and services. Our contract liabilities increased by 20.1% from RMB930.2 million as of December 31, 2023 to RMB1,117.4 million as of December 31, 2024, primarily due to an increase in sales to our customers. Our contract liabilities remained relatively stable at RMB1,117.4 million as of December 31, 2024 and RMB1,062.4 million as of December 31, 2025. As of May 31, 2026, RMB1,062.4 million, or 100.0% of our contract liabilities, had been subsequently recognized as revenue.

Financial Liabilities at FVPL

Our financial liabilities at FVPL were RMB3.7 million, RMB0.5 million and RMB14.2 million as of December 31, 2023, 2024 and 2025, respectively. Fluctuations in our financial liabilities at FVPL were primarily due to changes in the fair value of forward foreign exchange contracts outstanding.

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Accruals and Other Payables

The following table sets forth a breakdown of our accruals and other payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, wages and benefits	1,157,136	996,945	1,164,249
Deposits payables	20,678	32,158	129,248
Dividends payables	–	22,259	17,636
Taxes other than income tax payables . .	231,859	191,724	209,979
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	22,650	21,750	24,609
Total	1,432,323	1,264,836	1,551,091

Our accruals and other payables decreased by 11.7% from RMB1,432.3 million as of December 31, 2023 to RMB1,264.8 million as of December 31, 2024, primarily due to a decrease in accrued salaries, wages and benefits as we paid the employee bonuses.

Our accruals and other payables increased by 22.6% from RMB1,264.8 million as of December 31, 2024 to RMB1,551.1 million as of December 31, 2025, primarily due to (i) an increase in salaries, wages and benefits resulted from growth in our employee headcount and (ii) an increase in deposits payables resulted from a change in our supplier engagement model in Bangladesh, which required higher deposits from suppliers. As of May 31, 2026, RMB1,121.3 million, or 72.3%, of our accruals and other payables as of December 31, 2025, had been settled.

Other Current Liabilities

The following table sets forth a breakdown of our current liabilities as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other tax to be recognized	26,555	29,007	31,856
Estimated liabilities	3,157,785	1,429,600	1,546,482
Total	3,184,340	1,458,607	1,578,338

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Our other current liabilities decreased from RMB3,184.3 million as of December 31, 2023 to RMB1,458.6 million as of December 31, 2024, primarily due to a decrease in estimated liabilities related to our provision for patent royalty claims as we entered into commercial arrangements with certain patent holders, resulting in the reclassification of such estimated liabilities to trade payables. See Note 28 to the Accountants’ Report in Appendix I to this document.

Our provision for estimated warranty claims arises from warranties we provide on our products. Our provision for patent royalty claims arises from potential payment obligations to third parties. See “Risk Factors—Risks Relating to Our Business and Industry—If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and damages and may have to redesign or suspend the sales of products involved.”

Our other current liabilities increased by 8.2% from RMB1,458.6 million as of December 31, 2024 to RMB1,578.3 million as of December 31, 2025, primarily due to an increase in estimated liabilities related to our provision for patent royalty claims.

Non-Current Assets and Liabilities

The following table sets out our non-current assets and liabilities as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	3,121,544	3,205,289	3,201,615
Right-of-use assets	657,733	578,768	1,165,594
Deferred tax assets	743,880	657,135	515,959
Intangible assets	89,478	72,623	55,189
Investments accounted for using the equity method	429,967	773,825	870,891
Other financial assets at FVPL	852,218	908,402	659,314
Prepayments and other receivables	94,243	57,239	174,334
Total non-current assets	5,989,063	6,253,281	6,642,896
Non-current liabilities			
Borrowings	247,119	247,163	276,614
Lease liabilities	171,002	86,625	46,556
Deferred tax liabilities	39,917	77,561	69,879
Other non-current liabilities	430,389	320,133	279,831
Total non-current liabilities	888,427	731,482	672,880

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Property, Plant and Equipment

The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Buildings	2,585,872	2,496,334	2,403,477
Machinery and equipment	292,411	445,017	510,049
Transportation tools	4,681	8,028	11,712
Other equipment	182,166	180,284	205,931
Construction in progress	600	32,076	41,250
Leasehold improvement	55,814	43,550	29,196
Total	3,121,544	3,205,289	3,201,615

Our property, plant and equipment remained relatively stable at RMB3,121.5 million, RMB3,205.3 million and RMB3,201.6 million as of December 31, 2023, 2024 and 2025.

Right-of-Use Assets

The following table sets forth a breakdown of our right-of-use assets as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Land use right	429,746	413,234	1,037,628
Buildings	219,522	161,633	126,177
Machinery and equipment	8,465	3,901	1,789
Total	657,733	578,768	1,165,594

Our right-of-use assets decreased by 12.0% from RMB657.7 million as of December 31, 2023 to RMB578.8 million as of December 31, 2024, primarily due to the Disposal of Indian Subsidiary.

Our right-of-use assets increased significantly from RMB578.8 million as of December 31, 2024 to RMB1,165.6 million as of December 31, 2025, primarily due to our purchase of land use rights for additional land parcels for the construction of our multi-purpose complex.

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Investments Accounted for Using the Equity Method

Our investments accounted for using the equity method primarily consist of investments in our associates.

Our investment accounted for using the equity method increased by 80.0% from RMB430.0 million as of December 31, 2023 to RMB773.8 million as of December 31, 2024, primarily attributable to the recognition of our investments in the Indian subsidiary as an associate after the Disposal of Indian Subsidiary. Following the disposal, our retained equity interests in the subsidiary no longer qualified for full consolidation and were instead recognized as investments in associates. As a result, the carrying amounts of these interests were recorded under investments accounted for using the equity method.

Our investment accounted for using the equity method increased by 12.5% from RMB773.8 million as of December 31, 2024 to RMB870.9 million as of December 31, 2025, primarily attributable to an increase in the share of profits from our associates.

Other Financial Assets at FVPL

The following table sets forth our other financial assets at FVPL as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Equity investments	745,978	800,576	641,742
Convertible bonds	106,240	107,826	17,572
Total	852,218	908,402	659,314

Our other financial assets at FVPL increased by 6.6% from RMB852.2 million as of December 31, 2023 to RMB908.4 million as of December 31, 2024, primarily attributable to an increase in equity instrument investment as a result of an increase in the fair value of our equity interests in certain companies.

Our other financial assets at FVPL decreased by 27.4% from RMB908.4 million as of December 31, 2024 to RMB659.3 million as of December 31, 2025, primarily attributable to a decrease in equity instrument investment as we disposed our equity interest in certain companies.

Prepayments and Other Receivables — Non-Current

Our non-current prepayments and other receivables decreased by 39.3% from RMB94.2 million as of December 31, 2023 to RMB57.2 million as of December 31, 2024, primarily due to a decrease in prepayment related to the purchase of equipment.

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Our non-current prepayments and other receivables increased significantly by 204.6% from RMB57.2 million as of December 31, 2024 to RMB174.3 million as of December 31, 2025, primarily due to (i) an increase in the prepayments for multi-year advertising contracts and (ii) an increase in prepayment related to the purchase of equipment.

Borrowings — Non-Current

Our non-current borrowings remained relatively stable at RMB247.1 million and RMB247.2 million as of December 31, 2023 and 2024. Our non-current borrowings increased by 11.9% from RMB247.2 million as of December 31, 2024 to RMB276.6 million as of December 31, 2025, primarily due to an increase in long-term bank borrowings by our overseas subsidiaries to support their localized business expansion.

Other Non-Current Liabilities

The following table sets forth a breakdown of our other non-current liabilities.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deferred income in relation to government grants	221,191	246,031	279,831
Long-term salaries, wages and bonuses	209,198	74,102	—
Total	430,389	320,133	279,831

Our other non-current liabilities decreased by 25.6% from RMB430.4 million as of December 31, 2023 to RMB320.1 million as of December 31, 2024. The decrease was primarily due to (i) a decrease in estimated liabilities following the execution of licensing agreements with our licensors, which resulted in the recognition of the corresponding payment obligations under these agreements as trade payables; and (ii) the reclassification of estimated liabilities which primarily include (a) the provisions for estimated warranty claims and (b) patent royalty claims from non-current liabilities. See Note 28 to the Accountants’ Report in Appendix I to this document.

Our other non-current liabilities decreased by 12.6% from RMB320.1 million as of December 31, 2024 to RMB279.8 million as of December 31, 2025 primarily due to a decrease in long-term salaries, wages and bonuses resulting from the reclassification of certain long-term employee compensation arrangements to current liabilities as they became payable within one year.

FINANCIAL INFORMATION

INDEBTEDNESS

The table below sets out the details of our indebtedness as of the dates indicated.

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>
Current				
Borrowings	1,763,695	2,443,322	1,878,308	3,708,310
Lease liabilities	72,113	77,029	77,383	69,482
Non-current				
Borrowings	247,119	247,163	276,614	270,894
Lease liabilities	171,002	86,625	46,556	34,130
Total	<u>2,253,929</u>	<u>2,854,139</u>	<u>2,278,861</u>	<u>4,082,816</u>

Borrowings

As of December 31, 2023, 2024 and 2025 and May 31, 2026, our borrowings, including current and non-current portion, were RMB2,010.8 million, RMB2,690.5 million, RMB2,154.9 million and RMB3,979.2 million, respectively. See “—Selected Balance Sheet Items—Current Assets/Liabilities—Borrowings—Current” and “—Selected Balance Sheet Items—Non-Current Assets and Liabilities—Borrowings—Non-Current” for details.

Our borrowings increased by 84.7% from RMB2,154.9 million as of December 31, 2025 to RMB3,979.2 million as of May 31, 2026, primarily due to an increase in our short-term borrowings to meet our working capital needs. During the Track Record Period, the interest rates of our borrowings ranged from 1.68% to 18.00%. As of May 31, 2026, our unutilized banking facilities were RMB11,037.7 million. For further information regarding our interest-bearing bank borrowings, please see Note 25 to the Accountants’ Report in Appendix I to this document. Our Directors confirm that there was no default in payments of our liabilities or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

As of December 31, 2023, 2024 and 2025 and May 31, 2026, our lease liabilities, including current and non-current portion, were RMB243.1 million, RMB163.7 million, RMB123.9 million and RMB103.6 million, respectively.

Our current lease liabilities primarily arise from the lease of office premises, production facilities. Our current lease liabilities increased by 6.8% from RMB72.1 million as of December 31, 2023 to RMB77.0 million as of December 31, 2024, primarily because we entered into additional lease agreements for our office buildings and warehousing. Our current lease liabilities remained stable at RMB77.0 million as of December 31, 2024 and RMB77.4 million as of December 31, 2025. Our current lease liabilities decreased by 10.2% from RMB77.4 million as of December 31, 2025 to RMB69.5 million as of May 31, 2026, primarily due to rental payments made pursuant to lease agreements.

FINANCIAL INFORMATION

Our non-current lease liabilities primarily arise from the lease of office premises and production facilities. Our non-current lease liabilities decreased by 49.3% from RMB171.0 million as of December 31, 2023 to RMB86.6 million as of December 31, 2024, primarily due to the Disposal of Indian Subsidiary. Our non-current lease liabilities decreased by 46.3% from RMB86.6 million as of December 31, 2024 to RMB46.6 million as of December 31, 2025, and further decreased by 26.7% to RMB34.1 million as of May 31, 2026 primarily due to rental payments made pursuant to lease agreements.

No Other Outstanding Indebtedness

Except as disclosed above, as of May 31, 2026, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. After due and careful consideration, our Directors confirm that, up to the Latest Practicable Date, there has been no material change in our indebtedness since May 31, 2026.

CONTINGENT LIABILITIES OR GUARANTEES

During the Track Record Period and up to the Latest Practicable Date, we did not have any material contingent liabilities that would have a material impact on our financial position or results of operations.

CAPITAL EXPENDITURES

Our capital expenditures consist of payments for purchase of property, plant and equipment, intangible assets and other non-current assets for the purpose of expanding our operations. Our capital expenditures were RMB822.6 million, RMB640.2 million and RMB983.1 million, respectively, in 2023, 2024 and 2025.

CAPITAL COMMITMENTS

The following table sets forth our major capital commitments as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Property, plant and equipment commitments:			
– Contracted, but not provided for	404,296	306,120	210,328
Investment commitments:			
– Authorized, but not contracted	–	–	4,500
– Contracted, but not provided for	182,734	183,951	231,180
Total	587,030	490,071	446,008

FINANCIAL INFORMATION

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%.

Current Ratio

Our current ratio remained relatively stable at 1.5, 1.6 and 1.6 as of December 31, 2023, 2024 and 2025, respectively.

Gearing Ratio

Our gearing ratio increased from 12.4% as of December 31, 2023 to 14.0% as of December 31, 2024, primarily due to an increase in total indebtedness. The increase in total indebtedness was primarily due to an increase in total borrowings. The increase in total indebtedness was partially offset by an increase in total equity as a result of an increase in retained earnings.

Our gearing ratio decreased from 14.0% as of December 31, 2024 to 11.0% as of December 31, 2025, primarily due to a decrease in total indebtedness. The decrease in total indebtedness was primarily due to a decrease in total borrowings. The decrease in total indebtedness was partially offset by a decrease in total equity as a result of a decrease in retained earnings.

Return on Equity

Our return on equity decreased from 32.8% in 2023 to 29.1% in 2024, primarily due to an increase in total equity. The increase in total equity was primarily due to an increase in retained earnings. Our return on equity further decreased to 12.7% in 2025, in line with our decreased gross profit.

FINANCIAL INFORMATION

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners’ equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

MATERIAL RELATED PARTY TRANSACTIONS

Related party transactions are set out in Note 36 to the Accountants’ Report in Appendix I to this document. Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and on an arm’s length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL RISKS DISCLOSURE

We are exposed to a variety of financial risks, including market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and price risk. Our overall risk management seeks a balance between risk and return, minimizes the adverse impact of risk on our financial performance, and maximizes the interests of shareholders and other equity investors. Based on this risk management objective, our basic strategy is to identify and analyze the various risks we face, establish appropriate risk tolerance thresholds, and timely and reliably monitor these risks to control them within a limited range. See Note 3 to the Accountants’ Report in Appendix I to this document for details of our financial risks.

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.

According to the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號—上市公司現金分紅(2025年修訂)》), and the Articles of Association, we shall, where specific conditions are met, distribute cash dividends in an amount not less than 10% of the distributable profit realized for that year after making the required appropriations to statutory reserves. Save for the provisions in our Articles of Association, we have not adopted a formal dividend policy and have not determined any dividend payout ratio. Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders’ meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating

FINANCIAL INFORMATION

requirements, capital requirements, shareholders’ interests and any other conditions that our Board may deem relevant. On August 28, 2025, we declared an interim dividend of RMB912.3 million to our Shareholders, all of which had been paid by September 17, 2025 in cash.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had retained earnings of RMB11,371.7 million. Our retained earnings represented the distributable reserves available for distribution to our Shareholders.

[REDACTED]

Our [REDACTED] mainly include (i) [REDACTED] expenses, such as [REDACTED] fees and [REDACTED], and (ii) [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. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] (based on the mid-point of the [REDACTED] and assuming that the [REDACTED] and the [REDACTED] is not exercised) for the [REDACTED] are approximately HK\$[REDACTED], accounting for approximately of [REDACTED] of our gross [REDACTED]. Among such estimated total [REDACTED], we expect to pay [REDACTED] of HK\$[REDACTED], professional fees for institutions such as our legal advisors and Reporting Accountants of HK\$[REDACTED] and other fees and expenses of HK\$[REDACTED]. An estimated amount of HK\$[REDACTED] for our [REDACTED], accounting for approximately [REDACTED] of our gross [REDACTED], is expected to be expensed through the statement of profit or loss and the remaining amount of HK\$[REDACTED] is expected to be recognized directly as a deduction from equity upon the [REDACTED]. In 2025, we have incurred approximately HK\$[REDACTED] in relation to the [REDACTED], of which approximately HK\$[REDACTED] is expected to be deducted from equity upon completion of the [REDACTED], and the remaining amount of approximately HK\$[REDACTED] was recognized in our profit or loss.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See “Appendix II—Unaudited [REDACTED] Financial Information.”

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 which would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER LISTING RULES

Except as otherwise disclosed in this document, our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rule 13.13 to Rule 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

Please see “Business—Our Strategies” for a detailed description of our future plans.

USE OF [REDACTED]

Assuming that the [REDACTED] and the [REDACTED] are not exercised and based on an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the [REDACTED] stated in this document), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) from the [REDACTED], after deducting [REDACTED] and estimated expenses paid and payable by us in connection with the [REDACTED].

In line with our strategies, we intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will be used for the R&D of AI-related technologies to accelerate product iteration, with a focus on strengthening our technological capabilities, enhancing our product portfolio and reinforcing our competitive advantages. We intend to continuously explore advanced technologies and integrate AI capabilities to deliver superior user experience and address essential user needs in emerging markets. We believe that such investments will further strengthen our technology leadership and support long-term differentiation of our products and services. The [REDACTED] will primarily be used for (a) talent acquisition, (b) R&D services including cloud computing resources and research collaboration fees paid to scientific research institutions, (c) procurement of hardware and equipment, and (d) leasing of R&D premises. In particular:
 - (i) Approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will be used for strengthening our AI fundamental capabilities. This includes (a) investing in AI big data infrastructure, (b) developing AI small-language-model capabilities tailored for emerging markets, and (c) enhancing our capabilities in AI chips. We also plan to build proprietary model capabilities through a combination of self-developed models and strategic collaborations with leading third-party model providers.
 - (ii) Approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will be used for the development of AI assistants and AI agents. We intend to build an AI assistant capable of understanding user intent, supporting multi-modal interaction, and providing proactive and contextual services tailored to emerging-market user scenarios such as multilingual communication, offline/hybrid connectivity conditions, and localized daily-task execution.

FUTURE PLANS AND USE OF [REDACTED]

- (iii) Approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will be used for the upgrade of our proprietary Transsion OS. Key focuses include (a) building an open, efficient and secure OS, (b) optimizing OS architecture and strengthening core OS infrastructure modules, (c) integrating AI across OS layers to improve user experience through features such as intelligent resource scheduling, enhanced power management and personalized system interactions, and (d) strengthening device-level security and privacy protection.
- (iv) Approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will be used for strengthening our imaging capabilities. This includes (a) the development of imaging algorithms based on AI to improve clarity, color accuracy, low-light performance and portrait effects under diverse environmental conditions commonly found in emerging markets, (b) creating localized, engaging and easy-to-use imaging features through AI, and (c) investing in key imaging technologies such as chips, sensors, and camera modules through self-research and joint development.
- Approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will be used for marketing and brand-building to increase our brand visibility, improve user engagement and support sustained business expansion. We intend to strengthen our multi-channel marketing capabilities and deepen our penetration in key markets. In particular:
 - (i) Approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will be used for the promotion and marketing of our brands and products on new media channels. Specifically,
 - a. approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will be used for advertising campaigns on short-video platforms to improve product visibility, support new-product launches and drive sales conversion.
 - b. approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will be used for promotional activities on major e-commerce platforms to strengthen our online sales penetration, consumer acquisition and digital retail campaigns.
 - c. approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will be used for advertising placement on social media applications to enhance brand exposure, improve user engagement and reinforce brand affinity.
 - (ii) Approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will be used for other marketing activities, such as sponsorship of major sports and e-sports events, outdoor advertising and partnerships with KOLs, in order to enhance brand recognition and increase consumer confidence in our products.

FUTURE PLANS AND USE OF [REDACTED]

- (iii) Approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will be used for establishing operations teams, including recruitment and retention of talent, expansion of sales and support teams, and leasing of office premises to support our business expansion.
- Approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will be used to strengthen our (i) mobile Internet services and (ii) IoT products and others. In particular:
 - (i) Approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will be used to strengthen our mobile Internet services. This includes improving existing services offerings, expanding our application portfolio, enhancing monetization capabilities and strengthening content, recommendation and data-analytics engines to improve user stickiness.
 - (ii) Approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will be used for the development of IoT products. This includes diversifying IoT product categories, enhancing cross-device connectivity and compatibility with Transsion OS, and improving user experience through hardware-software synergy.
- Approximately [REDACTED] of the net [REDACTED], or HK\$[REDACTED], will to be used for working capital and general corporate purposes.

We intend to use the net [REDACTED] from the [REDACTED] according to the timeframe as set out below, which is subject to changes based on our actual needs and market conditions at the relevant time:

Percentage of total net [REDACTED] (%)	Net [REDACTED] to be used in					Total
	2026	2027	2028	2029	2030	
	(HK\$ [REDACTED])					
R&D of AI-related technologies	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Marketing and brand-building	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Strengthen our (i) mobile Internet services and (ii) IoT products and others	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and general corporate purposes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	100.0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

FUTURE PLANS AND USE OF [REDACTED]

If the [REDACTED] is set at HK\$[REDACTED] per Share, being the high end of the [REDACTED] range, the net [REDACTED] from the [REDACTED] will increase to approximately HK\$[REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the low end of the [REDACTED] range, the net [REDACTED] from the [REDACTED] will decrease to approximately HK\$[REDACTED]. The above allocation of the net [REDACTED] from the [REDACTED] will be adjusted on a pro rata basis or according to our business needs in the event that the [REDACTED] is fixed at a higher or lower level compared to the midpoint of the [REDACTED] range stated in this document. Any additional [REDACTED] received by us from the exercise of the [REDACTED] and the [REDACTED] will also be allocated to the above purposes on a pro-rata basis.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net [REDACTED] from the [REDACTED].

To the extent that the net [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to put into effect any part of our plan as intended, we will only deposit such net [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

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[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages [I-[●] to I-[●]], received from the Company’s reporting accountants, Confucius International CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200, Accountants’ Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.



天健國際會計師事務所有限公司

Confucius International CPA Limited

Certified Public Accountants

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ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHENZHEN TRANSSION HOLDINGS CO., LTD. AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Shenzhen Transsion Holdings Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-[●] to I-[●], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, and the consolidated statements of profit or loss, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024 and 2025 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-[●] to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [REDACTED] (the “Document”) in connection with the [REDACTED] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ Responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

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ACCOUNTANTS’ REPORT

Reporting Accountants’ Responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants’ Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants considers internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Company’s and the Group’s financial position as at December 31, 2023, 2024 and 2025 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

Report on Matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[●] have been made.

Dividends

We refer to Note 12 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

Confucius International CPA Limited

Certified Public Accountants

Hong Kong

[Date]

APPENDIX I

ACCOUNTANTS’ REPORT

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by Confucius International CPA Limited in accordance with Hong Kong Standards on Auditing issued by HKICPA (“Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

APPENDIX I

ACCOUNTANTS’ REPORT

Consolidated statements of profit or loss

		Year ended December 31,		
	Notes	2023	2024	2025
		RMB’000	RMB’000	RMB’000
Revenue	5	62,294,877	68,715,279	65,591,236
Cost of revenue	8	(47,854,979)	(54,374,440)	(53,312,965)
Gross profit		14,439,898	14,340,839	12,278,271
General and administrative expenses . .	8	(1,808,227)	(1,995,428)	(1,922,156)
Selling and marketing expenses	8	(4,328,548)	(4,835,865)	(5,204,017)
Research and development expenses . .	8	(2,255,980)	(2,516,625)	(2,950,231)
Net impairment (losses)/reversals on financial assets	3.2	(79,659)	1,577	(27,236)
Other income	6	426,543	782,117	461,280
Other gains, net	7	191,637	605,528	180,102
Operating profit		6,585,664	6,382,143	2,816,013
Finance income	10	303,984	319,638	294,162
Finance costs	10	(79,732)	(81,966)	(68,413)
Finance income, net		224,252	237,672	225,749
Share of profit or loss of investments accounted for using the equity method		(95,520)	57,832	141,066
Profit before income tax		6,714,396	6,677,647	3,182,828
Income tax expense	11	(1,127,331)	(1,080,320)	(577,592)
Profit for the year		5,587,065	5,597,327	2,605,236
Attributable to:				
– Owners of the Company		5,537,045	5,548,950	2,580,637
– Non-controlling interests		50,020	48,377	24,599
		5,587,065	5,597,327	2,605,236
Earnings per share attributable to the owners of the Company (in RMB per share)				
– Basic	13	4.91	4.90	2.26
– Diluted	13	4.87	4.85	2.25

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Consolidated statements of comprehensive income

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	<u>5,587,065</u>	<u>5,597,327</u>	<u>2,605,236</u>
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss in subsequent periods, net of tax:</i>			
– Share of other comprehensive loss of associates	(23,892)	(9,037)	(39,867)
– Exchange differences on translation of foreign operations	<u>16,364</u>	<u>36,937</u>	<u>26,560</u>
Other comprehensive income/(loss) for the year, net of tax	<u>(7,528)</u>	<u>27,900</u>	<u>(13,307)</u>
Attributable to:			
– Owners of the Company	6,051	29,972	(2,361)
– Non-controlling interests	<u>(13,579)</u>	<u>(2,072)</u>	<u>(10,946)</u>
Total comprehensive income for the year . .	<u>5,579,537</u>	<u>5,625,227</u>	<u>2,591,929</u>
Attributable to:			
– Owners of the Company	5,543,096	5,578,922	2,578,276
– Non-controlling interests	<u>36,441</u>	<u>46,305</u>	<u>13,653</u>
	<u>5,579,537</u>	<u>5,625,227</u>	<u>2,591,929</u>

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Consolidated statements of financial position

		As at December 31,		
	Notes	2023	2024	2025
		RMB’000	RMB’000	RMB’000
ASSETS				
Non-current assets				
Property, plant and equipment	16	3,121,544	3,205,289	3,201,615
Right-of-use assets	17	657,733	578,768	1,165,594
Deferred tax assets	20	743,880	657,135	515,959
Intangible assets	18	89,478	72,623	55,189
Investments accounted for using the equity method	14	429,967	773,825	870,891
Other financial assets at fair value through profit or loss	3.6	852,218	908,402	659,314
Prepayments and other receivables . . .	23	94,243	57,239	174,334
Total non-current assets		5,989,063	6,253,281	6,642,896
Current assets				
Inventories	21	10,443,351	8,663,359	8,902,898
Prepayments and other receivables . . .	23	1,138,793	1,657,562	1,245,516
Trade receivables	22	1,965,061	3,376,537	3,726,267
Financial assets at fair value through profit or loss	3.6	13,518,867	12,599,228	10,754,367
Restricted cash	24	1,569,571	906,076	617,801
Cash and cash equivalents	24	11,029,112	11,310,093	11,122,560
Other current assets	23	467,183	296,264	1,369,956
Total current assets		40,131,938	38,809,119	37,739,365
Total assets		46,121,001	45,062,400	44,382,261
LIABILITIES				
Non-current liabilities				
Borrowings	25	247,119	247,163	276,614
Lease liabilities	17	171,002	86,625	46,556
Deferred tax liabilities	20	39,917	77,561	69,879
Other non-current liabilities	28	430,389	320,133	279,831
Total non-current liabilities		888,427	731,482	672,880

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	<i>Notes</i>	As at December 31,		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Current liabilities				
Borrowings	25	1,763,695	2,443,322	1,878,308
Trade and notes payables	26	19,141,739	17,212,937	16,793,364
Contract liabilities	5	930,232	1,117,434	1,062,351
Lease liabilities	17	72,113	77,029	77,383
Current income tax liabilities		527,611	410,767	105,637
Financial liabilities at fair value				
through profit or loss	3.6	3,657	450	14,229
Accruals and other payables	27	1,432,323	1,264,836	1,551,091
Other current liabilities	28	3,184,340	1,458,607	1,578,338
Total current liabilities		27,055,710	23,985,382	23,060,701
Total liabilities		27,944,137	24,716,864	23,733,581
EQUITY				
Equity attributable to owner of the Company				
Share capital	29	806,565	1,140,351	1,151,185
Other reserves	32	7,122,742	7,670,727	8,002,000
Retained earnings	31	10,125,899	11,419,280	11,371,694
		18,055,206	20,230,358	20,524,879
Non-controlling interests		121,658	115,178	123,801
TOTAL EQUITY		18,176,864	20,345,536	20,648,680
TOTAL LIABILITIES AND EQUITY		46,121,001	45,062,400	44,382,261

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Company’s statements of financial position

		As at December 31,		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	16	749,274	745,338	706,468
Right-of-use assets	17	248,189	231,642	855,668
Intangible assets	18	15,377	15,340	12,522
Investments in subsidiaries	15	4,290,557	4,290,557	4,290,557
Prepayments and other receivables . . .	23	3,087	8,313	32,139
Total non-current assets		5,306,484	5,291,190	5,897,354
Current assets				
Inventories	21	734	—	50,030
Prepayments and other receivables . . .	23	3,097,568	6,097,138	3,488,059
Trade receivables	22	21,007	13,569	105,596
Financial assets at fair value through profit or loss	3.6	12,122,301	8,509,003	7,204,309
Restricted cash	24	—	164,287	25,385
Cash and cash equivalents	24	6,148,104	4,094,012	4,188,072
Other current assets	23	—	256,845	184,474
Total current assets		21,389,714	19,134,854	15,245,925
Total assets		26,696,198	24,426,044	21,143,279
LIABILITIES				
Non-current liabilities				
Borrowings	25	247,119	247,163	245,174
Lease liabilities	17	23,599	16,553	8,489
Deferred tax liabilities	20	5,428	47,610	48,756
Other non-current liabilities	28	55,764	31,319	20,396
Total non-current liabilities		331,910	342,645	322,815
Current liabilities				
Borrowings	25	252,121	249,165	2,000
Trade and notes payables	26	1,012,776	548,554	992,510
Contract liabilities		—	—	33
Lease liabilities	17	6,757	7,047	7,348
Current income tax liabilities		10,037	53,507	24,339
Accruals and other payables	27	14,559,404	10,863,516	4,605,169
Other current liabilities	28	—	—	4
Total current liabilities		15,841,095	11,721,789	5,631,403
Total liabilities		16,173,005	12,064,434	5,954,218
EQUITY				
— Share capital	29	806,565	1,140,351	1,151,185
— Other reserves	32	6,224,028	6,981,719	7,673,858
— Retained earnings	31	3,492,600	4,239,540	6,364,018
TOTAL EQUITY		10,523,193	12,361,610	15,189,061
TOTAL LIABILITIES AND EQUITY				
		26,696,198	24,426,044	21,143,279

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Consolidated statements of changes in equity

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Sub-total		
	RMB’000 (Note 29)	RMB’000 (Note 32)	RMB’000 (Note 31)	RMB’000	RMB’000	RMB’000
Balance at January 1, 2023	803,950	6,559,371	8,455,660	15,818,981	46,076	15,865,057
Profit for the year	–	–	5,537,045	5,537,045	50,020	5,587,065
Other comprehensive income/(loss)	–	6,051	–	6,051	(13,579)	(7,528)
Total comprehensive income for the year	–	6,051	5,537,045	5,543,096	36,441	5,579,537
Capital injection	2,615	57,370	–	59,985	49,604	109,589
Share-based payment (Note 32)	–	392,844	–	392,844	–	392,844
Dividends declared (Note 12)	–	–	(3,866,806)	(3,866,806)	(13,003)	(3,879,809)
Share of other changes in net assets of associates	–	98,094	–	98,094	–	98,094
Disposal of subsidiaries	–	16,199	–	16,199	–	16,199
Transaction with non-controlling interests	–	(7,187)	–	(7,187)	2,540	(4,647)
Balance at December 31, 2023	806,565	7,122,742	10,125,899	18,055,206	121,658	18,176,864

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	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Sub-total		
	RMB'000 (Note 29)	RMB'000 (Note 32)	RMB'000 (Note 31)	RMB'000	RMB'000	RMB'000
Balance at January 1, 2024	806,565	7,122,742	10,125,899	18,055,206	121,658	18,176,864
Profit for the year	–	–	5,548,950	5,548,950	48,377	5,597,327
Other comprehensive income/(loss)	–	29,972	–	29,972	(2,072)	27,900
Total comprehensive income for the year	–	29,972	5,548,950	5,578,922	46,305	5,625,227
Capital injection	11,159	325,214	–	336,373	15,112	351,485
Share-based payment (Note 32)	–	389,740	–	389,740	–	389,740
Appropriations to statutory reserves	–	125,348	(125,348)	–	–	–
Dividends declared (Note 12)	–	–	(4,130,221)	(4,130,221)	(55,335)	(4,185,556)
Conversion of capital reserve into share capital	322,627	(322,627)	–	–	–	–
Disposal of subsidiaries	–	–	–	–	(12,224)	(12,224)
Transaction with non-controlling interests	–	338	–	338	(338)	–
Balance at December 31, 2024	1,140,351	7,670,727	11,419,280	20,230,358	115,178	20,345,536
Balance at January 1, 2025	1,140,351	7,670,727	11,419,280	20,230,358	115,178	20,345,536
Profit for the year	–	–	2,580,637	2,580,637	24,599	2,605,236
Other comprehensive loss	–	(2,361)	–	(2,361)	(10,946)	(13,307)
Total comprehensive (loss)/income for the year	–	(2,361)	2,580,637	2,578,276	13,653	2,591,929
Capital injection	10,834	274,564	–	285,398	27,900	313,298
Share-based payment (Note 32)	–	104,741	–	104,741	–	104,741
Appropriations to statutory reserves	–	5,417	(5,417)	–	–	–
Dividends declared (Note 12)	–	–	(2,622,806)	(2,622,806)	(26,050)	(2,648,856)
Share of other changes in net assets of associates	–	(49,353)	–	(49,353)	–	(49,353)
Transaction with non-controlling interests	–	(1,735)	–	(1,735)	(6,880)	(8,615)
Balance at December 31, 2025	1,151,185	8,002,000	11,371,694	20,524,879	123,801	20,648,680

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Consolidated statements of cash flows

	<i>Notes</i>	Year ended December 31,		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cash flows from operating activities				
Cash generated from operations	33(a)	12,312,167	3,565,139	1,874,740
Interest received		303,984	319,638	294,162
Income tax paid		(767,467)	(1,089,779)	(818,949)
Net cash generated from operating activities		11,848,684	2,794,998	1,349,953
Cash flows from investing activities				
Proceeds from disposal of equity investments at fair value through profit and loss		510,297	87,640	465,551
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets		19,243	7,585	4,791
Withdraw of wealth management products		9,412,299	19,902,527	20,357,609
Government grant received related to assets		41,377	52,784	70,257
Payments for purchase of investments in associates		(34,578)	–	(41,817)
Purchases of equity investments at fair value through profit and loss		(278,343)	(193,694)	(213,799)
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets		(822,588)	(640,192)	(983,141)
Placement of wealth management products		(14,897,990)	(18,471,860)	(18,099,919)
Movements of restricted cash		–	(157,300)	157,300
Payments for settlement of derivative financial instruments		(39,806)	(10,772)	–
Net cash flow from the disposal of subsidiaries		(3,911)	255,702	–
Dividends received from equity investments		1,212	5,397	82,597
Net cash (used in)/generated from investing activities		(6,092,788)	837,817	1,799,429

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ACCOUNTANTS’ REPORT

	<i>Notes</i>	Year ended December 31,		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cash flows from financing activities				
Capital contributions from the				
non-controlling interests		49,604	15,112	27,900
Proceeds from share schemes		59,985	336,373	285,398
Proceeds from borrowings		2,250,000	3,055,600	2,463,597
Proceeds from disposal of				
subsidiaries		835	—	—
Payments to non-controlling interests				
for disposal of subsidiaries		(5,535)	—	(8,615)
Repayments of borrowings		(1,721,000)	(2,370,715)	(2,998,636)
Principal elements of lease payments .		(74,180)	(85,345)	(82,677)
Interests paid		(69,623)	(77,653)	(63,157)
Dividends paid to the Company’s				
shareholders		(3,866,806)	(4,130,221)	(2,622,806)
Dividends paid to the non-controlling				
interests		(13,003)	(33,076)	(30,673)
Movements of restricted cash		—	—	(49,198)
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Net cash 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				
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	24	<u>11,029,112</u>	<u>11,310,093</u>	<u>11,122,560</u>

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ACCOUNTANTS’ REPORT

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Shenzhen Transsion Holdings Co., Ltd. (深圳傳音控股股份有限公司) (hereinafter referred to as “the Company”), formerly known as Transsion Limited, is a joint stock company with limited liability incorporated in the People’s Republic of China (the “PRC”) on August 21, 2013. The Company was listed on the STAR market of Shanghai Stock Exchange (stock code: 688036) in September, 2019. The registered office of the Company is located at Unit 1, 24th Floor, Transsion Building, No. 8 Xianyuan Road, Xili Community, Xili Street, Nanshan District, Shenzhen, Guangdong Province, PRC. The ultimate holding company of the Company is Transsion Investment (hereinafter referred to as “the Holding Company”), which is also incorporated in the PRC. The ultimate controlling person is Mr. Zhu Zhaojiang (“the ultimate controlling person”).

The Company and its subsidiaries (hereinafter collectively referred to as “the Group”) are principally engaged in the design, R&D, manufacturing, sales and brand management of smart devices, with a focus on mobile phones.

The Company’s principal subsidiaries during the Track Record Period and as at the date of this report are set out in Note 15.

The Historical Financial Information are presented in Renminbi (“RMB”), which is also the functional currency of the Company, and all values are rounded to the nearest thousands (RMB’000) except when otherwise indicated.

The statutory consolidated financial statements of the Company for the years ended December 31, 2023, 2024 and 2025 prepared in accordance with the relevant accounting principles in the PRC were audited by Pan-China Certified Public Accountants LLP (天健會計師事務所(特殊普通合伙)) which was the certified public accountants registered in the PRC.

2. BASIS OF PREPARATION

The Historical Financial Information of the Group have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRS Accounting Standards”) issued by the International Accounting Standards Board (“IASB”). The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities measured at fair value through profit or loss (“FVPL”).

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4 below.

New standards, amendments and interpretations to the existing standards that are effective during the Track Record Period have been adopted by the Group consistently throughout the years presented, unless prohibited by the relevant standard to apply retrospectively.

Other than those material accounting policies information as disclosed elsewhere in this Historical Financial Information, a summary of the other accounting policies information has been set out in Note 38 to this Historical Financial Information.

2.1 New Standards and Amendments to Standards Not Yet Adopted

Standards and amendments to standards that have been issued but not yet effective and not been early adopted by the Group during the Track Record Period are as follows:

Standards and amendments	Effective for accounting periods beginning on or after
Amendments to IFRS 10 and IAS 28 ‘Sale or Contribution of Assets between an Investor and its Associate or Joint Venture’	To be determined

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Standards and amendments	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7 ‘Amendments to the Classification and Measurement of Financial Instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7 ‘Contracts Referencing Nature-dependent Electricity’	January 1, 2026
Annual Improvements – Volume 11 IFRS accounting standards	January 1, 2026
IFRS 18 ‘Presentation and Disclosure in Financial Statements’	January 1, 2027
IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’	January 1, 2027

Except for the impact of IFRS 18 mentioned below, other new/amended standards are either not relevant to the Group or not expected to have a material impact on the Group’s consolidated financial statements when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 ‘Presentation and Disclosure in Financial Statements’, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 ‘Presentation of Financial Statements’. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ and IFRS 7 ‘Financial Instruments: Disclosures’. Minor amendments to IAS 7 ‘Statement of Cash Flows’ and IAS 33 ‘Earnings per Share’ are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 is not expected to have significant impact on the Group’s financial position and performance, but may affect the presentation of the statement of profit or loss and disclosures in the future financial statements.

3. FINANCIAL RISK MANAGEMENT

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and price risk. The Group’s overall risk management seeks a balance between risk and return, minimizes the adverse impact of risk on the Group’s finance performance and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Group’s risk management is to identify and analyze the various risks faced by the Group, establish appropriate risk tolerance thresholds and timely and reliably supervise various risks to control them within a limited range.

3.1 Market Risk

(a) Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of the Group’s subsidiaries. The functional currencies of the subsidiaries outside Chinese mainland are mainly United States Dollar (“USD”), Indian Rupee (“INR”), United Arab Emirates Dirham (“AED”), Ethiopian Birr (“ETB”) and Bangladeshi Taka (“BDT”), whereas functional currency of the subsidiaries operate in Mainland China is RMB. The Group manages its foreign exchange risk by performing regular reviews of the Group’s net foreign exchange exposures and tries to minimize these exposures through natural hedges, wherever possible.

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As at December 31, 2023, 2024 and 2025, the foreign currency denominated financial assets and liabilities are summarized as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets denominated in:			
USD	3,400,793	8,629,143	11,975,831
INR	187,038	195,108	71,522
AED	485,766	353,996	128,731
ETB	178,285	46,283	58,050
BDT	388,980	90,960	234,449
Others	221,736	229,445	2,729,322
Financial liabilities denominated in:			
USD	4,910,824	3,429,321	4,918,114
INR	221,219	1,464,163	868,542
AED	142,223	19,852	30,581
ETB	2,329	3,268	45,399
BDT	16,780	9,253	121,765
Others	45,382	47,635	69,924

As shown in the table above, the Group is primarily exposed to changes in USD, INR, AED, ETB and BDT exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD, INR, AED, ETB and BDT denominated financial instruments is as below:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
USD/RMB exchange rate –			
Increase 5%	(75,502)	259,991	352,886
Decrease 5%	75,502	(259,991)	(352,886)
INR/RMB exchange rate –			
Increase 5%	(1,709)	(63,453)	(39,851)
Decrease 5%	1,709	63,453	39,851
AED/RMB exchange rate –			
Increase 5%	17,177	16,707	4,908
Decrease 5%	(17,177)	(16,707)	(4,908)
ETB/RMB exchange rate –			
Increase 5%	8,798	2,151	633
Decrease 5%	(8,798)	(2,151)	(633)
BDT/RMB exchange rate –			
Increase 5%	18,610	4,085	5,634
Decrease 5%	(18,610)	(4,085)	(5,634)

(b) Interest rate risk

The Group’s interest rate risk primarily arises from interest-bearing borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the proportion of borrowings issued at floating rates and fixed rates based on the market environment.

As at December 31, 2023, 2024 and 2025, total principal of the borrowings of the Group which were bearing at floating rates amounted to approximately RMB1,999,000,000, RMB2,683,885,000 and RMB1,257,000,000, respectively.

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If interest rate had been 50 basis points higher or lower with all other variables held constant, the profit before tax would decrease/increase approximately RMB9,995,000, RMB13,419,000 and RMB6,285,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

Considering the repricing or maturity date, the fair value interest rate risk arises from borrowings and bank balances carried at fixed rates is not significant for the Group.

3.2 Credit Risk

Credit risk arises from cash and cash equivalents, restricted cash, as well as trade receivables and other receivables. The carrying amount of each class of the above financial assets represents the Group’s maximum exposure to credit risk in relation to the corresponding class of financial assets.

(a) Risk Management

To manage this risk, cash and cash equivalents as well as restricted cash are mainly placed with state-owned or reputable financial institutions which are all high-credit-quality financial institutions.

To manage risk from trade receivables as well as other receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of the counterparties. It also has continuous monitoring procedures to ensure the collection of the receivables as scheduled and follow up action is taken to recover overdue debts, if any.

(b) Impairment of Financial Assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents, restricted cash;
- Trade receivables;
- Other receivables.

Credit risk of cash and cash equivalents, restricted cash

Cash and cash equivalents and restricted cash are mainly placed with reputable financial institutions. There has been no recent history of default in relation to these financial institutions. The expected credit loss was immaterial as at December 31, 2023, 2024 and 2025.

Credit risk of trade receivables

(i) Trade Receivables

The Group applies the IFRS 9 simplified approach to measure expected credit loss (“ECL”) which uses a lifetime expected loss allowance for all trade receivables.

To measure ECL, trade receivables have been grouped based on shared credit risk characteristics and aging. The Group also made individual assessment on the recoverability of its trade receivables for certain customers based on historical settlement record.

The historical loss rates are calculated based on the historical payment profiles of sales and the corresponding historical incurred credit losses. The historical loss rates are adjusted to reflect the forward-looking information on macroeconomic factors as well as the credit rating analysis of respective customers and other external data which have impacts to the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product (“GDP”) of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to engage in a repayment plan with the Group and other indicators of severe financial difficulties.

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On that basis, the loss allowance as at December 31, 2023, 2024 and 2025 were determined as follows for trade receivables:

As at December 31, 2023, the loss allowance of individually impaired trade receivables is determined as follows:

Assessed individually:

	Trade receivables	ECL rate	Loss allowance	Reason
	<i>RMB'000</i>		<i>RMB'000</i>	
Trade receivables . . .	<u>119,230</u>	<u>75.55%</u>	<u>90,081</u>	Financial difficulty

As at December 31, 2024, the loss allowance of individually impaired trade receivables is determined as follows:

Assessed individually:

	Trade receivables	ECL rate	Loss allowance	Reason
	<i>RMB'000</i>		<i>RMB'000</i>	
Trade receivables . . .	<u>932,743</u>	<u>4.45%</u>	<u>41,535</u>	Financial difficulty

As at December 31, 2025, the loss allowance of individually impaired trade receivables is determined as follows:

Assessed individually:

	Trade receivables	ECL rate	Loss allowance	Reason
	<i>RMB'000</i>		<i>RMB'000</i>	
Trade receivables . . .	<u>785,694</u>	<u>5.64%</u>	<u>44,335</u>	Financial difficulty

The Group individually assessed the recoverability of the balance with certain customers as at December 31, 2023, 2024 and 2025, as different level of credit risk from those assessed based on grouping were identified. Changes in the expected loss rate of trade receivables assessed individually are mainly due to the customers’ financial condition, operation results and ability to repay.

As at December 31, 2023, 2024 and 2025, the loss allowance of grouped impaired trade receivables are determined as follows:

Assessed based on grouping:

	As at December 31, 2023			As at December 31, 2024			As at December 31, 2025		
	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance
	%	<i>RMB'000</i>	<i>RMB'000</i>	%	<i>RMB'000</i>	<i>RMB'000</i>	%	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year . .	5	2,029,002	101,450	5	2,601,483	130,073	5	3,126,047	156,302
1 to 2 years . . .	20	6,185	1,237	20	16,793	3,359	20	10,608	2,122
2 to 3 years . . .	50	6,824	3,412	50	970	485	50	13,354	6,677
Over 3 years . .	100	13,816	13,816	100	12,221	12,221	100	5,075	5,075
		<u>2,055,827</u>	<u>119,915</u>		<u>2,631,467</u>	<u>146,138</u>		<u>3,155,084</u>	<u>170,176</u>

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The management of the Group determined the ECL rates for portfolio of trade receivables with reference to past-due status of such balances by estimating their default rates taking into account historical information and forward-looking information.

As at the end of each Track Record Period, the Group assessed the historical observed default rates and the forward-looking estimates, respectively. The management of the Group reviewed the portfolio of customers contributing the trade receivables balances for the respective past-due time band throughout the Track Record Period and noted that the majority of the balances of the respective past-due time band were due from similar portfolio of customers. Furthermore, The Group assessed these customers’ financial condition, past settlement history, business relationship with the Group and other factors such as current market conditions and industry information, and considered that the credit risk for the same portfolio of customers remains approximately the same throughout the Track Record Period. Accordingly, the same ECL rates were adopted for the same past-due time band throughout the Track Record Period.

Based on the above calculation results and with reference to the provision ratios of other companies in the same industry, the Group conducts a comprehensive analysis and the outcome closely aligns with the fixed ratio currently adopted. Therefore, it has been decided that the fixed ratio will remain unchanged during the Track Record Period.

The loss allowances for trade receivables for the years ended December 31, 2023, 2024 and 2025 reconcile to the opening loss allowances are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Opening loss allowance	165,124	209,996	187,673
Loss allowance recognized, net	54,179	18,480	35,838
Loss allowance written off	(9,256)	(22,250)	(9,000)
Impact of changes in the scope of consolidation	(51)	(18,553)	—
Closing loss allowance	209,996	187,673	214,511

(ii) Other Receivables

Other receivables at the end of each of the periods are mainly comprised of tax refund, deposits and others. The Group considers the probability of default upon initial recognition of the assets and whether there has been significant increase in credit risk on an ongoing basis throughout each of the periods. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as of the reporting date with the risk of default as of the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor’s ability to meet its obligations;
- external credit rating of the counterparty;
- actual or expected significant changes in the operating results of the debtor; and
- significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 365 days past due in making a contractual payment.

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If the credit risk of the asset is in line with original expectations, the Group categorizes the asset as performing and recognizes 12 months expected credit losses (Stage 1). If a significant credit risk of the asset has occurred compared to original expectations or the credit is impaired, the asset is categorized as underperforming or non-performing and lifetime expected credit losses are recognized (Stages 2 and 3):

Assessed based on grouping:

	Stage 1	Stage 2	Stage 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
December 31, 2023				
Expected loss rate	0.24%	20.00%	80.20%	
Gross carrying amount	725,101	214,314	18,666	958,081
Loss allowance	1,734	42,863	14,970	59,567
December 31, 2024				
Expected loss rate	0.11%	20.00%	64.15%	
Gross carrying amount	1,187,290	18,448	49,958	1,255,696
Loss allowance	1,337	3,690	32,047	37,074
December 31, 2025				
Expected loss rate	0.18%	20.00%	73.19%	
Gross carrying amount	532,418	11,208	31,207	574,833
Loss allowance	973	2,242	22,841	26,056

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Opening loss allowance	38,569	59,567	37,074
Loss allowance recognized/(reversed), net	22,763	(20,193)	(10,904)
Loss allowance written off	(1,529)	(527)	(114)
Impact of changes in the scope of consolidation	(236)	(1,773)	—
Closing loss allowance	59,567	37,074	26,056

3.3 Liquidity Risk

The Group intends to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group’s liquidity risk and to maintain adequate liquid assets such as cash and cash equivalents and term deposits or to retain adequate financing arrangements to meet the Group’s liquidity requirements.

The tables below analyze the Group’s financial liabilities that will be settled into relevant maturity groupings based on the remaining period at each balance sheet date to their contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total undiscounted amount	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2023						
Trade and notes payables	19,141,739	—	—	—	19,141,739	19,141,739
Accruals and other payables (excluding non-financial liabilities)	43,328	—	—	—	43,328	43,328
Lease liabilities	83,133	81,320	94,705	12,352	271,510	243,115

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	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total undiscounted amount	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities at fair value through profit or loss	3,657	–	–	–	3,657	3,657
Borrowings	1,789,302	250,015	–	–	2,039,317	2,010,814
	21,061,159	331,335	94,705	12,352	21,499,551	21,442,653
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total undiscounted amount	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2024						
Trade and notes payables . .	17,212,937	–	–	–	17,212,937	17,212,937
Accruals and other payables (excluding non-financial liabilities)	53,908	–	–	–	53,908	53,908
Lease liabilities	82,659	58,069	31,892	–	172,620	163,654
Financial liabilities at fair value through profit or loss	450	–	–	–	450	450
Borrowings	2,465,769	7,813	247,458	–	2,721,040	2,690,485
	19,815,723	65,882	279,350	–	20,160,955	20,121,434
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total undiscounted amount	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2025						
Trade and notes payables . .	16,793,364	–	–	–	16,793,364	16,793,364
Accruals and other payables (excluding non-financial liabilities)	159,227	–	–	–	159,227	159,227
Lease liabilities	81,770	43,054	5,741	–	130,565	123,939
Financial liabilities at fair value through profit or loss	14,229	–	–	–	14,229	14,229
Borrowings	1,895,771	267,599	17,624	–	2,180,994	2,154,922
	18,944,361	310,653	23,365	–	19,278,379	19,245,681

3.4 Price Risk

The Group is mainly exposed to equity price risk arising from investments held by the Group that are classified as FVPL (Note 19). To manage its price risk arising from the investments, the Group diversifies its investment portfolio. The investments are mainly made for strategic purposes. Each investment is managed by the management on a case-by-case basis.

Sensitivity analysis is performed by the management to assess the exposure of the Group’s financial results to equity price risk of FVPL at the end of each Track Record Period. If prices of the respective instruments held by the Group had been 5%, 5% and 5% higher/lower as at December 31, 2023, 2024 and 2025, profit before tax for the year would have been approximately RMB37,299,000, RMB40,029,000 and RMB32,087,000 higher/lower as a result of gains/losses on financial instruments classified as FVPL.

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3.5 Capital Management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders’ value.

The Group manages its capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may issue new shares, sell assets to reduce debt or raise additional funding from shareholders or banks as and when necessary. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2023, 2024 and 2025.

The Group monitors capital on the basis of the debt to asset ratio as at December 31, 2023, 2024 and 2025 are as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Total assets	46,121,001	45,062,400	44,382,261
Total liabilities	27,944,137	24,716,864	23,733,581
Debt to asset ratio	60.59%	54.85%	53.48%

3.6 Fair Value Estimation

(a) Determination of Fair Value and the Fair Value Hierarchy of Financial Instruments

This note provides information on how the Group determines the fair values of various financial assets and liabilities.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group

As at December 31, 2023	Level 1	Level 2	Level 3	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at fair value through profit or loss				
– Wealth management products . . .	–	13,518,867	–	13,518,867
Other financial assets at fair value through profit or loss				
– Equity investments	–	–	745,978	745,978
– Convertible bonds	–	–	106,240	106,240
	–	13,518,867	852,218	14,371,085
Financial liabilities at fair value through profit or loss				
– Derivative financial liabilities . . .	–	3,657	–	3,657

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As at December 31, 2024	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets at fair value through profit or loss				
– Wealth management products . . .	–	12,599,124	–	12,599,124
– Derivative financial assets	–	104	–	104
Other financial assets at fair value through profit or loss				
– Equity investments (i)	30,109	–	770,467	800,576
– Convertible bonds	–	–	107,826	107,826
	<u>30,109</u>	<u>12,599,228</u>	<u>878,293</u>	<u>13,507,630</u>
Financial liabilities at fair value through profit or loss				
– Derivative financial liabilities . . .	–	450	–	450
	<u>–</u>	<u>450</u>	<u>–</u>	<u>450</u>
As at December 31, 2025	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets at fair value through profit or loss				
– Wealth management products . . .	–	10,735,489	–	10,735,489
– Derivative financial assets	–	18,878	–	18,878
Other financial assets at fair value through profit or loss				
– Equity investments (i)	25,764	–	615,978	641,742
– Convertible bonds	–	–	17,572	17,572
	<u>25,764</u>	<u>10,754,367</u>	<u>633,550</u>	<u>11,413,681</u>
Financial liabilities at fair value through profit or loss				
– Derivative financial liabilities . . .	–	14,229	–	14,229
	<u>–</u>	<u>14,229</u>	<u>–</u>	<u>14,229</u>
The Company				
As at December 31, 2023	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets at fair value through profit or loss				
– Wealth management products . . .	–	12,122,301	–	12,122,301
	<u>–</u>	<u>12,122,301</u>	<u>–</u>	<u>12,122,301</u>
As at December 31, 2024	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets at fair value through profit or loss				
– Wealth management products . . .	–	8,509,003	–	8,509,003
	<u>–</u>	<u>8,509,003</u>	<u>–</u>	<u>8,509,003</u>

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As at December 31, 2025	Level 1	Level 2	Level 3	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at fair value through profit or loss				
– Wealth management products . . .	–	7,185,431	–	7,185,431
– Derivative financial assets	–	18,878	–	18,878
	–	<u>7,204,309</u>	–	<u>7,204,309</u>

- (i) The market price of the above equity investments measured at Level 1 fair value are determined based on the closing price of stock on December 31, 2024 and 2025.
- (ii) The timing of transfers is determined at the date of the event or change in circumstances that caused the transfers. During the Track Record Period, there was no transfer between Level 1 and Level 2.

(b) The Group’s Valuation Process

For the financial assets and financial liabilities, including level 3 fair values, the Group’s finance department assisted by the independent valuer to performs the valuations for financial reporting purpose. The finance department reports the valuation results to the management.

(c) The changes in Level 3 assets are analyzed below:

The changes in Level 3 assets are analyzed below:

	Equity investments (i)	Convertible bonds (ii)	Total
As at January 1, 2023	1,211,267	–	1,211,267
Additions	85,339	193,004	278,343
Disposals	(419,008)	–	(419,008)
Changes in fair value through profit or loss . . .	(131,620)	(86,764)	(218,384)
As at December 31, 2023 and January 1, 2024	<u>745,978</u>	<u>106,240</u>	<u>852,218</u>
Additions	15,972	177,722	193,694
Disposals	(72,019)	–	(72,019)
Transfer	(30,109)	–	(30,109)
Changes in fair value through profit or loss . . .	110,645	(176,136)	(65,491)
As at December 31, 2024 and January 1, 2025	<u>770,467</u>	<u>107,826</u>	<u>878,293</u>
Additions	146,882	66,917	213,799
Disposals	(311,586)	–	(311,586)
Transfer	–	(107,826)	(107,826)
Changes in fair value through profit or loss . . .	10,215	(49,345)	(39,130)
As at December 31, 2025	<u>615,978</u>	<u>17,572</u>	<u>633,550</u>

- (i) The fair values of unlisted equity investments as at December 31, 2023, 2024 and 2025 have been arrived with reference to the net asset value report of the fund or valuation carried out on the dates by an independent qualified professional valuer not connected to the Group, using Guideline Public Company Method under market approach.
- (ii) The fair values of convertible bonds as at December 31, 2023, 2024 and 2025 have been arrived with reference to the fair value assessment carried out on the dates by an independent qualified professional valuer not connected to the Group.

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(d) Valuation Inputs and Relationships to Fair Value

The information of fair value measurements for Level 3 as at December 31, 2023, 2024 and 2025 is as follows:

Description	Fair value			Valuation techniques	Significant unobservable input(s)	Relationship of unobservable input(s) to fair values
	As at December 31,					
	2023	2024	2025			
	RMB'000	RMB'000	RMB'000			
Equity investments . . .	745,978	770,467	615,978	Guideline public company method	Price-to-Earnings Ratio (“P/E”)	An increase in P/E used would result in an increase in the fair value measurement of the unlisted equity instruments, and vice versa.
				Guideline public company method	Price-to-Book Ratio (“P/B”)	An increase in P/B used would result in an increase in the fair value measurement of the unlisted equity instruments, and vice versa.
				Guideline public company method	Price-to-Sales Ratio (“P/S”)	An increase in P/S used would result in an increase in the fair value measurement of the unlisted equity instruments, and vice versa.
				Net asset value	Net asset value	An increase in net asset value would result in an increase in fair value, and vice versa.
Convertible bonds . . .	106,240	107,826	17,572	Fair value assessment	N/A	N/A

If the P/E, P/B and P/S used had been 5% higher/lower for equity instruments measured at FVPL, the profit before tax for the years ended December 31, 2023, 2024 and 2025 would have been approximately RMB22,667,000, RMB18,218,000 and RMB7,544,000 higher/lower, respectively.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group continually evaluates the critical accounting estimates and key judgments applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

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The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below:

(a) Estimated Net Realizable Value of Inventories

In accordance with the Group’s accounting policy, the Group estimates net realizable value of inventories based on specific facts and circumstances. For different types of inventories, it requires the estimation on selling prices, costs of conversion, selling expenses and the related tax expense to calculate the net realizable amount of inventories. For inventories held for executed sales contracts, management estimates the net realizable amount based on the contracted price. For raw materials and work in progress, management has established a model in estimating the net realizable amount at which the inventories can be realizable in the normal course of business after considering the manufacturing cycles, production capacity and forecasts, estimated future conversion costs and selling prices. Management also takes into account the price or cost fluctuations and other related matters occurring after the end of the year which reflect conditions that existed at the end of each year.

It is reasonably possible that if there is a significant change in circumstances including the Group’s business and the external environment, outcomes would be significantly affected.

(b) Allowance for Expected Credit Loss of Receivables

The loss allowances for receivables are based on assumptions about risk of default and expected loss rates to determine the expected loss. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation. The historical loss rates are adjusted to reflect the forward-looking information on macroeconomic factors as well as the credit rating analysis of respective customers and other external data which have impacts to the ability of the customers to settle the receivables.

The Group takes into account different macroeconomic scenarios in considering forward looking information in Chinese mainland and overseas. The Group regularly monitors and reviews the key macroeconomic assumptions and parameters related to the calculation of expected credit losses. The Group has identified the Gross Domestic Product (“GDP”) of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

(c) Property, Plant and Equipment and Intangible Assets — Estimated Useful Lives and Residual Values

The Group determines the estimated useful lives and residual values (if applicable) and consequently the related depreciation/amortization charges for its property, plant and equipment and intangible assets. These estimates are based on the historical experience, anticipated change of technology, market condition and the actual consumption of related assets. The depreciation/amortization charge will increase when useful lives are less than previously estimated. In addition, technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in change in useful lives and residual values and therefore change in depreciation/amortization expense in future periods.

(d) Income Tax and Deferred Taxation

Estimation and judgment are required in determining the amount of the provision for income tax. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact on the income tax and deferred taxation provisions in the period in which such determination is made.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences, such as the provision for impairment of receivables, inventories and accruals of expenses not yet deductible for tax purposes, to the extent that it is probable that taxable profits will be available against which the tax losses and the deductible temporary differences can be utilized. Significant estimation is required in determining the recoverability of deferred tax assets.

In the event that future tax rules and regulations or related circumstances change, adjustments to current and deferred taxation may be necessary which would impact on the Group’s results or financial position.

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(e) Fair Value Measurement of Financial Assets at Level 3 Fair Value Hierarchy

The fair value of financial instruments classified as level 3 is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the valuation techniques, inputs and key assumptions used in the determination of the fair value of financial assets at level 3 fair value hierarchy see Note 3.6.

(f) Provisions

Provisions are made for both the estimated warranty claims and patent royalty claims. The provision for warranty represents the expense accrued by the Group for providing warranty services of a specified duration for the self-branded mobile phones and other products it sells, based on the amount expected to be paid in the future, which is subject to the impact of the revenue of the current period and the empirical expense rate. The provision for patent royalty represents the royalty accrued by the Group for the potential unauthorized use of third-party standard patents in the self-branded mobile phones it sells, based on the amount expected to be paid in the future, which is subject to the impact of the revenue of the current period and the estimated expense rate. The estimation basis is reviewed on an on-going basis and revised where appropriate.

5. OPERATING SEGMENT INFORMATION

(a) Description of Segments and Principal Activities

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (“CODM”). The Group’s CODM has been identified as the chairman and executive directors of the Board who are responsible for allocating resources and assessing performance of the operating segment.

Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the executive directors of the Company regards that there is only one segment which is used to make strategic decisions. Revenue and profit/(loss) before income tax are the measures reported to the chairman and executive directors for the purpose of resources allocation and performance assessment.

(b) Revenue from external customers

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with external customers recognized at a point in time			
– Mobile phones	57,348,058	63,196,562	58,447,549
– Mobile Internet services	791,097	834,959	942,032
– Others (i)	4,148,315	4,669,669	6,160,669
Lease income	7,407	14,089	40,986
	62,294,877	68,715,279	65,591,236

(i) Others primarily include revenue from IoT products, energy storage products, lightweight electric mobility devices and electronic components.

(c) Revenue from Major Customers

For the years ended December 31, 2023, 2024 and 2025, no individual customer contributed 10% or more of the Group’s total revenue.

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(d) Geographical Information

The Company is domiciled in Chinese mainland. The amount of the Group’s revenue by geographic regions is shown in the table below:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Africa	21,770,766	22,551,092	24,752,983
Emerging APAC markets	21,504,656	24,834,423	23,895,187
Middle East	5,629,182	6,631,828	6,155,102
Latin America	5,120,208	6,877,278	5,248,319
Central and Eastern Europe	6,321,372	5,568,159	3,558,378
Other regions	1,948,693	2,252,499	1,981,267
	<u>62,294,877</u>	<u>68,715,279</u>	<u>65,591,236</u>

(e) Contract Liabilities

During the Track Record Period, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liabilities were primarily due to the recognition of revenues upon fulfilment of performance obligations.

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Contract liabilities	<u>930,232</u>	<u>1,117,434</u>	<u>1,062,351</u>

The following table shows how much of the revenue, which was included in the contract liabilities at the beginning of the period, recognized during the Track Record Period relates to carried-forward contract liabilities:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Revenue recognized that was included in the beginning balance	<u>879,969</u>	<u>930,232</u>	<u>1,117,434</u>

Management expects that the unsatisfied obligation of RMB930,232,000, RMB1,117,434,000 and RMB1,062,351,000 as at December 31, 2023, 2024 and 2025, respectively, will be recognized as revenue during the next twelve months.

(f) Accounting Policies and Significant Judgments for Revenue Recognition

The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e., when control of the goods or services underlying the particular performance obligation is transferred to the customer.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

If a customer pays consideration or the Company has a right to an amount of consideration that is unconditional, before the Company transfers a good or service to the customer, the Company presents the contract liability when the payment is made. A contract liability is the Company’s obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

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(i) Sales of Goods

The Group is principally engaged in the design, R&D, manufacturing, sales and brand management of smart devices, with a focus on mobile phones.

Revenue from domestic sales of products shall be recognized at a point in time based on the sales contracts, settlement vouchers and other documents generally upon the completion of products delivery and arriving to the named place of destination and acceptance by the customers. Upon confirming the acceptance, the customer has the right to sell the products at its discretion and takes the risks of any price fluctuation and obsolescence and loss of the products.

Revenue from overseas sales of products shall be recognized at a point in time based on the sales contracts, customs declaration form, bill of lading and other documents. Under the FOB, CIF and CIP models, the Group recognizes revenue when the products are loaded on board the vessel (or aircraft), customs cleared, and the bill of lading is obtained, which is considered as the time when the control has been transferred and the performance obligation has been fulfilled. Under the EXW model, the Group recognizes revenue when the products are delivered to the customers or to a carrier designated by the customers at the Group’s location and the logistics receipt is obtained. Under the FCA model, the Group recognizes revenue when the products are delivered to a carrier designated by the customers at a specified location and the logistics receipt is obtained.

(ii) Rendering of services

The Group also provides mobile internet services and after-sales services, and the revenue shall be recognized at a point in time when the performance obligation is satisfied and the right to receive payment is obtained.

6. OTHER INCOME

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants	418,351	662,264	396,477
Additional deduction for VAT (i)	133	112,247	52,122
Dividends of other equity investments	1,212	2,683	3,665
Others	6,847	4,923	9,016
	<u>426,543</u>	<u>782,117</u>	<u>461,280</u>

- (i) Pursuant to the Announcement 2023 No. 43 “Notice on the Additional Value-Added Tax (“VAT”) Deduction Policy for Advanced Manufacturing Enterprises (《關於先進製造業企業增值稅加計抵減政策的公告》)” issued in 2023 by the Ministry of Finance and the State Taxation Administration, advanced manufacturing enterprises are eligible for a 5% additional VAT deduction based on deductible input VAT from January 1, 2023 to December 31, 2027.

7. OTHER GAINS/(LOSSES), NET

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net gains on financial instruments	—	108,076	79,968
Fair value changes on financial instruments	(68,159)	(156,724)	(20,673)
Net foreign exchange differences	3,583	(74,896)	(309,909)
Net (losses)/gains on disposal of property, plant and equipment and other long-term assets	(1,373)	(2,884)	3,789
Net losses on disposal of investments accounted for using the equity method	—	(731)	—
Net gains on disposal of subsidiaries	—	25,960	—
Net gains on disposal of financial instruments	289,138	601,995	425,286
Others	(31,552)	104,732	1,641
	<u>191,637</u>	<u>605,528</u>	<u>180,102</u>

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8. EXPENSE BY NATURE

Expenses included in cost of revenue, general and administrative expenses, selling and marketing expenses, research and development expenses are analyzed as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost of inventories sold (i)	46,243,013	52,657,671	51,551,660
Promotion and advertising expenses	2,799,099	3,123,228	3,266,880
Employee benefit expenses (Note 9)	4,124,981	4,355,794	4,846,977
Warranty expenses	641,895	642,389	640,067
Cloud services fees and content fees paid to game suppliers and content providers	220,469	154,692	188,595
Depreciation and amortization	314,688	420,214	475,789
Office expenses	132,919	166,487	171,000
Professional services and other consulting fees . .	658,949	1,007,243	1,046,180
Surplus taxes	248,874	206,429	195,546
Traveling expenses	155,467	187,204	206,656
Impairment losses on inventories	227,566	283,207	283,176
Materials consumption	175,981	183,535	211,241
Auditors’ remuneration	4,434	4,434	4,434
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other expenses	299,399	329,831	296,239
	56,247,734	63,722,358	63,389,369

- (i) Cost of inventory sold mainly includes raw materials cost, outsourcing processing fees and manufacturing overhead, among other items.

9. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS’ REMUNERATION)

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, wages and bonuses	3,298,707	3,455,208	4,079,146
Share-based compensation expenses	324,216	382,157	134,521
Housing fund, medical insurance and other social insurance	201,775	215,638	241,285
Pension costs (i)	162,054	183,000	211,896
Other employee benefits	138,229	119,791	180,129
	4,124,981	4,355,794	4,846,977

- (i) The Group is required to make contributions for its employees in the PRC to the state-sponsored retirement plan at a certain rate based on the qualified salaries of the individual employees. The PRC government is responsible for the pension liability of the retired employees.

During the year ended December 31, 2023, 2024 and 2025, no forfeited contributions were utilized by the Group to reduce its contributions for the current year.

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(a) Directors’ and Supervisors’ Remuneration

Directors’ and supervisors’ remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

Year ended December 31, 2023	Fees	Salaries, wages and bonuses	Housing fund, retirement and other benefits	Share-based compensation expenses	Total remuneration before tax
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors:					
Mr. Zhu Zhaojiang	–	12,482	46	–	12,528
Mr. Zhang Qi	–	9,356	27	10,001	19,384
Mr. Yan Meng	–	14,931	143	–	15,074
Mr. Ye Weiqiang	–	1,010	27	–	1,037
Mr. Xiao Ming (i)	–	1,035	53	–	1,088
Mr. Ariful	–	2,463	16	–	2,479
Ms. Yang Hong (i)	–	125	–	–	125
Independent non-executive directors:					
Mr. Zhang Peng (ii)	98	–	–	–	98
Mr. Jiang Qiankun (ii)	98	–	–	–	98
Mr. Yang Zhenghong (ii)	98	–	–	–	98
Mr. Huang Yijian (ii)	22	–	–	–	22
Mr. Chen Linrong (ii)	22	–	–	–	22
Mr. Zhang Huailei (ii)	22	–	–	–	22
Supervisors:					
Mr. Song Yingnan	–	832	38	–	870
Mr. Zhou Zongzheng (iii)	–	128	3	–	131
Mr. Wang Haibin (iii)	–	4,619	26	–	4,645
Mr. Zhou Yanfu	–	627	24	–	651
Total	360	47,608	403	10,001	58,372

Year ended December 31, 2024	Fees	Salaries, wages and bonuses	Housing fund, retirement and other benefits	Share-based compensation expenses	Total remuneration before tax
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors:					
Mr. Zhu Zhaojiang	–	7,797	46	–	7,843
Mr. Zhang Qi	–	1,742	27	15,729	17,498
Mr. Yan Meng	–	3,984	131	–	4,115
Mr. Ye Weiqiang	–	1,452	26	–	1,478
Mr. Ariful	–	3,077	16	–	3,093
Ms. Yang Hong (i)	–	3,324	–	–	3,324
Independent non-executive directors:					
Mr. Huang Yijian (ii)	120	–	–	–	120
Mr. Chen Linrong (ii)	120	–	–	–	120
Mr. Zhang Huailei (ii)	120	–	–	–	120
Supervisors:					
Mr. Song Yingnan	–	642	37	–	679
Mr. Zhou Zongzheng (iii)	–	594	24	–	618
Mr. Zhou Yanfu	–	616	25	–	641
Total	360	23,228	332	15,729	39,649

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Year ended December 31, 2025	Fees	Salaries, wages and bonuses	Housing fund, retirement and other benefits	Share-based compensation expenses	Total remuneration before tax
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:					
Mr. Zhu Zhaojiang	–	2,569	47	–	2,616
Mr. Zhang Qi	–	2,429	27	5,646	8,102
Mr. Yan Meng	–	366	132	–	498
Mr. Ye Weiqiang	–	1,603	27	–	1,630
Mr. Ariful	–	3,348	16	–	3,364
Ms. Yang Hong (i)	–	3,830	–	–	3,830
Independent non-executive directors:					
Mr. Huang Yijian (ii)	120	–	–	–	120
Mr. Chen Linrong (ii)	120	–	–	–	120
Mr. Zhang Huailei (ii)	120	–	–	–	120
Total	360	14,145	249	5,646	20,400

- (i) Xiao Ming resigned as executive director of the Group on December 25, 2023. Yang Hong was engaged as executive director of the Group on December 25, 2023.
- (ii) Zhang Peng, Jiang Qiankun and Yang Zhenghong resigned as independent directors of the Group on December 25, 2023. Huang Yijian, Chen Linrong and Zhang Huailei were engaged as independent directors of the Group on December 25, 2023.
- (iii) Wang Haibin resigned as supervisor of the Group on December 25, 2023. Zhou Zongzheng was engaged as supervisor of the Group on December 25, 2023.
- (iv) Pursuant to the 20th meeting of the 3rd Board of Directors and the 16th meeting of the 3rd Board of Supervisors, which were held on November 12, 2025, the Company cancelled the Board of Supervisors, and the functions of the Board of Supervisors shall be exercised by the Audit Committee of the Board of Directors.

(b) Directors’ and Supervisors’ Other Benefits

No termination benefits were paid to the directors and supervisors of the Company by the Group in respect of the director’s services as a director and a supervisor of the Group or other services in connection with the management of the affairs of the Group during the Track Record Period.

No consideration provided to third parties for making available directors’ and supervisors’ services subsisted at the end of each reporting period or at any time during the Track Record Period.

There were no loans, quasi-loans or other dealings entered into in favor of directors, controlled bodies corporate by and connected entities with such directors during the Track Record Period.

Save as disclosed in Note 36, there were no significant transactions, arrangements and contracts in relation to the Group’s business to which the Company was a party and in which a director and a supervisor of the Company had a material interest, whether directly or indirectly, subsisted during the Track Record Period.

(c) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the years ended December 31, 2023, 2024 and 2025 include 2, 1 and 1 directors respectively whose emoluments are reflected in the analysis shown in Note 9(a) above. The emoluments paid to the remaining 3, 4 and 4 individuals during the years ended December 31, 2023, 2024 and 2025, respectively, are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, wages and bonuses	16,541	12,898	21,414
Housing fund, retirement and other benefits	31	295	176
Share-based compensation expenses	35,770	53,365	13,995
	52,342	66,558	35,585

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The number of the above individuals other than directors whose remuneration fell within the following bands is as follows:

	Year ended December 31,		
	2023	2024	2025
HKD7,000,001 to HKD7,500,000	–	–	1
HKD7,500,001 to HKD8,000,000	–	–	1
HKD8,500,001 to HKD9,000,000	–	–	2
HKD14,500,001 to HKD15,000,000	–	1	–
HKD16,000,001 to HKD16,500,000	–	1	–
HKD18,500,001 to HKD19,000,000	1	–	–
HKD19,000,001 to HKD19,500,000	1	–	–
HKD20,000,001 to HKD20,500,000	1	1	–
HKD21,500,001 to HKD22,000,000	–	1	–
	<u>3</u>	<u>4</u>	<u>4</u>

10. FINANCE INCOME/(COSTS), NET

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Finance income:			
Interest income from financial assets held for cash management purposes	303,984	319,638	294,162
Finance costs:			
Interest expenses on lease liabilities	(12,697)	(11,431)	(7,646)
Interest expenses on borrowings	(53,863)	(61,008)	(54,987)
Interest expenses on long term employee benefit	(13,172)	(9,527)	(5,780)
Finance costs total	(79,732)	(81,966)	(68,413)
Finance income, net	<u>224,252</u>	<u>237,672</u>	<u>225,749</u>

11. INCOME TAX EXPENSE/(CREDIT)

The income tax expenses of the Group during the Track Record Period are analyzed as follows:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax	1,271,681	948,348	473,879
Deferred income tax	(144,350)	131,972	103,713
	<u>1,127,331</u>	<u>1,080,320</u>	<u>577,592</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

(a) PRC Corporate Income Tax

- (i) In accordance with the relevant regulations of the Enterprise Income Tax laws (the “EIT Law”) of the PRC, the applicable statutory tax rate of the PRC subsidiaries is 25% unless those subject to tax exemption set out below.

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- (ii) During the Track Record Period, the Company has obtained High and New Technology Enterprises certification (“HNTE”) and hence it is entitled to a preferential CIT rate of 15% for the Track Record Period. This qualification is subject to review by the relevant tax authority in the PRC for every three years.
- (iii) The preferential income tax rate applicable to certain subsidiaries of the Group within the scope of the China’s Western Development Programme was 15% for the Track Record Period.
- (iv) One subsidiary qualifies as state-supported software enterprises under PRC tax regulations. The subsidiary was exempt from enterprise income tax for the first two years and subject to a 50% reduction (i.e., 12.5% effective rate) for the subsequent three years commencing from its respective profit-making year. The tax incentives were applied in 2023 with the reduced rate of 12.5% in compliance with the referenced regulations.
- (v) Certain subsidiaries were qualified as small and micro enterprises and were subject to preferential tax. From January 1, 2023 to December 31, 2027, the taxable income of small and micro enterprises shall be calculated at a reduced rate of 25% and subject to corporate income tax at a rate of 20%.
- (vi) According to the relevant laws and regulations promulgated by MOF and STA, enterprises engaging in R&D activities are entitled to claim 200% from January 2022 onwards of their R&D expenses incurred as tax deductible expenses when determining their assessable profits for that year (the “Super Deduction for R&D”).

(b) Hong Kong Profits Tax

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for the relevant periods. However, one subsidiary of the Group which is qualified corporation can choose to apply the Two-tiered Profits Tax rates regime during 2023, 2024 and 2025, respectively. Under this regime, the first HK\$2,000,000 of assessable profits of the qualified entity established in Hong Kong are taxed at 8.25% and the remaining profits are taxed at 16.5%.

(c) Corporate Income Tax Incentives in Bangladesh

A subsidiary of the Group qualifies for income tax incentives under the Bangladesh Export Processing Zone Authority (BEPZA) regime. Pursuant to the policy, the subsidiary is exempt from corporate income tax for the first three years, followed by a phased reduction of 80%, 70%, 60%, 50%, 40%, 30%, and 20% for the fourth to tenth years, respectively, calculated from the commencement of economic activities. The tax exemptions for the first three years (2023, 2024 and 2025) have been applied in the current financial statements, with the phased reduction periods aligned with the BEPZA regulatory framework.

(d) Corporate Income Tax in Other Jurisdictions

The income tax rates of the subsidiaries from other jurisdictions had been calculated on the estimated assessable profit for the Track Record Period at the respective rates prevailing in the relevant jurisdictions.

(e) OECD Pillar Two Model Rules

Amendments to IAS 12 “International Tax Reform — Pillar Two Model Rules” were issued on May 23, 2023 which are effective upon issuance and require retrospective application. The amendments provide a temporary exception from deferred tax accounting for the income tax arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Cooperation and Development (“OECD”). As at December 31, 2025, in the Chinese mainland, the legislation is not yet substantively enacted. However, the Pillar Two legislation was effective since January 1, 2025 in Hong Kong and United Arab Emirates, where the Group has operating subsidiaries, and the Group has recognized relevant income tax expenses for certain subsidiaries for the year ended December 31, 2025.

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The income tax on the Group’s profit before income tax differs from the theoretical amount that would arise using the enacted tax rate applicable to profits of the subsidiaries as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit before income tax	6,714,396	6,677,647	3,182,828
Income tax calculated at the PRC taxation rate of 25%	<u>1,678,599</u>	<u>1,669,412</u>	<u>795,707</u>
Tax effect of:			
The impact of different tax rates on subsidiaries	(584,152)	(560,235)	(281,786)
Non-deductible expenses	189,410	169,185	193,012
Super deduction for research and development expenditure	(205,288)	(223,593)	(262,042)
Adjustments in respect of current tax of previous years	(2,228)	7,622	22,003
Tax losses and other temporary differences not recognized as deferred tax assets	49,881	93,799	181,211
The impact of investment income accounted for using the equity method	15,480	(10,585)	(24,141)
Non-taxable income	(11,641)	(16,919)	(14,542)
Utilization of previously unrecognized tax losses	<u>(2,730)</u>	<u>(48,366)</u>	<u>(31,830)</u>
	<u>1,127,331</u>	<u>1,080,320</u>	<u>577,592</u>

12. DIVIDENDS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Final dividends in respect of the previous year, declared and paid during the year (i)	<u>1,447,110</u>	<u>2,419,696</u>	<u>1,710,525</u>
Interim dividends in respect of current year, declared and paid during the year (ii)	<u>2,419,696</u>	<u>1,710,525</u>	<u>912,281</u>
	<u>3,866,806</u>	<u>4,130,221</u>	<u>2,622,806</u>

- (i) Final dividends attributable to owners of the Company in respect of 2022, 2023 and 2024 of RMB18.00 per 10 shares (tax inclusive), RMB30.00 per 10 shares (tax inclusive) and RMB15.00 per 10 shares (tax inclusive), were approved by the shareholder in the Annual General Meeting, respectively.
- (ii) Interim dividends attributable to owners of the Company in respect of 2023, 2024 and 2025 of RMB30.00 per 10 shares (tax inclusive), RMB15.00 per 10 shares (tax inclusive) and RMB8.00 per 10 shares (tax inclusive) were approved by the shareholder in the Extraordinary General Meeting or the Board of Directors, respectively.

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13. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The calculation of basic earnings per share is based on the following:

	Year ended December 31,		
	2023	2024	2025
Profit attributable to ordinary shareholders of the Company used in calculating basic EPS (RMB’000)	5,537,045	5,548,950	2,580,637
Weighted average number of ordinary shares in issue (thousands)	1,127,056	1,131,981	1,143,059
Basic EPS (RMB per share)	4.91	4.90	2.26

(b) Diluted Earnings Per Share

	Year ended December 31,		
	2023	2024	2025
Adjusted profit attributable to ordinary shareholders of the Company used in calculating diluted EPS (RMB’000)	5,537,045	5,548,950	2,580,637
Weighted average number of ordinary shares in issue (thousands)	1,127,056	1,131,981	1,143,059
Adjustments for potential shares arising from share schemes (thousands)	9,939	12,889	5,783
Weighted average number of ordinary shares used in calculating diluted EPS (thousands) . .	1,136,995	1,144,870	1,148,842
Diluted EPS (RMB per share)	4.87	4.85	2.25

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The Group

The amounts of investments accounted for using the equity method recognized in the Historical Financial Information are as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Associates	429,967	773,825	870,891

The movements of investments in associates during the Track Record Period are as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	448,208	429,967	773,825
Additions and transfers	34,578	264,005	148,399
Share of results of associates	(124,307)	89,620	116,819

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	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Share of other comprehensive loss	(23,892)	(9,037)	(39,867)
Share of other equity movement	98,094	–	(49,353)
Dividends	(2,714)	–	(78,932)
Others	–	(730)	–
At the end of the year	429,967	773,825	870,891

The associates of the Group have been accounted based on the financial information prepared under the accounting policies consistent with the Group.

The Group has interests in a number of individually immaterial associates that are accounted for using the equity method. The carrying amount and the Group’s share of the results of individually immaterial associates are shown in aggregate as below:

Reconciliation of the carrying amount of the interests recognized in the Historical Financial Information:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Aggregate carrying amount of individually immaterial associates	429,967	773,825	870,891
Aggregate amounts of the Group’s share of:			
(Loss)/profit for the year	(124,307)	89,620	116,819
Other comprehensive loss	(23,892)	(9,037)	(39,867)
Total comprehensive (loss)/income	(148,199)	80,583	76,952

15. INVESTMENTS IN SUBSIDIARIES

As at the date of this report and during the Track Record Period, the Company’s principal subsidiaries are as follows:

Name of subsidiary	Place of incorporation and type of legal entity	Share capital registered/ paid-up capital	Equity interest and voting right held by the Company						Principal activities
			As at December 31,						
			2023		2024		2025		
			Direct	Indirect	Direct	Indirect	Direct	Indirect	
		'000							
Shenzhen Xiaochuan Industrial Limited (深圳小傳實業有限公司)	PRC, limited liability company	RMB100,000	100%	–	100%	–	100%	–	Procurement
Shenzhen Tecno Technology Co., Ltd. (深圳市泰衡諾科技有限公司)	PRC, limited liability company	RMB1,468,785	100%	–	100%	–	100%	–	Procurement, manufacturing, research and development
Shenzhen Transsion Manufacture Limited (深圳傳音製造有限公司)	PRC, limited liability company	RMB220,000	100%	–	100%	–	100%	–	Manufacturing
Chongqing Transsion Technology Limited (重慶傳音科技有限公司)	PRC, limited liability company	RMB618,424	100%	–	100%	–	100%	–	Procurement, manufacturing, research and development

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Name of subsidiary	Place of incorporation and type of legal entity	Share capital registered/ paid-up capital	Equity interest and voting right held by the Company						Principal activities
			As at December 31,						
			2023		2024		2025		
			Direct	Indirect	Direct	Indirect	Direct	Indirect	
Chongqing Xiaochuan Industrial Co., Ltd. (重慶小傳實業有限公司)	PRC, limited liability company	RMB10,000	100%	–	100%	–	100%	–	Sales
Shenzhen Aifutuo Technology Limited (深圳埃富拓科技有限公司)	PRC, limited liability company	RMB100,000	100%	–	100%	–	100%	–	Manufacturing
TECNO REALLYTEK LIMITED	Hong Kong, limited liability company	HKD10	–	100%	–	100%	–	100%	Procurement
TECNO MOBILE LTD	Hong Kong, limited liability company	HKD10	–	100%	–	100%	–	100%	Sales
INFINIX MOBILITY LTD	Hong Kong, limited liability company	HKD10	–	100%	–	100%	–	100%	Sales
TRANSSION TECHNOLOGY PTE. LIMITED	Singapore, limited liability company	USD8,000	–	100%	–	100%	–	100%	Sales, procurement
TRANSSION COMMUNICATION FZE	UAE, limited liability company	AED100	–	100%	–	100%	–	100%	Sales

The statutory auditors of the above subsidiaries of the Group during the Track Record Period are set out below:

Name of subsidiary	Name of statutory auditors		
	2023	2024	2025
Shenzhen Xiaochuan Industrial Limited (深圳小傳實業有限公司)	Shenzhen Putian Certified Public Accountants Co., Ltd.	Shenzhen Putian Certified Public Accountants Co., Ltd.	Shenzhen Putian Certified Public Accountants Co., Ltd.
Shenzhen Tecno Technology Co., Ltd. (深圳市泰衡諾科技有限公司)	Shenzhen Putian Certified Public Accountants Co., Ltd.	Shenzhen Putian Certified Public Accountants Co., Ltd.	Shenzhen Putian Certified Public Accountants Co., Ltd.
Shenzhen Transsion Manufacture Limited (深圳傳音製造有限公司)	Shenzhen Putian Certified Public Accountants Co., Ltd.	Shenzhen Putian Certified Public Accountants Co., Ltd.	Shenzhen Putian Certified Public Accountants Co., Ltd.
Chongqing Transsion Technology Limited (重慶傳音科技有限公司)	Shenzhen Putian Certified Public Accountants Co., Ltd.	Shenzhen Putian Certified Public Accountants Co., Ltd.	Shenzhen Putian Certified Public Accountants Co., Ltd.
Chongqing Xiaochuan Industrial Co., Ltd. (重慶小傳實業有限公司)	Shenzhen Putian Certified Public Accountants Co., Ltd.	Shenzhen Putian Certified Public Accountants Co., Ltd.	Shenzhen Putian Certified Public Accountants Co., Ltd.
Shenzhen Aifutuo Technology Limited (深圳埃富拓科技有限公司)	Shenzhen Putian Certified Public Accountants Co., Ltd.	Shenzhen Putian Certified Public Accountants Co., Ltd.	Shenzhen Putian Certified Public Accountants Co., Ltd.
TECNO REALYTEK LIMITED	Diligent Treasure CPA Limited	Diligent Treasure CPA Limited	Diligent Treasure CPA Limited
TECNO MOBILE LTD	Diligent Treasure CPA Limited	Diligent Treasure CPA Limited	Diligent Treasure CPA Limited

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Name of subsidiary	Name of statutory auditors		
	2023	2024	2025
INFINIX MOBILITY LTD	Diligent Treasure CPA Limited	Diligent Treasure CPA Limited	Diligent Treasure CPA Limited
TRANSSION COMMUNICATION FZE	Earningo Accounting and Tax Consultancy	Earningo Accounting and Tax Consultancy	Earningo Accounting and Tax Consultancy
TRANSSION TECHNOLOGY PTE. LIMITED	LIGHTSPRING ASSURANCE	LIGHTSPRING ASSURANCE	RSM SG Assurance LLP

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Investments in subsidiaries	<u>4,290,557</u>	<u>4,290,557</u>	<u>4,290,557</u>

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery and equipment	Transportation tools	Other equipment	Construction in progress	Leasehold improvement	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023							
Cost	520,047	331,377	12,102	399,458	1,585,581	66,983	2,915,548
Accumulated depreciation and impairment	(92,309)	(103,835)	(7,092)	(237,512)	–	(42,265)	(483,013)
Carrying amount	<u>427,738</u>	<u>227,542</u>	<u>5,010</u>	<u>161,946</u>	<u>1,585,581</u>	<u>24,718</u>	<u>2,432,535</u>
Opening carrying amount	427,738	227,542	5,010	161,946	1,585,581	24,718	2,432,535
Additions	–	45,978	1,923	76,949	781,258	20,434	926,542
Disposals	(11,316)	(8,393)	(152)	(2,230)	–	–	(22,091)
Transfer from construction in progress	2,226,834	64,294	107	42,561	(2,366,239)	32,443	–
Impact of changes in the scope of consolidation	–	–	–	(385)	–	(68)	(453)
Depreciation	(44,786)	(37,219)	(1,769)	(93,998)	–	(21,713)	(199,485)
Currency translation differences	(12,598)	209	(438)	(2,677)	–	–	(15,504)
Closing carrying amount	<u>2,585,872</u>	<u>292,411</u>	<u>4,681</u>	<u>182,166</u>	<u>600</u>	<u>55,814</u>	<u>3,121,544</u>
As at December 31, 2023 and January 1, 2024							
Cost	2,717,013	422,469	12,478	494,926	600	119,243	3,766,729
Accumulated depreciation and impairment	(131,141)	(130,058)	(7,797)	(312,760)	–	(63,429)	(645,185)
Carrying amount	<u>2,585,872</u>	<u>292,411</u>	<u>4,681</u>	<u>182,166</u>	<u>600</u>	<u>55,814</u>	<u>3,121,544</u>

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	Buildings	Machinery and equipment	Transportation tools	Other equipment	Construction in progress	Leasehold improvement	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Opening carrying amount .	2,585,872	292,411	4,681	182,166	600	55,814	3,121,544
Additions	7,460	120,268	6,046	106,631	235,442	10,833	486,680
Disposals	—	(8,166)	(31)	(1,419)	—	—	(9,616)
Transfer from construction in progress	23,656	173,397	—	6,425	(203,478)	—	—
Impact of changes in the scope of consolidation .	—	(74,883)	(593)	(9,125)	(488)	(35)	(85,124)
Depreciation	(96,944)	(56,529)	(1,761)	(103,021)	—	(23,062)	(281,317)
Currency translation differences	(23,710)	(1,481)	(314)	(1,373)	—	—	(26,878)
Closing carrying amount	<u>2,496,334</u>	<u>445,017</u>	<u>8,028</u>	<u>180,284</u>	<u>32,076</u>	<u>43,550</u>	<u>3,205,289</u>
As at December 31, 2024 and January 1, 2025							
Cost	2,718,208	562,482	16,208	555,450	32,076	125,979	4,010,403
Accumulated depreciation and impairment	(221,874)	(117,465)	(8,180)	(375,166)	—	(82,429)	(805,114)
Carrying amount	<u>2,496,334</u>	<u>445,017</u>	<u>8,028</u>	<u>180,284</u>	<u>32,076</u>	<u>43,550</u>	<u>3,205,289</u>
Opening carrying amount .	2,496,334	445,017	8,028	180,284	32,076	43,550	3,205,289
Additions	—	61,253	6,469	105,706	115,759	3,341	292,528
Disposals	—	(3,224)	(104)	(776)	—	—	(4,104)
Transfer from construction in progress	18,297	66,526	—	21,762	(106,585)	—	—
Depreciation	(105,079)	(58,027)	(2,666)	(100,631)	—	(17,695)	(284,098)
Currency translation differences	(6,075)	(1,496)	(15)	(414)	—	—	(8,000)
Closing carrying amount	<u>2,403,477</u>	<u>510,049</u>	<u>11,712</u>	<u>205,931</u>	<u>41,250</u>	<u>29,196</u>	<u>3,201,615</u>
As at December 31, 2025							
Cost	2,728,767	683,968	21,819	665,568	41,250	129,320	4,270,692
Accumulated depreciation and impairment	(325,290)	(173,919)	(10,107)	(459,637)	—	(100,124)	(1,069,077)
Carrying amount	<u>2,403,477</u>	<u>510,049</u>	<u>11,712</u>	<u>205,931</u>	<u>41,250</u>	<u>29,196</u>	<u>3,201,615</u>

The Company

	Buildings	Transportation tools	Other equipment	Construction in progress	Leasehold improvement	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at January 1, 2023						
Cost	—	1,319	52,661	505,071	167	559,218
Accumulated depreciation and impairment	—	(1,253)	(39,926)	—	(139)	(41,318)
Carrying amount	<u>—</u>	<u>66</u>	<u>12,735</u>	<u>505,071</u>	<u>28</u>	<u>517,900</u>

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	Buildings	Transportation tools	Other equipment	Construction in progress	Leasehold improvement	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Opening carrying amount	–	66	12,735	505,071	28	517,900
Additions	–	–	7,513	215,609	19,425	242,547
Transfer from construction in progress	709,192	–	11,488	(720,680)	–	–
Disposals	–	–	(211)	–	–	(211)
Depreciation	–	–	(7,697)	–	(3,265)	(10,962)
Closing carrying amount	709,192	66	23,828	–	16,188	749,274
As at December 31, 2023 and January 1, 2024						
Cost	709,192	1,319	69,075	–	19,592	799,178
Accumulated depreciation and impairment	–	(1,253)	(45,247)	–	(3,404)	(49,904)
Carrying amount	709,192	66	23,828	–	16,188	749,274
Opening carrying amount	709,192	66	23,828	–	16,188	749,274
Additions	–	450	14,836	25,672	–	40,958
Transfer from construction in progress	25,626	–	–	(25,626)	–	–
Disposals	–	(9)	(443)	–	–	(452)
Depreciation	(30,151)	(80)	(10,326)	–	(3,885)	(44,442)
Closing carrying amount	704,667	427	27,895	46	12,303	745,338
As at December 31, 2024 and January 1, 2025						
Cost	734,817	1,579	75,763	46	19,592	831,797
Accumulated depreciation and impairment	(30,150)	(1,152)	(47,868)	–	(7,289)	(86,459)
Carrying amount	704,667	427	27,895	46	12,303	745,338
Opening carrying amount	704,667	427	27,895	46	12,303	745,338
Additions	–	–	4,741	624	–	5,365
Transfer from construction in progress	(6,600)	–	46	6,554	–	–
Disposals	–	–	(131)	–	–	(131)
Depreciation	(30,537)	(107)	(9,575)	–	(3,885)	(44,104)
Closing carrying amount	667,530	320	22,976	7,224	8,418	706,468
As at December 31, 2025						
Cost	728,217	1,579	77,914	7,224	19,592	834,526
Accumulated depreciation and impairment	(60,687)	(1,259)	(54,938)	–	(11,174)	(128,058)
Carrying amount	667,530	320	22,976	7,224	8,418	706,468

Property, plant, and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter of lease term as follows:

Buildings	10-30 years
Machinery and equipment	3-10 years
Transportation tools	3-5 years
Other equipment	3-5 years
Leasehold improvements	Shorter of their useful life and lease term

See Note 38 for the other accounting policies relevant to property, plant and equipment.

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17. LEASE

This note provides information for leases where the Group is a lessee.

(a) Amounts Recognized in the Consolidated Statements of Financial Position

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Right-of-use Assets			
– Land use right	429,746	413,234	1,037,628
– Buildings	219,522	161,633	126,177
– Machinery and equipment	8,465	3,901	1,789
	<u>657,733</u>	<u>578,768</u>	<u>1,165,594</u>
Lease liabilities			
– Current liabilities	72,113	77,029	77,383
– Non-current liabilities	171,002	86,625	46,556
	<u>243,115</u>	<u>163,654</u>	<u>123,939</u>

Additions to the right-of-use assets during the years ended December 31, 2023, 2024 and 2025 were approximately RMB124,619,000, RMB61,862,000 and RMB728,710,000, respectively.

For the year ended December 31, 2023, 2024 and 2025, expense relating to leases of low-value assets and short-term leases that applied the simplified approach is approximately RMB52,515,000, RMB34,121,000 and RMB37,307,000.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Right-of-use Assets			
– Land use right	218,370	208,979	840,162
– Buildings	29,819	22,663	15,506
	<u>248,189</u>	<u>231,642</u>	<u>855,668</u>
Lease liabilities			
– Current liabilities	6,757	7,047	7,348
– Non-current liabilities	23,599	16,553	8,489
	<u>30,356</u>	<u>23,600</u>	<u>15,837</u>

(b) Amounts Recognized in the Consolidated Statements of Profit or Loss

The consolidated statements of profit or loss and the consolidated statements of cash flows contain the following amounts relating to leases:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Depreciation charge of right-of-use assets:			
– Land use right	16,719	15,238	32,339
– Buildings	77,576	82,619	82,995
– Machinery and equipment	2,977	2,184	2,112
	<u>97,272</u>	<u>100,041</u>	<u>117,446</u>

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	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest expense (included in finance cost)	12,697	11,431	7,646
Expense related to short-term and low value leases not included in lease liabilities	52,515	34,121	37,307
	<u>162,484</u>	<u>145,593</u>	<u>162,399</u>

The total cash outflows for lease payments during the years ended December 31, 2023, 2024 and 2025 were approximately RMB139,392,000, RMB130,897,000 and RMB127,630,000, respectively.

The Group leases properties, offices, land-use-right and machinery/equipment as lessee. Lease contracts are typically made for fixed periods from 1 to 50 years. They are stated at cost less accumulated depreciation and accumulated impairment losses.

See Note 38 for the other accounting policies relevant to lease.

18. INTANGIBLE ASSETS

The Group

	Software	Total
	RMB'000	RMB'000
At January 1, 2023		
Cost	63,743	63,743
Accumulated amortization and impairment	(29,211)	(29,211)
Carrying amounts	<u>34,532</u>	<u>34,532</u>
Opening carrying amounts	34,532	34,532
Additions	72,576	72,576
Currency translation differences	458	458
Acquisition	(157)	(157)
Amortization charges	(17,931)	(17,931)
Closing carrying amounts	<u>89,478</u>	<u>89,478</u>
At December 31, 2023 and January 1, 2024		
Cost	136,539	136,539
Accumulated amortization and impairment	(47,061)	(47,061)
Carrying amounts	<u>89,478</u>	<u>89,478</u>
Opening carrying amounts	89,478	89,478
Additions	5,507	5,507
Currency translation difference	751	751
Acquisition	(71)	(71)
Amortization charges	(23,042)	(23,042)
Closing carrying amounts	<u>72,623</u>	<u>72,623</u>
At December 31, 2024 and January 1, 2025		
Cost	142,818	142,818
Accumulated amortization and impairment	(70,195)	(70,195)
Carrying amounts	<u>72,623</u>	<u>72,623</u>
Opening carrying amounts	72,623	72,623
Additions	5,751	5,751
Currency translation difference	(987)	(987)
Amortization charges	(22,198)	(22,198)
Closing carrying amounts	<u>55,189</u>	<u>55,189</u>
At December 31, 2025		
Cost	146,479	146,479
Accumulated amortization and impairment	(91,290)	(91,290)
Carrying amounts	<u>55,189</u>	<u>55,189</u>

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The Company

	Software	Total
	RMB'000	RMB'000
At January 1, 2023		
Cost	17,362	17,362
Accumulated amortization and impairment	(11,210)	(11,210)
Carrying amounts	6,152	6,152
Opening carrying amounts	6,152	6,152
Additions	12,439	12,439
Amortization charges	(3,214)	(3,214)
Closing carrying amounts	15,377	15,377
At December 31, 2023 and January 1, 2024		
Cost	29,801	29,801
Accumulated amortization and impairment	(14,424)	(14,424)
Carrying amounts	15,377	15,377
Opening carrying amounts	15,377	15,377
Additions	3,905	3,905
Amortization charges	(3,942)	(3,942)
Closing carrying amounts	15,340	15,340
At December 31, 2024 and January 1, 2025		
Cost	33,706	33,706
Accumulated amortization and impairment	(18,366)	(18,366)
Carrying amounts	15,340	15,340
Opening carrying amounts	15,340	15,340
Additions	1,054	1,054
Amortization charges	(3,872)	(3,872)
Closing carrying amounts	12,522	12,522
At December 31, 2025		
Cost	34,760	34,760
Accumulated amortization and impairment	(22,238)	(22,238)
Carrying amounts	12,522	12,522

(a) Amortization Methods and Periods

Computer software

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

Software 3-10 years

(b) Research and Development

Research expenditure is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the product so that it will be available for use;
- Management intends to complete the product and use or sell it;

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- There is an ability to use or sell the product;
- It can be demonstrated how the product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- The expenditure attributable to the product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

19. FINANCIAL INSTRUMENTS BY CATEGORY

The detail information of financial instruments by category during the Track Record Period is as below:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets			
Financial assets at fair value through profit or loss:			
– Wealth management products (<i>Note 3.6</i>)	13,518,867	12,599,124	10,735,489
– Derivative financial assets (<i>Note 3.6</i>)	–	104	18,878
Other financial assets at fair value through profit or loss:			
– Equity investments (<i>Note 3.6</i>)	745,978	800,576	641,742
– Convertible bonds (<i>Note 3.6</i>)	106,240	107,826	17,572
Financial assets measured at amortized cost:			
– Trade receivables (<i>Note 22</i>)	1,965,061	3,376,537	3,726,267
– Restricted cash (<i>Note 24</i>)	1,569,571	906,076	617,801
– Cash and cash equivalents (<i>Note 24</i>)	11,029,112	11,310,093	11,122,560
– Other receivables (<i>Note 23</i>)	901,228	1,218,622	548,777

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial liabilities			
Financial liabilities at fair value through profit or loss:			
– Derivative financial liabilities (<i>Note 3.6</i>)	3,657	450	14,229
Financial liabilities measured at amortized cost:			
– Trade and notes payables (<i>Note 26</i>)	19,141,739	17,212,937	16,793,364
– Accruals and other payables (excluding non-financial liabilities) (<i>Note 27</i>)	43,328	76,167	176,863
– Lease liabilities (<i>Note 17</i>)	243,115	163,654	123,939
– Borrowings (<i>Note 25</i>)	2,010,814	2,690,485	2,154,922

20. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority.

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The Group

The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Gross deferred tax assets	816,901	732,547	563,572
Offsetting against deferred tax liabilities	(73,021)	(75,412)	(47,613)
Net deferred tax assets	743,880	657,135	515,959
Gross deferred tax liabilities	112,938	152,973	117,492
Offsetting against deferred tax assets	(73,021)	(75,412)	(47,613)
Net deferred tax liabilities	39,917	77,561	69,879

The movements in deferred tax assets and liabilities before offsetting are as follows:

(a) Deferred Tax Assets

	Impairment provisions and loss allowances	Unrealized profits	Estimated Liabilities	Fair Value Movements	Medium-Term and Long-Term Incentive Plans	Share-based payment expenses	Government grants	Lease Liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023	46,085	74,981	372,989	233	66,789	29,495	11,680	25,081	627,333
Credited/(debited) to profit or loss	1,905	(6,562)	68,228	19,008	(18,073)	26,544	23,101	6,796	120,947
Credited to equity	–	–	–	–	–	68,629	–	–	68,629
Changes in Consolidation Scope	(8)	–	–	–	–	–	–	–	(8)
At December 31, 2023	47,982	68,419	441,217	19,241	48,716	124,668	34,781	31,877	816,901
At January 1, 2024	47,982	68,419	441,217	19,241	48,716	124,668	34,781	31,877	816,901
Credited/(debited) to profit or loss	10,926	47,441	(139,689)	50,744	(23,669)	(37,684)	4,716	(4,721)	(91,936)
Credited to equity	–	–	–	–	–	7,582	–	–	7,582
At December 31, 2024	58,908	115,860	301,528	69,985	25,047	94,566	39,497	27,156	732,547
At January 1, 2025	58,908	115,860	301,528	69,985	25,047	94,566	39,497	27,156	732,547
Credited/(debited) to profit or loss	20,988	(53,224)	6,761	(33,867)	(11,904)	(64,786)	5,894	(9,057)	(139,195)
Debited to equity	–	–	–	–	–	(29,780)	–	–	(29,780)
At December 31, 2025	79,896	62,636	308,289	36,118	13,143	–	45,391	18,099	563,572

(b) Deferred Tax Liabilities

	Fair Value Movements	Right-of-Use Assets	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2023	111,667	24,674	136,341
(Credited)/debited to profit or loss	(29,601)	6,198	(23,403)
At December 31, 2023	82,066	30,872	112,938

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	Fair Value Movements	Right-of-Use Assets	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2024	82,066	30,872	112,938
Debited/(credited) to profit or loss	44,522	(4,487)	40,035
At December 31, 2024	126,588	26,385	152,973

	Fair Value Movements	Right-of-Use Assets	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2025	126,588	26,385	152,973
Credited to profit or loss	(27,217)	(8,264)	(35,481)
At December 31, 2025	99,371	18,121	117,492

(c) Deferred Tax Assets Not Recognized

The Group has not recognized deferred tax assets in respect of the items below, which were not likely to generate taxable profit:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deductible temporary differences	614,819	479,829	345,472

The Company

The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Gross deferred tax assets	49,604	38,270	12,223
Offsetting against deferred tax liabilities	(49,604)	(38,270)	(12,223)
Net deferred tax assets	—	—	—
Gross deferred tax liabilities	55,032	85,880	60,979
Offsetting against deferred tax assets	(49,604)	(38,270)	(12,223)
Net deferred tax liabilities	5,428	47,610	48,756

The movements in deferred tax assets and liabilities before offsetting are as follows:

(a) Deferred Tax Assets

	Medium-Term and Long-Term Incentive Plans	Impairment provisions and loss allowances	Share-based payment expenses	Lease Liabilities	Government grants	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023	8,718	164	7,726	—	2,928	19,536
Credited to profit or loss	3,416	90	6,349	7,589	2,635	20,079
Credited to equity	—	—	9,989	—	—	9,989
At December 31, 2023	12,134	254	24,064	7,589	5,563	49,604

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	Medium-Term and Long-Term Incentive Plans	Impairment provisions and loss allowances	Share-based payment expenses	Lease Liabilities	Government grants	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	12,134	254	24,064	7,589	5,563	49,604
Debited to profit or loss . . .	(6,367)	(155)	(11,070)	(1,689)	(232)	(19,513)
Credited to equity	—	—	8,179	—	—	8,179
At December 31, 2024 . . .	5,767	99	21,173	5,900	5,331	38,270

	Medium-Term and Long-Term Incentive Plans	Impairment provisions and loss allowances	Share-based payment expenses	Lease Liabilities	Government grants	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2025	5,767	99	21,173	5,900	5,331	38,270
(Debited)/credited to profit or loss	(2,637)	(64)	(15,541)	(1,941)	(232)	3,733
Debited to equity	—	—	(5,632)	—	—	(29,780)
At December 31, 2025 . . .	3,130	35	—	3,959	5,099	12,223

(b) Deferred Tax Liabilities

	Fair Value Movements	Right-of-Use Assets	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2023	5,852	—	5,852
Debited to profit or loss	41,726	7,454	49,180
At December 31, 2023	47,578	7,454	55,032

	Fair Value Movements	Right-of-Use Assets	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2024	47,578	7,454	55,032
Debited/(credited) to profit or loss	32,636	(1,788)	30,848
At December 31, 2024	80,214	5,666	85,880

	Fair Value Movements	Right-of-Use Assets	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2025	80,214	5,666	85,880
Credited to profit or loss	(23,112)	(1,789)	(24,901)
At December 31, 2025	57,102	3,877	60,979

(c) Deferred Tax Assets Not Recognized

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deductible temporary differences	1,654	1,523	2,957

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21. INVENTORIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	4,547,830	3,140,329	3,809,989
Work in progress	826,284	657,457	686,626
Finished goods	3,706,800	3,201,523	2,781,891
Consigned materials for processing	1,590,003	1,947,257	1,907,568
Less: provision for impairment	(227,566)	(283,207)	(283,176)
	<u>10,443,351</u>	<u>8,663,359</u>	<u>8,902,898</u>

- (i) The cost of inventories carried forward to the profit or loss during the year is mainly recognized as the cost of revenue. For the years ended December 31, 2023, 2024 and 2025, the cost of inventories carried forward to the cost of revenue amounted to approximately RMB46,765,049,000, RMB53,294,152,000 and RMB52,201,127,000, respectively.
- (ii) The provision for impairment of inventories recorded as cost of revenue during the years ended December 31, 2023, 2024 and 2025 were RMB227,566,000, RMB283,207,000 and RMB283,176,000, respectively.
- (iii) The written off of provisions for inventories during the years ended December 31, 2023, 2024 and 2025 were RMB194,999,000, RMB227,566,000 and RMB283,207,000, respectively.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	734	—	50,030
Less: provision for impairment	—	—	—
	<u>734</u>	<u>—</u>	<u>50,030</u>

22. TRADE RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	2,175,057	3,564,210	3,940,778
Less: credit loss allowance	(209,996)	(187,673)	(214,511)
	<u>1,965,061</u>	<u>3,376,537</u>	<u>3,726,267</u>

- (a) As at January 1, 2023, the carrying amounts of trade receivables from contracts with customers is amounting to RMB1,287,384,000 (net of expected credit loss amounting to RMB165,124,000).

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- (b) The Group grant credit terms to some customers ranging from 30 to 90 days from the date of billing or delivery of goods. The aging analysis of trade receivables based on revenue recognition date is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	2,068,197	3,487,265	3,874,155
1 to 2 years	43,530	26,070	10,608
2 to 3 years	6,824	28,887	16,106
Over 3 years	56,506	21,988	39,909
	<u>2,175,057</u>	<u>3,564,210</u>	<u>3,940,778</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	22,024	13,966	105,735
Less: credit loss allowance	(1,017)	(397)	(139)
	<u>21,007</u>	<u>13,569</u>	<u>105,596</u>

The aging analysis of trade receivables based on the date of revenue recognition is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	20,340	12,289	102,626
1 to 2 years	1,684	—	1,432
2 to 3 years	—	1,677	—
Over 3 years	—	—	1,677
	<u>22,024</u>	<u>13,966</u>	<u>105,735</u>

23. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current Prepayments:			
Prepayments for raw materials	110,156	347,302	599,242
Prepayments for operating expense	127,409	91,638	76,500
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	<u>237,565</u>	<u>438,940</u>	<u>696,739</u>

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	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other receivables:			
Tax refund receivables	690,413	1,160,539	512,945
Deposits	256,395	85,378	51,358
Advance to staff	5,263	5,872	6,256
Dividends receivable	2,714	—	—
Others	6,010	3,907	4,274
	<u>1,198,360</u>	<u>1,694,636</u>	<u>1,271,572</u>
Less: provision for impairment	<u>(59,567)</u>	<u>(37,074)</u>	<u>(26,056)</u>
	<u>1,138,793</u>	<u>1,657,562</u>	<u>1,245,516</u>
Other current assets:			
Deductible input VAT	435,510	154,339	1,233,216
Prepaid corporate income tax	31,673	59,969	99,910
Others	—	81,956	36,830
	<u>467,183</u>	<u>296,264</u>	<u>1,369,956</u>
Other non-current assets:			
Prepayments for non-current assets	<u>94,243</u>	<u>57,239</u>	<u>174,334</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current Prepayments:			
Prepayments for operating expense	8,786	10,609	9,962
[REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
	<u>8,786</u>	<u>10,609</u>	<u>30,959</u>
Other receivables:			
Due from subsidiaries	3,082,253	6,080,988	3,453,511
Deposits	7,696	6,568	5,947
Others	487	496	599
	<u>3,099,222</u>	<u>6,098,661</u>	<u>3,491,016</u>
Less: provision for impairment	<u>(1,654)</u>	<u>(1,523)</u>	<u>(2,957)</u>
	<u>3,097,568</u>	<u>6,097,138</u>	<u>3,488,059</u>
Other current assets:			
Deductible input VAT	—	15,629	30,745
Others	—	241,216	153,729
	<u>—</u>	<u>256,845</u>	<u>184,474</u>
Other non-current assets:			
Prepayments for non-current assets	<u>3,087</u>	<u>8,313</u>	<u>32,139</u>

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24. CASH AND CASH EQUIVALENTS, RESTRICTED CASH

(a) Cash and Cash Equivalents

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	12,598,683	12,216,169	11,740,361
Less: restricted cash (i)	(1,569,571)	(906,076)	(617,801)
Cash and cash equivalents	11,029,112	11,310,093	11,122,560

(i) As at December 31, 2023, the Group’s bank balances of approximately RMB1,198,597,000, RMB63,000,000, RMB15,582,000, RMB291,505,000, RMB361,000 and RMB526,000 were pledged as a guarantee for the bank acceptance notes, letter of guarantee, credit card, letter of credit, tax, and customs deposits, respectively.

As at December 31, 2024, the Group’s bank balances of approximately RMB624,145,000, RMB74,601,000, RMB5,255,000, RMB44,454,000, RMB321,000 and RMB157,300,000 were pledged as a guarantee for the bank acceptance notes, letter of guarantee, credit card, letter of credit, tax, and investment deposits, respectively.

As at December 31, 2025, the Group’s bank balances of approximately RMB495,320,000, RMB32,402,000, RMB40,628,000, RMB253,000 and RMB49,198,000 were pledged as a guarantee for the bank acceptance notes, letter of guarantee, letter of credit, tax and borrowings, respectively.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	6,148,104	4,258,299	4,213,457
Less: restricted cash	–	(164,287)	(25,385)
Cash and cash equivalents	6,148,104	4,094,012	4,188,072

(b) Cash and Bank Balances are denominated in:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	9,428,902	5,003,099	3,007,120
USD	1,972,399	6,481,077	5,653,663
EUR	34,265	57,060	60,698
HKD	28,371	15,610	2,489,018
AED	485,386	353,791	124,706
INR	34,225	68,927	45,417
ETB	158,669	37,711	30,654
BDT	383,806	80,012	173,150
ZAR	8,711	21,007	7,567
Others	63,949	97,875	148,368
	12,598,683	12,216,169	11,740,361

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The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	6,016,381	3,078,963	1,549,067
USD	131,723	1,179,336	198,400
HKD	–	–	2,465,923
EUR	–	–	67
	<u>6,148,104</u>	<u>4,258,299</u>	<u>4,213,457</u>

25. BORROWINGS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Secured			
Bank loans	1,500,000	2,151,765	1,860,000
Unsecured			
Bank loans	499,000	532,120	291,413
Interest payables	11,814	6,600	3,509
Less: current-portion for long-term borrowings . .	(252,121)	(249,165)	(15,959)
Less: short-term borrowings	(1,511,574)	(2,194,157)	(1,862,349)
	<u>247,119</u>	<u>247,163</u>	<u>276,614</u>

- (a) As at December 31, 2023, 2024 and 2025, the annual interest rate of short-term borrowings was ranged from 2.30% to 2.50%, 1.75% to 12.00% and 1.68% to 2.18%, respectively.

As at December 31, 2023, 2024 and 2025, the annual interest rate of long-term borrowings was 2.50%, ranged from 2.33% to 2.50% and ranged from 2.33% to 18.00%, respectively.

- (b) As at December 31, 2023, secured bank loans mainly included: borrowings with a principal equivalent to approximately RMB1,500,000,000 borrowed by a subsidiary of the Group were guaranteed by the Company.

As at December 31, 2024, secured bank loans mainly included: (i) borrowings with a principal equivalent to approximately RMB2,145,000,000 borrowed by a subsidiary of the Group were guaranteed by the Company; (ii) borrowings with a principal equivalent to approximately RMB6,765,000 guaranteed by Mr. Rezwanul Hoque, the CEO of Ismartu technology BD limited, which is one of the non-material subsidiaries of the Group.

As at December 31, 2025, secured bank loans mainly included: borrowings with a principal equivalent to approximately RMB1,860,000,000 borrowed by a subsidiary of the Group were guaranteed by the Company.

- (c) As at December 31, 2023, 2024 and 2025, the Group’s borrowings were repayable as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	1,763,695	2,443,322	1,878,308
Between 1 and 2 years	247,119	2,001	260,660
Between 2 and 5 years	–	245,162	15,954
	<u>2,010,814</u>	<u>2,690,485</u>	<u>2,154,922</u>

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(d) Fair value

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since either the interest payable on those borrowings is close to current market rates, or the borrowings are of a short-term nature.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Unsecured			
Bank loans	499,000	496,000	247,000
Interest payables	240	328	174
Less: current-portion for long-term borrowings . .	(252,121)	(249,165)	(2,000)
	<u>247,119</u>	<u>247,163</u>	<u>245,174</u>

26. TRADE AND NOTES PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	14,073,653	13,286,143	11,813,616
Notes payables	5,068,086	3,926,794	4,979,748
	<u>19,141,739</u>	<u>17,212,937</u>	<u>16,793,364</u>

An aging analysis of the trade payables based on the invoice date as at the end of the reporting period was as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	14,049,915	13,256,950	11,776,136
Over 1 year	23,738	29,193	37,480
	<u>14,073,653</u>	<u>13,286,143</u>	<u>11,813,616</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	1,012,776	547,996	877,597
Notes payables	—	558	114,913
	<u>1,012,776</u>	<u>548,554</u>	<u>992,510</u>

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An aging analysis of the trade payables based on the invoice date as at the end of the reporting period was as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	1,012,225	543,457	875,629
Over 1 year	551	4,539	1,968
	<u>1,012,776</u>	<u>547,996</u>	<u>877,597</u>

27. ACCRUALS AND OTHER PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, wages and benefits	1,157,136	996,945	1,164,249
Deposits payables	20,678	32,158	129,248
Dividends payables	–	22,259	17,636
Taxes other than income tax payables	231,859	191,724	209,979
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	22,650	21,750	24,609
	<u>1,432,323</u>	<u>1,264,836</u>	<u>1,551,091</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Due to subsidiaries	14,350,735	10,746,498	4,470,292
Salaries, wages and benefits	113,374	100,908	113,367
Deposits payables	2,100	4,180	2,120
Taxes other than income tax payables	83,491	4,914	6,870
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	9,704	7,016	7,150
	<u>14,559,404</u>	<u>10,863,516</u>	<u>4,605,169</u>

28. OTHER CURRENT AND NON-CURRENT LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other current liabilities			
Other tax to be recognized	26,555	29,007	31,856
Estimated liabilities (i)	3,157,785	1,429,600	1,546,482
	<u>3,184,340</u>	<u>1,458,607</u>	<u>1,578,338</u>

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	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other non-current liabilities			
Deferred income in relation to government grants	221,191	246,031	279,831
Long-term salaries, wages and bonuses	209,198	74,102	—
	<u>430,389</u>	<u>320,133</u>	<u>279,831</u>

- (i) Estimated liabilities mainly include the provisions for both the estimated warranty claims and patent royalty claims (Note 35).

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other current liabilities			
Other tax to be recognized	—	—	4
	—	—	4
	—	—	—

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other non-current liabilities			
Deferred income in relation to government grants	22,250	21,323	20,396
Long-term salaries, wages and bonuses	33,514	9,996	—
	<u>55,764</u>	<u>31,319</u>	<u>20,396</u>

29. SHARE CAPITAL

The Group and the Company

	Year ended December 31,					
	2023		2024		2025	
	Share capital	Number of shares	Share capital	Number of shares	Share capital	Number of shares
	RMB'000	'000	RMB'000	'000	RMB'000	'000
At the beginning of the year	803,950	803,950	806,565	806,565	1,140,351	1,140,351
Share issuance (i)	2,615	2,615	11,159	11,159	10,834	10,834
Conversion of capital reserve into share capital (ii)	—	—	322,627	322,627	—	—
At the end of the year	806,565	806,565	1,140,351	1,140,351	1,151,185	1,151,185

- (i) The newly issued shares are due to the exercise of restricted shares.
- (ii) The *Proposal on the 2023 Annual Profit Distribution and Capital Reserve Conversion into Share Capital* was approved at the 2023 Annual General Meeting of Shareholders on May 16, 2024. Pursuant to this meeting, the Company will convert capital reserve into share capital for all shareholders at a ratio of 4 shares for every 10 existing shares, with a total of 322,627,000 shares to be converted and issued.

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30. RESTRICTED SHARE INCENTIVE PLAN

Pursuant to the 2020 Restricted Share Incentive Plan approved at the interim shareholders’ meeting on June 29, 2020, the Company granted a total of 7,661,500 restricted shares to eligible participants, including an initial grant of 6,210,000 shares to 294 employees on July 3, 2020 at a grant price of RMB28.00 per share and a reserved grant of 1,451,500 shares to 134 employees on June 25, 2021 at a grant price of RMB26.24 per share. Under these schemes, the shares are vested based on the service conditions and performance conditions.

The initial grant portion of the 2020 Restricted Share Incentive Plan shall vest in accordance with the staged vesting periods commencing from the initial grant date: (i) 30% of the initial grant shall vest on a daily pro-rata basis from the first trading day following the 12-month anniversary of the grant date to the last trading day within the 24-month period from the grant date; (ii) 30% of the initial grant shall vest on a daily pro-rata basis from the first trading day following the 24-month anniversary of the grant date to the last trading day within the 36-month period from the grant date; and (iii) 40% of the initial grant shall vest on a daily pro-rata basis from the first trading day following the 36-month anniversary of the grant date to the last trading day within the 48-month period from the grant date.

The reserved grant portion of the 2020 Restricted Share Incentive Plan shall vest in accordance with the staged vesting periods commencing from the reserved grant date: (i) 50% of the total reserved shares shall vest on a daily pro-rata basis from the first trading day following the 12-month anniversary of the reserved grant date to the last trading day within the 24-month period from the reserved grant date; and (ii) 50% of the total reserved shares shall vest on a daily pro-rata basis from the first trading day following the 24-month anniversary of the reserved grant date to the last trading day within the 36-month period from the reserved grant date.

Pursuant to the 2022 Restricted Share Incentive Plan approved at the interim shareholders’ meeting on September 13, 2022, the Company granted a total of 17,180,500 restricted shares to eligible participants, including an initial grant of 13,750,500 shares to 926 employees on September 13, 2022 at a grant price of RMB50.00 per share and a reserved grant of 3,430,000 shares to 224 employees on September 7, 2023 at a grant price of RMB48.20 per share. Under these schemes, the shares are vested based on the service conditions and performance conditions.

The initial grant portion of the 2022 Restricted Share Incentive Plan shall vest in accordance with the staged vesting periods commencing from the initial grant date: (i) 50% of the initial grant shall vest on a daily pro-rata basis from the first trading day following the 24-month anniversary of the grant date to the last trading day within the 36-month period from the grant date; and (ii) 50% of the initial grant shall vest on a daily pro-rata basis from the first trading day following the 36-month anniversary of the grant date to the last trading day within the 48-month period from the grant date.

The reserved grant portion of the 2022 Restricted Share Incentive Plan shall vest in accordance with the staged vesting periods commencing from the reserved grant date: (i) 50% of the total reserved shares shall vest during the period commencing on the first trading day after 24 months from the initial grant date and ending on the last trading day within 36 months from the initial grant date; and (ii) 50% of the total reserved shares shall vest during the period commencing on the first trading day after 36 months from the initial grant date and ending on the last trading day within 48 months from the initial grant date.

The number of restricted shares granted to the Group’s incentive participants is summarized as follows:

	Year ended December 31,		
	2023	2024	2025
	'000	'000	'000
At the beginning of the year	16,609	17,181	11,263
Granted	3,430	—	—
Exercised	(2,615)	(11,159)	(10,834)
Lapsed	(243)	(1,630)	(429)
Impact of conversion of capital reserve into share capital	—	6,871	—
At the end of the year	17,181	11,263	—

The fair value of restricted shares was impacted by the closing price of the Company’s shares on the grant date, the time value of the options as well as other factors.

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The weighted average remaining contractual life of restricted shares outstanding as at December 31, 2023, 2024 and 2025 was 1.20 years, 0.70 years and nil, respectively.

The total expenses arising from share-based payments during the Track Record Period are recorded as part of employee benefit expenses (Note 9).

31. RETAINED EARNINGS

The Group

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	8,455,660	10,125,899	11,419,280
Profit for the year	5,537,045	5,548,950	2,580,637
Appropriations to statutory reserves	–	(125,348)	(5,417)
Dividends declared	(3,866,806)	(4,130,221)	(2,622,806)
At the end of the year	<u>10,125,899</u>	<u>11,419,280</u>	<u>11,371,694</u>

The Company

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	4,122,180	3,492,600	4,239,540
Profit for the year	3,237,226	5,002,509	4,752,701
Appropriations to statutory reserves	–	(125,348)	(5,417)
Dividends declared	(3,866,806)	(4,130,221)	(2,622,806)
At the end of the year	<u>3,492,600</u>	<u>4,239,540</u>	<u>6,364,018</u>

32. OTHER RESERVES

The Group

	Share premium	Statutory reserves	Other comprehensive income	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023	5,352,142	444,827	88,496	673,906	6,559,371
Capital injection	57,370	–	–	–	57,370
Currency translation differences	–	–	29,943	–	29,943
Share of other comprehensive loss of associates	–	–	(23,892)	–	(23,892)
Share-based payment scheme:					
– Share-based compensation expenses	–	–	–	324,216	324,216
– Exercise of restricted shares	229,881	–	–	(229,881)	–
– Others	–	–	–	68,628	68,628
Share of other changes in net assets of associates	–	–	–	98,094	98,094
Disposal of subsidiaries	16,199	–	–	–	16,199
Transaction with non-controlling interests	(7,187)	–	–	–	(7,187)
At December 31, 2023	<u>5,648,405</u>	<u>444,827</u>	<u>94,547</u>	<u>934,963</u>	<u>7,122,742</u>

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	Share premium	Statutory reserves	Other comprehensive income	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	5,648,405	444,827	94,547	934,963	7,122,742
Capital injection	325,214	–	–	–	325,214
Conversion of capital reserve into share capital (Note 29(ii))	(322,627)	–	–	–	(322,627)
Currency translation differences	–	–	38,332	–	38,332
Share of other comprehensive loss of associates	–	–	(8,360)	–	(8,360)
Share-based payment scheme:					
– Share-based compensation expenses	–	–	–	382,157	382,157
– Exercise of restricted shares	430,175	–	–	(430,175)	–
– Others	–	–	–	7,583	7,583
Appropriation to statutory reserves	–	125,348	–	–	125,348
Transaction with non-controlling interests	338	–	–	–	338
At December 31, 2024	6,081,505	570,175	124,519	894,528	7,670,727
At January 1, 2025	6,081,505	570,175	124,519	894,528	7,670,727
Capital injection	274,564	–	–	–	274,564
Currency translation differences	–	–	33,791	–	33,791
Share of other comprehensive loss of associates	–	–	(36,152)	–	(36,152)
Share-based payment scheme:					
– Share-based compensation expenses	–	–	–	134,521	134,521
– Exercise of restricted shares	465,293	–	–	(465,293)	–
– Others	–	–	–	(29,780)	(29,780)
Appropriation to statutory reserves	–	5,417	–	–	5,417
Share of other changes in net assets of associates	–	–	–	(49,353)	(49,353)
Transaction with non-controlling interests	(1,735)	–	–	–	(1,735)
At December 31, 2025	6,819,627	575,592	122,158	484,623	8,002,000

The Company

	Share premium	Statutory reserves	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023	5,398,753	444,827	57,778	5,901,358
Capital injection	57,370	–	–	57,370
Share-based payment scheme:				
– Share-based compensation expenses	–	–	49,009	49,009
– Exercise of restricted shares	63,885	–	(63,885)	–
– Others	203,515	–	12,776	216,291
At December 31, 2023	5,723,523	444,827	55,678	6,224,028

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	Share premium	Statutory reserves	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	5,723,523	444,827	55,678	6,224,028
Capital injection	325,214	–	–	325,214
Conversion of capital reserve into share capital (<i>Note 29(ii)</i>)	(322,627)	–	–	(322,627)
Share-based payment scheme:				
– Share-based compensation expenses	–	–	53,939	53,939
– Exercise of restricted shares	57,202	–	(57,202)	–
– Others	571,377	–	4,440	575,817
Appropriation to statutory reserves	–	125,348	–	125,348
At December 31, 2024	6,354,689	570,175	56,855	6,981,719
At January 1, 2025	6,354,689	570,175	56,855	6,981,719
Capital injection	274,564	–	–	274,564
Share-based payment scheme:				
- Share-based compensation expenses	–	–	12,548	12,548
– Exercise of restricted shares	69,403	–	(69,403)	–
– Others	399,610	–	–	399,610
Appropriation to statutory reserve	–	5,417	–	5,417
At December 31, 2025	7,098,266	575,592	–	7,673,858

33. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of Profit Before Income Tax to Net Cash Generated from Operations:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit before income tax	6,714,396	6,677,647	3,182,828
Adjustments for:			
Interest income	(303,984)	(319,638)	(294,162)
Finance cost	79,732	81,966	68,413
Depreciation and amortization of non-current assets	314,688	420,214	475,789
Net losses/(gains) on disposal of property, plant and equipment and other non-current assets	1,373	2,884	(3,789)
Net impairment losses/(reversals) on financial assets	79,659	(1,577)	27,236
Impairment provision for inventories	227,566	283,207	283,176
Share of loss/(profit) of associates, net	95,520	(57,832)	(141,066)
Fair value changes on financial instruments	68,159	156,724	20,673
Net foreign exchange differences	(3,583)	74,896	309,909
Share-based compensation expenses	324,216	382,157	134,521
Net gains on disposal of subsidiaries	–	(25,960)	–
Net losses on disposal of investments accounted for using the equity method	–	731	–
Net gains on financial instruments	–	(108,076)	(79,968)
Government grant in relation to assets	(17,675)	(24,596)	(36,456)
Net gains on disposal of financial instruments	(289,138)	(601,995)	(425,286)
Dividends of other equity investments	(1,212)	(2,683)	(3,665)
Change in working capital:			
Increase in receivables	(2,289,876)	(2,385,297)	(885,606)
Increase/(Decrease) in payables	11,899,378	(2,080,663)	(235,091)
(Increase)/Decrease in inventories	(4,587,052)	1,093,030	(522,716)
Cash generated from operations	12,312,167	3,565,139	1,874,740

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(b) Non-Cash Activities

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Additions of right-of-use assets by way of leasing liabilities	<u>124,619</u>	<u>61,862</u>	<u>71,612</u>

(c) Net Debt Reconciliation

	Bank borrowings	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2023	1,484,877	219,742	1,704,619
Financing cash flows	529,000	(74,180)	454,820
Interest paid	(56,926)	(12,697)	(69,623)
Interest accrued	53,863	12,697	66,560
Other non-cash movements	—	97,553	97,553
At December 31, 2023	2,010,814	243,115	2,253,929
At January 1, 2024	2,010,814	243,115	2,253,929
Financing cash flows	684,885	(85,345)	599,540
Interest paid	(66,222)	(11,431)	(77,653)
Interest accrued	61,008	11,431	72,439
Other non-cash movements	—	5,884	5,884
At December 31, 2024	2,690,485	163,654	2,854,139
At January 1, 2025	2,690,485	163,654	2,854,139
Financing cash flows	(535,039)	(82,677)	(617,716)
Interest paid	(55,511)	(7,646)	(63,157)
Interest accrued	54,987	7,646	62,633
Other non-cash movements	—	42,962	42,962
At December 31, 2025	2,154,922	123,939	2,278,861

34. DISPOSAL OF SUBSIDIARIES

The transaction of disposal of subsidiaries during the Track Record Period had no significant impact on the Group’s consolidated financial statements.

35. CONTINGENCIES AND COMMITMENTS

35.1 Contingencies

In 2025, Ericsson, InterDigital and LG have instituted proceedings against the Company and its relevant subsidiaries in courts in Europe, Asia and other regions on the grounds of patent infringement. They allege infringement of their patent rights, and claim remedies including injunction to cease the infringement, destruction of relevant products incorporating the patents-in-suit, and compensation for damages.

The Company has made provisions in respect of these lawsuits, and as of the date of this report, the above-mentioned cases are still under trial.

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35.2 Capital Commitments

The following shows the major capital commitments of the Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Property, plant and equipment commitments:			
– Contracted, but not provided for	404,296	306,120	210,328
Investment commitments:			
– Authorized, but not contracted	–	–	4,500
– Contracted, but not provided for	182,734	183,951	231,180
	587,030	490,071	446,008

36. RELATED PARTY TRANSACTIONS

(a) Parent Entity

Name	Place of incorporation	Ownership interest		
		As at December 31,		
		2023	2024	2025
Transsion Investment	Shenzhen, PRC	50.64%	49.15%	46.71%

The Company’s ultimate holding company is Transsion Investment and the ultimate controlling person is Mr. Zhu Zhaojiang.

(b) Name and Relationship with Related Parties

Related parties are those parties that have the ability, directly and indirectly, to control, jointly control or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related because they are subject to common control and common joint control in the controlling shareholder’s families. Members of key management and their close family member of the Group are also considered as related parties.

The directors of the Company are of the view that the following parties were significant related parties of the Group that had transactions or balances with the Group for the years ended December 31, 2023, 2024 and 2025:

Name of the related parties	Relationship with the Group
TRANSSNET TECHNOLOGY INC. (開曼群島) . . .	An associate of the Group
TRANSSION TECNO ELECTRONICS (PRIVATE) LIMITED (巴基斯坦)	An associate of the Group
Transread Technology Limited (傳閱科技有限公司) .	An associate of the Group (which was deregistered in May, 2024)
Ningbo Qianyi Navigation Tianquan Equity Investment Center (Limited Partnership) (寧波千意領航天權股權投資中心(有限合夥))	An associate of the Group
Shanghai Aficheng Technology Development Co., Ltd. (上海阿非程科技發展有限公司)	An associate of the Group
CLOUDVIEW TECHNOLOGY LIMITED (香港) . .	An associate of the Group
ZEBRA TECHNOLOGY LIMITED (開曼群島) . . .	An associate of the Group (which was disposed in October, 2024)
TRANSSNET FINTECH GROUP (開曼群島)	An associate of the Group
HIPPO DIGITAL MEDIA (HK) LIMITED (香港) . .	An associate of the Group

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Name of the related parties	Relationship with the Group
BOOMSING TECHNOLOGY LIMITED (開曼群島)	An associate of the Group
TRANSSNET MORE TECHNOLOGY LIMITED (開曼群島)	An associate of the Group
Shanghai Kawen Technology Co., Ltd. (上海咖聞科技有限公司)	An associate of the Group
ISMARTU INDIA PRIVATE LIMITED (印度)	An associate of the Group (which was once a subsidiary of the Group from January, 2022 to July, 2024 and became an associate of the Group since August, 2024)
ZEBRA TECHNOLOGY HOLDING LIMITED (香港)	A subsidiary of an associate of the Group (which was disposed in October, 2024)
PALMPAY LIMITED (尼日利亞)	A subsidiary of an associate of the Group
TRANSSNET FINANCIAL SERVICE LIMITED (香港) (Changed name to PALMPAY DIGITAL TECHNOLOGY (HONGKONG) LIMITED since 2023)	A subsidiary of an associate of the Group
TRANSSNET MICROFINANCE BANK LIMITED (尼日利亞)	A subsidiary of an associate of the Group
TRANSSNET (HK) LIMITED (香港)	A subsidiary of an associate of the Group
TRANSSNET MUSIC LIMITED (香港)	A subsidiary of an associate of the Group
TRANSSNET INTERNATIONAL LIMITED (英屬維爾京群島)	A subsidiary of an associate of the Group
TRANSSNET MORE (HK) LIMITED (香港)	A subsidiary of an associate of the Group
TRANSSNET MUSIC NIGERIA LIMITED (尼日利亞)	A subsidiary of an associate of the Group
BOOMSING (HK) LIMITED (香港)	A subsidiary of an associate of the Group
BOOM STUDIO LIMITED (香港)	A subsidiary of an associate of the Group
ONELOOP (PTE.) LIMITED (新加坡)	A subsidiary of an associate of the Group
Transsnet (Shenzhen) Limited (傳易互聯(深圳)有限公司)	A subsidiary of an associate of the Group
Transsnet More Technology (Beijing) Limited (北京傳易摩爾科技有限公司)	A subsidiary of an associate of the Group
Ease Gaming (Beijing) Limited (傳易互動遊戲科技(北京)有限公司)	A subsidiary of an associate of the Group
Transsnet MUSIC TECHNOLOGY (Shenzhen) LIMITED (傳易音樂科技(深圳)有限公司)	A subsidiary of an associate of the Group
TRANSSION TECNO MOTORS (PRIVATE) LIMITED (巴基斯坦)	A subsidiary of an associate of the Group
Transbyte (Shanghai) Limited (上海傳興科技有限公司)	A subsidiary of an associate of the Group (which was once a non-wholly owned subsidiary of the Group for the year ended December 31, 2023, became a subsidiary of an associate of the Group as at December 31, 2023)
Transbyte (Beijing) Limited (北京傳啟科技有限公司)	A subsidiary of an associate of the Group (which was once a non-wholly owned subsidiary of the Group for the year ended December 31, 2023, became a subsidiary of an associate of the Group as at December 31, 2023)
MOLE HK LIMITED (香港)	A subsidiary of an associate of the Group
COLORFUL POINT PTE. LTD. (新加坡)	A subsidiary of an associate of the Group
Pengbeishuke (Shenzhen) Co., Ltd. (澎貝數科(深圳)有限公司)	A subsidiary of an associate of the Group
TRANSSNET MUSIC TANZANIA LIMITED (坦桑尼亞)	A subsidiary of an associate of the Group

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Name of the related parties	Relationship with the Group
TRANSBYTE (HK) LIMITED (香港)	A subsidiary of an associate of the Group (which was once a non-wholly owned subsidiary of the Group for the year ended December 31, 2023, became a subsidiary of an associate of the Group as at December 31, 2023)
CloudView Technology Limited (成都雲覽科技有限公司)	A subsidiary of an associate of the Group
Shenzhen Yiwill HOLDINGS Limited (深圳易為控股有限公司)	An entity controlled by the ultimate controlling person
YIWILL DEVELOPMENT LIMITED (香港)	An entity controlled by the ultimate controlling person
ELIFE SYSTEMS LIMITED (坦桑尼亞)	An entity controlled by the ultimate controlling person
EGATEE GLOBAL LIMITED (香港)	An entity controlled by the ultimate controlling person
YIMEI NIGERIA LIMITED (尼日利亞)	An entity controlled by the ultimate controlling person
HYPHENLINK DEVELOPMENT HKTZ LIMITED (香港)	An entity controlled by the ultimate controlling person
MASAI MARA TECHNOLOGY LIMITED (開曼群島)	An entity controlled by the ultimate controlling person
VANLLI CONSTRUCTION NG LIMITED (尼日利亞)	An entity controlled by the ultimate controlling person
BANANA PHONE WORLD LIMITED (烏干達)	An entity controlled by the ultimate controlling person
Shenzhen Africa Teachnology Limited (深圳愛非利加科技有限公司)	An entity controlled by the ultimate controlling person
3C HUB BRAND MANAGEMENT LIMITED (尼日利亞)	An entity controlled by a joint venture of Shenzhen Yiwill HOLDINGS Limited
3C HUB INVESTMENT LIMITED (香港)	An entity controlled by a joint venture of Shenzhen Yiwill HOLDINGS Limited
MEDIA TEK INC. (中國臺灣)	A legal person indirectly holding more than 5% of the shares of the Company
Shenzhen Xinju Huineng Enterprise Management Consulting Partnership (Limited Partnership) (深圳市新炬匯能企業管理諮詢合夥企業(有限合夥))	Controlled by the key management personnel

The following transactions and balances were carried out between the Group and its related parties during the Track Record Period. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties. In addition to those disclosed elsewhere in the Historical Financial Information, the Group has the following transactions with related parties:

(c) Material Transactions with Related Parties

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Purchase of goods and services:			
Associates and its subsidiaries	11,885	2,098,027	4,192,405
Entities controlled by the ultimate controlling person	–	4,398	518
An entity controlled by a joint venture of Shenzhen Yiwill HOLDINGS Limited	2,851	2,825	16,869
	<u>14,736</u>	<u>2,105,250</u>	<u>4,209,792</u>

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	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sales of goods and rendering of services:			
Associates and its subsidiaries	1,649,563	2,834,983	2,045,733
Entities controlled by the ultimate controlling person	71,754	68,612	113,813
Entities controlled by the ultimate controlling person and Associates (including their subsidiaries) (i)	—	68	—
An entity controlled by a joint venture of Shenzhen Yiwill HOLDINGS Limited	247,004	213,936	166,316
	<u>1,968,321</u>	<u>3,117,599</u>	<u>2,325,862</u>

- (i) For the purpose of obtaining more favorable procurement prices, the Company jointly procured cloud services from cloud service providers together with the related parties. For the years 2023, 2024 and 2025, the amounts of cloud services procured by the Company on behalf of the related parties were RMB68,985,000, RMB29,214,000 and RMB13,330,000 respectively. In accordance with the revenue recognition policy under the applicable accounting standards, the Company recognized sales revenue on a net basis for these transactions.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Rental income:			
Associates and its subsidiaries	—	2,380	1,632
Entities controlled by the ultimate controlling person	368	117	—
An entity controlled by a joint venture of Shenzhen Yiwill HOLDINGS Limited	321	76	140
	<u>689</u>	<u>2,573</u>	<u>1,772</u>

Additionally, for the year ended December 31, 2023, the Company collected RMB12,000 from Shenzhen Yiwill HOLDINGS Limited (an entity controlled by the ultimate controlling person) for water and electricity fees. For the years ended December 31, 2024 and 2025, the Company collected RMB191,000 and RMB251,000 from Pengbeishuke (Shenzhen) Co., Ltd. (a subsidiary of an associate of the Group) for water and electricity fees.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Rental expenses:			
Associates and its subsidiaries	325	609	1,536
An entity controlled by a joint venture of Shenzhen Yiwill HOLDINGS Limited	70	30	21
	<u>395</u>	<u>639</u>	<u>1,557</u>

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Additionally, for the year ended December 31, 2024, the Company procured utilities (mainly water and electricity) from ISMARTU INDIA PRIVATE LIMITED (an associate of the Group) for RMB199,000.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Purchase of property, plant and equipment, and intangible assets:			
Associates and its subsidiaries	57,095	—	—
A subsidiary of an associate of the Group	—	—	2
An entity controlled by a joint venture of Shenzhen Yiwill HOLDINGS Limited	—	1,088	29
	<u>57,095</u>	<u>1,088</u>	<u>31</u>

Other Transactions with Related Parties

TRANSSION INVESTMENT LIMITED, one of the Company’s subsidiaries, entered into a convertible bond subscription agreement with TRANSSNET FINTECH GROUP, which is an associate of the Group, with a total principal amount of the bond being USD15,000,000, which was converted into RMB106,241,000 and recognized as other financial assets at fair value through profit or loss in 2023 (Note 3.6). And in 2025, the convertible bond (USD15,000,000, equivalent to RMB106,583,000) was fully converted into equity interests in TRANSSNET FINTECH GROUP.

TRANSSION INVESTMENT LIMITED entered into a convertible bond subscription agreement with TRANSSNET INTERNATIONAL LIMITED, which is a subsidiary of an associate of the Group, with a total principal amount of the bond being USD12,250,000 and USD25,000,000, which was converted into RMB86,763,000 and RMB177,722,000 and recognized as other financial assets at fair value through profit or loss in 2023 and 2024, respectively (Note 3.6). And in 2025, the convertible bond (USD37,250,000, equivalent to RMB264,485,000) was fully converted into equity interests in TRANSSNET MORE TECHNOLOGY LIMITED, which is an associate of the Group.

TRANSSION INVESTMENT LIMITED entered into a convertible bond subscription agreement with TRANSSNET INTERNATIONAL LIMITED, with a total principal amount of the bond being USD7,000,000, which was converted into RMB49,202,000 and recognized as other financial assets at fair value through profit or loss in 2025 (Note 3.6).

Shenzhen Xinju Huineng Enterprise Management Consulting Partnership (Limited Partnership), which is an entity controlled by the key management personnel, made an additional investment of RMB27,900,000 in Shenzhen Dynamic Energy Technology Co., Ltd., which is one of the Company’s subsidiaries, in 2025.

The Company borrowed RMB9,208,000 from TRANSSNET MORE (HK) LIMITED, which is a subsidiary of an associate of the Group in 2023; and RMB305,000 from TRANSSNET MUSIC LIMITED, which is a subsidiary of an associate of the Group in 2023.

(d) Balance with Related Parties

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables:			
Associates and its subsidiaries	366,998	163,467	174,436
Entities controlled by the ultimate controlling person	11,142	1,412	9,226
	<u>378,140</u>	<u>164,879</u>	<u>183,662</u>
Less: credit loss allowance	<u>(46,491)</u>	<u>(10,381)</u>	<u>(15,778)</u>
	<u>331,649</u>	<u>154,498</u>	<u>167,884</u>

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	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables:			
Associates and its subsidiaries	1,051	1,249,084	723,366
Entities controlled by the ultimate controlling person	—	559	—
Others	—	—	6
	<u>1,051</u>	<u>1,249,643</u>	<u>723,372</u>

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract liabilities:			
Associates and its subsidiaries	—	281	381
Entities controlled by the ultimate controlling person	1	489	16
An entity controlled by a joint venture of Shenzhen Yiwill HOLDINGS Limited	7,187	4,490	6,343
	<u>7,188</u>	<u>5,260</u>	<u>6,740</u>

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Accruals and other payables:			
Associates and its subsidiaries	—	6	704
	<u>—</u>	<u>—</u>	<u>—</u>

All the balances with the related parties are trade in natures.

(e) Key Management Compensation

Compensation of the key management personnel of the Group, including amounts paid to the Company’s directors and supervisors as disclosed in Note 9(a), was as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fees	360	360	360
Salaries, wages and bonuses	65,642	37,951	32,841
Housing fund, retirement and other benefits	653	722	776
Share-based compensation expenses	29,448	41,052	15,609
	<u>96,103</u>	<u>80,085</u>	<u>49,586</u>

As at December 31, 2023, 2024 and 2025, approximately RMB58,718,000, RMB31,257,000 and RMB9,115,000 of payroll payables which were unpaid as at year end are included in other payables and accruals. The share-based payments provided to key management personnel consist of restricted share incentive plan which are equity-settled, see Note 30.

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37. EVENTS AFTER THE REPORTING PERIOD

On March 27, 2026, a final dividend in respect of the year ended December 31, 2025 of RMB9.00 per 10 shares (tax inclusive) has been proposed by the Board of Directors. These financial statements do not reflect this dividend payable as it was not approved as at the balance sheet date. In addition, the Company has not adopted a formal dividend policy and has not determined any dividend payout ratio.

38. SUMMARY OF OTHER ACCOUNTING POLICIES

(1) Principles of Consolidation

The Historical Financial Information incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- the size of the Group’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

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Changes in the Group’s ownership interests in existing subsidiaries

Changes in the Group’s ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group’s and the non-controlling interests’ proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognized. A gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *IFRS 9* or, when applicable, the cost on initial recognition of an investment in an associate.

(2) Business Combinations

(i) Business Combination not Under Common Controls

The acquisition method of accounting is used to account for all business combinations (except for the business combinations under common controls), regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognized in profit or loss.

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(3) Separate Financial Statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment test of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount of the investee’s net assets including goodwill.

(4) Foreign Currencies

(i) *Functional and Presentation Currency*

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). Since the majority of the assets and operations of the Group are located in the PRC, the Historical Financial Information are presented in RMB, which is also the Company’s functional and the Group’s presentation currency.

(ii) *Transactions and Balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss on a net basis within other gains/(losses), net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVPL are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

(iii) *Group Companies*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position of the Group’s entities are translated at the closing rate at the end of the reporting period;
- income and expenses for each statement of profit or loss of the Group’s entities are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

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(5) Property, Plant and Equipment

The Group’s accounting policy for buildings and equipment is explained in Note 16. Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Construction in progress mainly represents buildings under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalized borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property and equipment when completed and ready for use.

(6) Impairment of Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life or are not yet available for use are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(7) Intangible assets

Software

Purchased software is stated at cost less any impairment losses and amortized on the straight-line basis over its estimated useful life.

(8) Financial Assets

(i) *Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

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For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

(ii) Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses), net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses), net in the period in which it arises.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group’s management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group’s right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of profit or loss as applicable.

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(iv) Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Details, please refer to credit risks in Note 3.2.

(9) Derivative Financial Instruments and Hedging Activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges),
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss and are included in other gains/(losses), net.

(10) Financial Liabilities

Financial liabilities are classified as financial liabilities at amortized cost and financial liabilities at FVPL at initial recognition.

Financial liabilities of the Group mainly comprise financial liabilities at amortized cost, including trade and note payables, other payables and accruals, borrowings and customer deposit. Such financial liabilities are initially recognized at fair value, net of transaction costs incurred, and subsequently measured using the effective interest method. Financial liabilities that are due within one year (inclusive) are classified as current liabilities; those with maturities over one year but are due within one year (inclusive) as from the balance sheet date are classified as current portion of non-current liabilities. Others are classified as non-current liabilities.

A financial liability is derecognized or partly derecognized when the underlying present obligation is discharged or partly discharged. The difference between the carrying amount of the derecognized part of the financial liability and the consideration paid is recognized in profit or loss for the current period.

(11) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost of inventories are determined on the first-in first-out method. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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(12) Trade Receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.2 for a description of the Group’s impairment policies.

(13) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(14) Share Capital and Capital Reserve

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(15) Provisions

Provisions for legal claims, service warranties and make good obligations are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

(16) Employee Benefits

(i) Short-Term Obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) Housing Funds, Medical Insurances and Other Social Insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group’s liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(iii) Post-Employment Benefits

The Group classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, the Group’s defined contribution plans mainly include basic pensions and unemployment insurance, while the defined benefit plans are certain overseas subsidiaries provide supplemental retirement benefits beyond the national regulatory insurance system.

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(iv) Basic Pensions

The Group’s employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to prescribed bases and percentage by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognized as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

(17) Share-Based Payments

Share-based payments can be distinguished into equity-settled share-based payments and cash-settled share-based payments. Equity-settled share-based payments are transactions of the Group settled through the payment of shares or other equity instruments in consideration for receiving services.

Equity-settled share-based payments made in exchange for services rendered by employees are measured at the fair value of equity instruments granted to employees. Instruments which are vested immediately upon the grant are charged to relevant costs or expenses at the fair value on the date of grant and the capital reserve is credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting the capital reserve accordingly at the fair value on the date of grant according to the best estimates conducted by the Group at each date of the end of the reporting period during the pending period. For details see Note 32.

No expense is recognized for awards that do not ultimately vest due to non-fulfillment of non-market conditions and/or vesting conditions. For the market or non-vesting condition under the share-based payments agreement, it should be treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that other performance condition and/or vesting conditions are satisfied.

Where the terms of an equity-settled share-based payment are modified, as a minimum, services obtained are recognized as if the terms had not been modified. In addition, an expense is recognized for any modification which increases the total fair value of the instrument granted or is otherwise beneficial to the employee as measured at the date of modification.

(18) Dividend Distribution

Dividend distribution to the shareholders is recognized as a liability in the Historical Financial Information in the period in which the dividends are approved by the entities’ shareholders or directors, where appropriate.

(19) Interest Income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets. Interest income on financial assets at amortized cost and financial assets at FVOCI calculated using the effective interest method is recognized in profit or loss as part of other income.

Interest income from financial instruments is calculated by effective interest method and recognized in profit or loss for the current period. Interest income comprises premiums or discounts, or the amortization based on effective rates of other difference between the initial carrying amount and the due amount of interest-earning assets.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and the interest income or interest costs based on effective rates. The effective interest rate is the rate at which the estimated future cash flows during the period of expected duration of the financial instruments or applicable shorter period are discounted to the current carrying amount of the financial instruments. When calculating the effective interest rate, the Group estimates cash flows by considering all contractual terms of the financial instrument (e.g., early repayment options, similar options, etc.), but without considering future credit losses. The calculation includes all fees and interest paid or received that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest income from impaired financial assets is calculated at the interest rate that is used for discounting estimated future cash flow when measuring the impairment loss.

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(20) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(21) Government Grant

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

(22) Current and Deferred Income Tax

The income tax expense or credit for the period is the tax payable on the current period’s taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(ii) Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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ACCOUNTANTS’ REPORT

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognized due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modification, that are not subject to initial recognition exemption are recognized on the date of remeasurement or modification.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

(23) Leases

(i) Definition of a Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

(ii) The Group as a Lessee

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

Short-Term Leases and Leases of Low-Value Assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

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ACCOUNTANTS’ REPORT

Right-of-Use Assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

For payments of a property interest which includes both leasehold land and building elements, the entire property is presented as property, plant and equipment of the Group when the payments cannot be allocated reliably between the leasehold land and building elements, except for those that are classified and accounted for as investment properties.

Land leases are also in the scope of IFRS 16. The Group recognizes any prepaid premium for leasehold lands as right-of-use assets which are depreciated over the relevant lease terms.

Refundable rental deposits paid are account under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease Liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option;

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- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option; and
- lease payments to be made under reasonably certain extension options are also included in the measurement of lease liabilities.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item in the consolidated statement of financial position.

(iii) The Group as a Lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognized as an expense on a straight-line basis over the lease term.

Refundable rental deposits received are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2025 and up to the date of this report.

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

This appendix mainly provides [REDACTED] with an overview of the Articles of Association. As the following information is in summary form, it does not contain all the information that may be important to [REDACTED].

ISSUANCE OF SHARES

The issuance of the Company’s shares shall follow the principles of openness, fairness and justice, and each share of the same class shall have the same rights. Shares of the same class issued at the same time shall be issued on the same terms and at the same price, and the same price shall be paid for each share subscribed by any subscriber.

INCREASE, REDUCTION, REPURCHASE AND TRANSFER OF SHARES

Increase and Reduction of Shares

In light of the Company’s operational and developmental needs, the Company may increase its registered capital in accordance with the laws and regulations and subject to a resolution of the general meeting, by any of the following methods:

- (I) issuance of shares to non-specific targets;
- (II) issuance of shares to specific targets;
- (III) distribution of bonus shares to existing shareholders;
- (IV) conversion of reserve to increase share capital;
- (V) any other methods stipulated by laws, administrative regulations and the securities regulatory authorities of the place where the Company’s shares are listed.

The Company shall reduce its registered capital in accordance with the procedures stipulated in the Company Law and other relevant regulations as well as the Articles of Association.

Repurchase of Shares

The Company may purchase its own shares in accordance with laws, administrative regulations, departmental rules and the Articles of Association under any of the following circumstances:

- (I) to reduce the registered capital of the Company;
- (II) to merge with another company holding shares of the Company;
- (III) to use the shares for employee stock ownership plans or equity incentives;

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SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (IV) where shareholders request the Company to purchase their shares due to their dissent against resolutions of the general meeting on the Company’s merger or division;
- (V) to use the shares for the conversion of corporate bonds convertible into shares issued by the Company;
- (VI) where necessary for safeguarding the Company’s value and shareholders’ equity;
- (VII) other circumstances permitted by the laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company’s shares are listed.

The Company may purchase its own shares through public centralized trading, or through other means recognized by the laws, regulations, the securities regulatory authorities of the place and the stock exchange where the Company’s shares are listed.

Where the purchases of the Company’s shares under any of the circumstances specified in aforesaid items (III), (V) and (VI), centralized trading shall be adopted publicly.

Where the purchases of the Company’s shares under any of the circumstances specified in aforesaid items (I) and (II), it shall be subject to a resolution of the general meeting. Where the purchases of the Company’s shares under any of the circumstances specified in aforesaid items (III), (V) and (VI), it shall be subject to a resolution of a Board meeting attended by two-thirds or more of the directors.

After the Company purchasing its own shares pursuant to the provisions above, such shares shall be canceled within 10 days from the date of purchase under the circumstance as described in item (I); such shares shall be either transferred or canceled within 6 months under the circumstances as described in items (II) and (IV); the aggregate number of shares it holds shall not exceed 10% of the total shares in issue of the Company and such shares shall be transferred or canceled within three years under the circumstances as described in items (III), (V) and (VI).

Transfer of Shares

Shares already issued by the Company before the public offering of A Shares shall not be transferred within 1 year from the date on which the A Shares of the Company are traded on the Shanghai Stock Exchange.

The directors, senior management members of the Company shall declare to the Company the number of shares held by them and the relevant changes, and the number of shares transferred each year during their term of office as determined at the time of taking office shall not exceed 25% of the total number of shares of the Company under the same class held by them. The shares of the Company held by them shall not be transferred within 1 year from the listing and trading date of the shares of the Company. The shares of the Company held by the persons above shall not be transferred within half a year from the date of his/her resignation.

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SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Where there are other provisions in the securities regulatory rules of the place where the Company’s shares are listed in respect of the restrictions on the transfer of shares of the Company, relevant parties shall also comply with such provisions.

If any of the Company’s directors, senior management members or shareholders holding more than 5% of the Company’s shares (other than Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited), sells the shares or other securities with an equity nature of the Company held by him/her within six months after buying the same, or buys shares or securities within six months after selling the same, the earnings therefrom shall belong to the Company and be taken back by the Board of the Company. However, where a securities company holds more than 5% of the Company’s shares as a result of purchase of the remaining shares after underwriting and offering and under other circumstances otherwise stipulated by the securities regulatory rules of the place where the Company’s shares are listed, such taking back by the Company shall be exempted.

Shares or other securities with an equity nature held by directors, senior management members and individual shareholders as mentioned in the preceding paragraph include shares or other securities with an equity nature held by their spouses, parents, children and through other people’s accounts.

If the Board of the Company fails to implement in accordance with the above provisions of this Article, shareholders are entitled to request the Board to implement within 30 days. If the Board of the Company fails to implement within the aforesaid time limit, shareholders are entitled to initiate legal proceedings directly in the people’s court in their personal capacity for the interest of the Company.

If the Board of the Company fails to implement in accordance with the above provisions of this Article, the directors responsible shall bear joint liabilities in accordance with the law.

SHAREHOLDERS AND GENERAL MEETING

Shareholders

The Company shall establish a register of members based on the certificates provided by the securities registration and clearing institution of the place where the Company’s shares are listed. The register of members shall be sufficient evidence proving the shareholders’ holding of the Company’s shares. The original register of members of H Shares [REDACTED] in Hong Kong shall be maintained in Hong Kong and available for inspection by shareholders, whilst the Company may close the register of members in accordance with the provisions of applicable laws and regulations and the securities regulatory rules of the place where the Company’s shares are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares held by him/her. Shareholders who hold shares of the same class shall enjoy equal rights and assume equal obligations.

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SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

In the event that any shareholder whose name is recorded in or any person who requests to have its name entered in the H Share register loses his/her share certificate(s), he/she may apply to the Company for replacement of new share certificate(s) in respect thereof. Where a shareholder of overseas listed foreign shares loses his/her share certificate(s) and applies for replacement, such application shall be dealt with in accordance with the laws, rules of the stock exchange or other relevant regulations of the place where the original register of members of overseas listed foreign shares is maintained.

Shareholders of the Company shall enjoy the following rights:

- (I) the right to receive dividends and other forms of distribution of benefits in proportion to the number of shares held by them;
- (II) the right to request to hold, convene, preside over, attend or appoint proxy(ies) to attend the general meeting and to exercise the corresponding right to vote according to law;
- (III) the right to supervise, present proposals or raise enquiries in respect of the Company's operations;
- (IV) the right to transfer, give as a gift or pledge the shares they hold in accordance with laws, administrative regulations and the Articles of Association;
- (V) the right to inspect and replicate the articles of association, register of members, minutes of the general meetings, resolutions of the Board meetings and financial and accounting reports of the Company and its wholly-owned subsidiaries. Shareholders who have individually or jointly held more than 3% of the Company's shares for more than 180 consecutive days may request to inspect the accounting books and vouchers of the Company and its wholly-owned subsidiaries;
- (VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held by them;
- (VII) shareholders who object to resolutions of merger or division made by the general meeting may request the Company to purchase the shares they hold;
- (VIII) other rights provided for by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The Articles of Association, resolutions of the general meeting or resolutions of the Board meeting shall be in compliance with laws and regulations, and shall not deprive or restrict the legal rights of shareholders. The Company shall protect the legitimate rights of shareholders and ensure they are treated fairly.

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SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Where a shareholder requests to inspect or replicate the information mentioned in the previous article or request any materials, he or she shall comply with the requirements of laws and administrative regulations such as the Company Law and the Securities Law, as well as the securities regulatory rules of the place where the Company's shares are listed, and shall provide the Company with written documents evidencing the class and number of shares in the Company they hold. Upon verification of the shareholder's identity, the Company shall provide information as requested by such shareholder.

A resolution of the general meeting or the Board meeting may be declared void by the people's court upon application from shareholders if the content contravenes the laws or administrative regulations.

If the convening procedure or voting method of a general meeting or a Board meeting contravenes the laws, administrative regulations or the Articles of Association, or if the contents of the resolutions of such meetings contravene the Articles of Association, the shareholders shall have the right to apply to the people's court to revoke the resolution within 60 days from passing of the resolution, except where the convening procedures or voting method of a general meeting or a Board meeting has only minor defect which does not have a substantial impact on the resolution.

Where the relevant parties such as the Board, the shareholders etc. dispute over the validity of resolution passed by the general meeting, they shall promptly file a lawsuit with a people's court. Before the people's court makes a judgment or ruling on revocation of the resolution, the relevant parties shall implement the resolution passed by the general meeting. The Company, its directors and senior management members shall perform their duties pragmatically and ensure normal operations of the Company.

Where a director or senior management member other than a member of the Audit Committee violates the provisions of the laws, administrative regulations or the Articles of Association in the course of performing his/her duties and causes losses to the Company, the shareholders individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days shall have the right to request the Audit Committee in writing to initiate legal proceedings in the people's court; where the member of the Audit Committee violates the provisions of the laws, administrative regulations or the Articles of Association in the course of performing his/her duties and causes losses to the Company, the aforesaid shareholders shall have the right to request the Board in writing to initiate legal proceedings in the people's court.

Upon receipt of the written request made by the shareholders as stipulated in the preceding paragraph, where the Audit Committee and the Board refuse to file a lawsuit or fail to file a lawsuit within 30 days from receipt of such request, or under urgent circumstances that failure in filing a lawsuit immediately will cause irreparable damage to the interests of the Company, the aforesaid shareholders shall have the right to file a lawsuit to the people's court directly in their own names for the benefits of the Company.

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SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

In the event that any person infringes the legitimate interests of the Company and causes losses thereto, shareholders under the Articles of Association may file a lawsuit to the people's court in accordance with the two preceding paragraphs.

If a director or senior management member violates the provisions of the laws, administrative regulations or the Articles of Association, thereby damaging the interests of shareholders, the shareholders may initiate legal proceedings in the people's court.

The shareholders of the Company shall assume the following obligations:

- (I) to comply with laws, administrative regulations and the Articles of Association;
- (II) to pay the share subscription monies based on the shares subscribed for by them and the method of acquiring such shares;
- (III) not to withdraw their share capital unless prescribed otherwise in laws and regulations;
- (IV) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity and the limited liability of shareholders to harm the interests of the Company's creditors;
- (V) other obligations required by the laws, administrative regulations and the Articles of Association.

Any shareholder of the Company who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with laws; any shareholder of the Company who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and causes severe harms to the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

Where a shareholder commits any of the acts as mentioned in the preceding paragraph by using two or more companies under its control, each company shall be jointly and severally liable for the debts of any company.

General Requirements of General Meeting

The general meeting of the Company is composed of all shareholders. The general meeting is the body of power of the Company which exercises the following functions and powers according to law:

- (I) to elect and replace the directors and to decide on matters relating to the remuneration of directors;

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SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (II) to consider and approve the reports of the Board;
- (III) to consider and approve the Company’s profit distribution plan and plan for recovery of losses;
- (IV) to resolve on the increase or reduction of the Company’s registered capital;
- (V) to resolve on issuance of corporate bonds;
- (VI) to resolve on the merger, division, dissolution, liquidation or changing the form of the Company;
- (VII) to amend the Articles of Association;
- (VIII) to resolve on the Company’s appointments and dismissals of accounting firms that undertake the auditing of the Company and to determine their remunerations;
- (IX) to consider and approve the guarantees provided in Article 47 of the Articles of Association;
- (X) to consider the purchase or sale of assets by the Company involving total assets or transaction values exceeding 30% of the Company’s latest audited total assets when calculated cumulatively over a consecutive 12-month period;
- (XI) to consider the equity incentive plans and employee stock ownership plans;
- (XII) to consider and approve changes in the use of proceeds;
- (XIII) to consider any transaction between the Company and a related party with a transaction amount (other than the provision of guarantees) representing more than 1% of the Company’s latest audited total assets or market value and exceeding RMB30 million;

Where the Company establishes a company with related parties and its capital contribution meets the threshold stipulated above, if all contributing parties provide capital exclusively in cash and their respective equity stakes in the established company are determined proportionally based on their capital contributions, submission for general meeting approval may be exempted;

- (XIV) to consider any transaction of the Company that meets any one of the following criteria or that should be submitted to the general meeting for consideration under the Listing Rules of the Hong Kong Stock Exchange, except for other transactions as otherwise provided in this Article (other than the provision of guarantees and financial assistance):
 - 1. the total assets in respect of the transaction (the higher of the carrying amount and the appraisal value) account for more than 50% of the audited total assets of the listed company in its latest period;

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SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

2. the transaction amount accounts for more than 50% of the market value of the listed company;
 3. the net assets of the transaction target (such as equities) for the latest accounting year account for more than 50% of the market value of the listed company;
 4. the revenue related to the transaction target (such as equities) for the latest accounting year accounts for more than 50% of the audited revenue of the listed company in its latest accounting year, and exceeds RMB50 million;
 5. the profits generated from the transaction account for more than 50% of the audited net profits of the listed company in its latest accounting year, and exceed RMB5 million;
 6. the net profits related to the transaction target (such as equities) for the latest accounting year account for more than 50% of the audited net profits of the listed company in its latest accounting year, and exceed RMB5 million.
- (XV) to consider any borrowing (loan) of the Company with the cumulative amount over a consecutive 12-month period reaching or exceeding 50% of the absolute value of the Company’s audited total assets in its latest accounting year;
- (XVI) to consider the financial assistance provided by the Company that meets any of the following criteria:
1. a single financial assistance amount exceeds 10% of the Company’s latest audited net assets;
 2. the latest financial statements of the recipient show that its asset-liability ratio exceeds 70%;
 3. the cumulative amount of financial assistance in the latest 12 months exceeds 10% of the Company’s latest audited net assets;
 4. being financial assistance provided to a related investee company not controlled by the controlling shareholder or de facto controller of the Company and that other shareholders of the investee company also provide such financial assistance under the same conditions in proportion to their capital contribution;
 5. other circumstances specified by the securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association.

APPENDIX III

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(XVII) to consider foreign exchange derivative transactions of the Company that fall into any of the following circumstances:

1. the upper limit of the transaction margin and royalties expected to be used (including the value of the collateral provided for the transaction, the expected credit limit of the financial institution, the margin reserved for emergency measures, etc., the same below) accounts for more than 50% of the latest audited net profits of the Company, and the absolute amount exceeds RMB5 million;
2. the highest contract value held on any trading day is projected to account for more than 50% of the latest audited net assets of the Company, and the absolute amount shall exceed RMB50 million;
3. the Company engages in futures and derivatives transactions that are not conducted for hedging purposes.

(XVIII) to consider all transactions where the percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules of the Hong Kong Stock Exchange relating to percentage ratios are not less than 25% (including one-off transactions and a series of transactions which require combined percentage ratio calculation) and related transactions where the percentage ratios are not less than 5% (including one-off transactions and a series of transactions which require combined percentage ratio calculation);

(XIX) to consider other matters on which decisions shall be made by the general meeting as required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares are listed or the Articles of Association.

The following external guarantees of the Company shall be subject to consideration and approval at the general meeting after being considered and approved by the Board:

- (I) a single guarantee the amount of which exceeds 10% of the latest audited net assets of the Company;
- (II) any guarantee provided after the total amounts of the external guarantees provided by the Company and its holding subsidiaries exceeds 50% of the latest audited net assets of the Company;
- (III) a guarantee provided to a guaranteed party whose asset-liability ratio exceeds 70%;
- (IV) any guarantee provided after the total amounts of the external guarantees provided by the Company and its holding subsidiaries exceeds 30% of the latest audited total assets;

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- (V) any guarantee exceeding 30% of the latest audited total assets of the Company in accordance with the principle of cumulative calculation of the guarantee amount for 12 consecutive months;
- (VI) any guarantees to be provided for shareholders, de facto controllers and their related parties;
- (VII) other guarantees as required by the laws, regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Where the Company provides guarantees for a wholly-owned subsidiary, or provides guarantees for a holding subsidiary, and the other shareholders of the holding subsidiary provide an equivalent guarantee, which is not detrimental to the interests of the Company, in proportion to the interests held by them, it shall not be submitted to the general meeting for consideration in respect of the circumstances as described in the aforesaid items (I) to (III). The Company shall summarize the disclosure of the aforesaid guarantees in the annual report and the interim report.

If a general meeting or a Board meeting makes a resolution on external guarantees in violation of the provisions of the Articles of Association on the approval authorities or approval procedures for external guarantees, and if the Company has suffered any loss arising therefrom, any shareholder or director bearing the relevant liabilities shall be liable for compensation.

The general meetings are classified into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within six months after the end of the previous accounting year.

In any of the following circumstances, the Company shall convene an extraordinary general meeting within 2 months from the date upon which the circumstance occurs:

- (I) when the number of directors falls short of the number specified in the Company Law or is less than two-thirds of the number specified in the Articles of Association;
- (II) when the unrecovered losses of the Company amount to one-third of the total share capital;
- (III) when requested by shareholders who individually or jointly hold more than 10% of the shares of the Company;
- (IV) when the Board deems necessary;
- (V) when proposed by the Audit Committee;
- (VI) other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

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SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

The Convening of General Meetings

Subject to the consent of more than half of all the independent directors, the independent directors have the right to propose to the Board to convene an extraordinary general meeting. With regard to the proposal made by the independent directors for convening an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations and the Articles of Association, provide a written response indicating whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal. Where the Board agrees to convene an extraordinary general meeting, a notice in relation to the convening of a general meeting shall be issued within 5 days after the resolution of the Board is made. Where the Board does not agree to convene an extraordinary general meeting, it shall provide reasons and make an announcement.

The Audit Committee has the right to propose to the Board to convene an extraordinary general meeting and shall make such proposal to the Board in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, provide a written response indicating whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal. Where the Board agrees to convene an extraordinary general meeting, a notice in relation to the convening of a general meeting shall be issued within 5 days after the resolution of the Board is made. If the proposal contained in the original notice is changed, approval of the Audit Committee shall be sought. If the Board does not agree to convene the extraordinary general meeting or fails to give its response within 10 days of receiving the proposal, the Board shall be deemed to be unable or to have failed to perform its duty in convening a general meeting, and instead the Audit Committee may convene and preside over the general meeting on its own.

Shareholders who individually or collectively hold more than 10% of the shares of the Company have the rights to propose to the Board to convene an extraordinary general meeting and shall make such proposal to the Board in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, provide a written response indicating whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal. Where the Board agrees to convene an extraordinary general meeting, a notice in relation to the convening of a general meeting shall be issued within 5 days after the resolution of the Board is made. If the proposal contained in the original notice is changed, approval of the relevant shareholders shall be sought. If the Board does not agree to convene the extraordinary general meeting or fails to give its response within 10 days of receiving the proposal, shareholders who individually or collectively hold more than 10% of the shares of the Company may propose to the Audit Committee to convene an extraordinary general meeting and shall make such proposal to the Audit Committee in writing. Where the Audit Committee agrees to convene an extraordinary general meeting, a notice in relation to the convening of a general meeting shall be issued within 5 days upon receipt of the proposal. If the proposal contained in the original notice is changed, approval of the relevant shareholders shall be sought. If the Audit Committee fails to issue a notice of the general meeting within the prescribed period, it shall be deemed not to convene and preside over general meeting. Shareholders who individually or collectively hold more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on their own.

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The Audit Committee or shareholders shall notify the Board in writing if they decide to convene the general meeting on their own and complete the necessary reports or announcements in accordance with the securities regulatory rules and the provisions of the stock exchange of the place where the Company's shares are listed. Shareholders convening the general meeting shall hold no less than 10% of the shares of the Company prior to any resolution passed at the general meeting.

The Audit Committee or convening shareholders shall complete the necessary report or announcement in accordance with the securities regulatory rules and the provisions of the stock exchange of the place where the Company's shares are listed when issuing the notice of general meeting and the announcement of resolutions of general meeting. For general meetings convened by the Audit Committee or shareholders on their own, the Board and the secretary to the Board shall work in a cooperative manner. The Board will provide a register of members as at the date of shareholding registration.

The necessary expenses for a general meeting convened by the Audit Committee or shareholders on their own shall be borne by the Company.

Proposals and Notices of General Meetings

The content of the proposal shall fall within the scope of power of the general meeting, have clear topics and specific resolutions, and comply with the relevant provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

When the Company convenes a general meeting, the Board, the Audit Committee and shareholders who individually or collectively hold more than 1% of the shares of the Company shall have the right to put forward proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the shares of the Company may put forward temporary proposals and submit them to the convener in writing 10 days before the general meeting. The convener shall, issue a supplementary notice of the general meeting announcing the contents of the temporary proposal, within 2 days after receiving the proposal and submit the temporary proposals to the general meeting for consideration, except for the temporary proposals that violate the laws, administrative regulations or the provisions of the Articles of Association, or are not fall within the duties of the general meeting. If the general meeting is postponed due to the publication of supplementary notice of the general meeting in accordance with the provisions of the securities regulatory rules of the place where the Company's shares are listed, the convening of the general meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the Company's shares are listed.

Except as provided above, the convener shall not modify the proposals listed in the notice of general meeting or add new proposals after sending the notice of general meeting.

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If the proposal is not specified in the notice of general meeting or does not comply with provisions of the Articles of Association, the general meeting shall not vote and make a resolution.

The convener shall notify each shareholder in writing (including announcement) 21 days before the annual general meeting, and the extraordinary general meeting shall notify each shareholder in writing (including announcement) 15 days before the meeting.

The notice of a general meeting includes the following:

- (I) The time, place and duration of the meeting;
- (II) The matters and proposals to be discussed at the meeting;
- (III) The shareholding registration date of the shareholders entitled to attend the general meeting;
- (IV) In plain language: all shareholders have the right to attend the general meeting, and may entrust a proxy in writing to attend the meeting and vote. Such a proxy does not need to be a shareholder of the Company;
- (V) Name and telephone number of the permanent contact person for conference affairs;
- (VI) Voting time and voting procedure for networks or other means.

All the specific contents of the proposals shall be fully and completely disclosed in the notice and supplementary notice of the general meeting. Where matters to be discussed require the independent directors to express their views, the opinions and reasons of the independent directors shall be disclosed simultaneously with the issuance of the notice or supplementary notice of the general meeting.

The start time of voting by network or other means at the general meeting shall not be earlier than 3:00 p.m. on the day before the on-site general meeting, nor later than 9:30 a.m. on the day of the on-site general meeting, and the end time shall not be earlier than 3:00 p.m. on the day of the on-site general meeting.

The interval between the shareholding registration date and the date of the meeting shall be no more than 7 working days. The shareholding registration date shall not be changed once confirmed.

If the election of directors is to be discussed at the general meeting, the notice of the general meeting shall fully disclose the detailed information of the candidates for directors, including at least the following contents:

- (I) Education background, work experience, part-time job and other personal information;

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- (II) Whether there is any relationship with the Company or its directors, senior management, shareholders holding more than 5% of the shares and de facto controller;
- (III) The number of shares held in the Company;
- (IV) Whether they have been punished by the securities regulatory authority of the place where the Company's shares are listed and other relevant departments and punished by stock exchanges;
- (V) Whether they possess the qualifications required by the laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association; and
- (VI) Other information required to be disclosed by the securities regulatory authority of the place and stock exchange where the Company's shares are listed.

Except for the election of Directors by cumulative voting system, each candidate for Director shall submit a single proposal.

After the notice of the general meeting has been given, the general meeting shall not be postponed or canceled without justifiable reasons, and the proposals specified in the notice of the general meeting shall not be canceled. In case of postponement or cancelation, the convener shall send a notice at least 2 working days before the scheduled date and explain the reasons.

Where the securities regulatory rules of the place where the Company's shares are listed have special provisions on the procedures for postponing or canceling the general meeting, such provisions shall prevail on the premise of not violating the domestic regulatory requirements.

Holding of General Meetings

All shareholders who are lawfully registered as at the date of shareholding registration in accordance with the securities regulatory rules of the place where the Company's shares are listed, or their proxies, shall be entitled to attend the general meeting and exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association (unless individual shareholders are required to waive their voting rights on certain matters under the securities regulatory rules of the place where the Company's shares are listed) and to speak at the general meeting.

A shareholder may attend and vote at the general meeting in person or by proxy (who does not need to be a shareholder of the Company).

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Individual shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or documents that can verify their identity; proxies attending the meeting shall present their valid identity cards and the power of attorney from the shareholder. If the shareholder is a recognized clearing house (or its agent) as defined in the relevant laws and regulations in force from time to time under the laws of Hong Kong, it may authorize its corporate representatives or one or more persons it deems appropriate to act as its proxies at any general meeting. However, if more than one person is authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. The power of attorney shall be signed by a person authorized by the recognized clearing house. A person so authorized may attend meetings on behalf of the recognized clearing house (or its agent) (without presenting notarized authorization and/or further evidence to prove they have obtained official authorization) and shall enjoy the same statutory rights as other shareholders, including the right to speak and exercise rights at the meeting as if the person is an individual shareholder of the Company.

Corporate shareholders shall be represented at the meeting by the legal representative or a proxy authorized by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the legal representative; proxies attending the meeting shall present their personal identity cards, the written power of attorney legally issued by the legal representative of the corporate shareholder.

Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or several person(s) (who may not be a shareholder) to act as his/her/its proxy(ies) to attend and vote at the meeting on his/her/its behalf. The power of attorney issued by a shareholder to appoint a proxy to attend a general meeting shall specify:

- (I) the name of the appointor, as well as the class and number of shares of the Company held by him/her/it;
- (II) the name of the proxy;
- (III) specific instructions from shareholders, including instructions for voting for or against, or abstaining from voting on each resolution as stated in the agenda of the general meeting;
- (IV) the date of issuance and expiry of the power of attorney;
- (V) the signature (or seal) of the appointor. If the appointor is a corporate shareholder, the seal of the corporate entity shall be affixed or the power of attorney shall be signed by a duly authorized representative.

The proxy form shall be placed at the domicile of the Company or such other place as specified in the notice of the meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the specified time for the voting. Where the proxy

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form is signed by another person authorized by the appointor, the power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall be placed together with the proxy form at the domicile of the Company or such other place as specified in the notice of the meeting.

Where the appointor is a legal person, its legal representative or a person authorized by the resolutions of its board of directors or other decision-making body shall be entitled to attend at the general meeting of the Company as a representative of the appointor.

The convener(s) and the lawyers engaged by the Company shall jointly verify the validity of shareholders' qualifications based on the register of members offered by the securities registration and clearing institution of the place where the Company's shares are listed and the securities regulatory rules of the place where the Company's shares are listed, and shall register names of shareholders and the number of voting shares they hold. The registration for the meeting shall be terminated before the presider of the meeting announces the number of shareholders and proxies present at the meeting as well as the total number of voting shares they hold.

Where the general meeting requests directors and senior management to be present at the meeting, the said directors and senior management shall be present and respond to shareholders' inquiries. Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, the aforementioned persons may attend or be present at the meeting via the internet, video conferencing, telephone, or other means of equivalent effect.

A general meeting shall be chaired by the chairman of the Board. In the event that the chairman of the Board is incapable of performing or fails to perform his/her duties, the meeting shall be chaired by a director elected by more than half of all directors.

A general meeting convened by the Audit Committee on its own shall be chaired by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his/her duties, the meeting shall be chaired by a member of the Audit Committee elected by more than half of all members of the Audit Committee.

A general meeting convened by shareholders shall be presided over by the convener or a representative elected by the convener.

In the event that the general meeting cannot proceed due to violation of the procedural rules by the presider of the meeting, the general meeting may appoint one person as the presider of the meeting upon consent of a simple majority of the voting shareholders present at the meeting.

The Company shall formulate the procedural rules of the general meeting, which shall prescribe the detailed convening, holding and voting procedures of the meeting, including the notice, registration, deliberation of proposals, ballot, vote calculation, announcement of voting results, formulation of meeting resolutions, meeting minutes and signature, announcement and

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other items, as well as the principles by which the general meeting authorizes the Board. The authorized content shall be definite and specific. The procedural rules of the general meeting shall be attached as an appendix to the Articles and shall be drafted by the Board and approved by the general meeting.

At the annual general meeting, the Board shall report their work during the past year to the general meeting. Each independent director shall also present an annual work report detailing the fulfillment of his/her duties.

Directors and senior management shall explain and answer the enquiries and suggestions from shareholders at the general meeting.

The presider of the general meeting shall, prior to vote, announce the total number of attending shareholders and proxies, and the total voting shares held by them. The total number of attending shareholders and proxies, and the total voting shares held by them shall be based on the meeting registration.

Voting and Resolution of the General Meeting

A resolution of the general meeting is either an ordinary resolution or a special resolution. If the general meeting makes an ordinary resolution, the resolution shall be adopted by a majority of the voting rights held by the shareholders (including proxies) present at the meeting. If the general meeting makes a special resolution, the resolution shall be adopted by more than two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting.

The following matters shall be passed by way of ordinary resolutions at a general meeting:

- (I) the work report of the Board;
- (II) the Board's proposed profit distribution plan and loss makeup plan;
- (III) the appointment and removal of members of the Board and their remuneration and payment methods;
- (IV) decision on the appointment or change of the accounting firm acting as the auditor of the Company and its remuneration;
- (V) other matters except those required to be approved by special resolution under laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

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The following matters shall be passed by way of special resolutions at a general meeting:

- (I) increase or reduction of the Company’s registered capital;
- (II) the division, spin-off, merger, change of corporate form, dissolution and liquidation (including voluntary winding-up) of the Company;
- (III) amendments to the Articles of Association;
- (IV) review of matters related to the Company’s purchase or sale of assets, where the total assets involved or the transaction amount, calculated on a cumulative basis over a consecutive 12-month period, exceeds 30% of the Company’s latest audited total assets;
- (V) equity incentive plans;
- (VI) any guarantee exceeding 30% of the Company’s latest audited total assets in accordance with the principle of cumulative calculation of the guarantee amount for 12 consecutive months;
- (VII) other matters required to be approved by special resolutions under laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association, and which have been determined by ordinary resolutions at the general meeting to have significant impact on the Company.

Shareholders have the right to speak at general meetings and exercise their voting rights based on the number of voting shares they represent. Each share is entitled to one vote, unless individual shareholders are required to abstain from voting on individual matters in accordance with the securities regulatory rules of the place where the Company’s shares are listed. When voting, a securities depository and clearing agency acting as the nominal holder of shares under the mainland-Hong Kong Stock Connect program, or a shareholder that is a recognized clearing house (or its agent) as defined by the relevant ordinances formulated from time to time in Hong Kong and who has two or more voting rights is not required to cast all of his/her voting rights in favor, against or as an abstention.

The shares of the Company held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders attending a general meeting.

When considering the material matters affecting the interests of minority investors at the general meeting, the votes by minority investors shall be counted separately, and the results of such separate vote counting shall be publicly disclosed in a timely manner.

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When a shareholders purchasing the voting shares of the Company in violation of the provisions of Clause 1 and Clause 2 of Article 63 of the Securities Law, such shares in excess of the prescribed proportion shall not be exercisable for voting within 36 months from the date of purchase, and nor be counted in the total number of voting shares present at the general meeting. Unless otherwise provided by the securities regulatory rules of the place where the Company's shares are listed.

In accordance with the applicable laws, regulations and the securities regulatory rules of the place where the Company's shares are listed, if any shareholder is required to abstain from voting on a resolution matter, or any shareholder is restricted to voting only for or only against such matter, the number of votes cast by or on behalf of such shareholder in violation of the relevant provisions or restrictions shall not be included in the total number of voting shares.

The Board, independent directors, shareholders holding more than 1% of voting shares or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the securities regulatory authorities of the place where the Company's shares are listed, may publicly solicit the Company's shareholders to authorize them to attend the general meeting and exercise shareholder rights such as proposal rights and voting rights on their behalf. Information including the specific voting intention shall be fully disclosed to the shareholders from whom voting rights are being solicited. Consideration or de facto consideration for publicly soliciting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limit for soliciting voting rights, except for statutory conditions.

When the general meeting deliberates on matters related to the related party transactions, related shareholders may attend the general meeting and can, in accordance with the meeting procedures, explain their views to the attending shareholders, but they shall not participate in the voting, and the number of voting shares they represent shall not be included in the total number of valid votes. The announcement of the resolution of the general meeting shall fully disclose the voting situation of non-related shareholders.

The chairperson of the meeting shall, before any proposal on related party transactions is considered at the general meeting, inform related shareholders that they are not entitled to vote on the proposal, and announce the number of attending shareholders and proxies other than related shareholders and the total number of their voting shares.

The votes cast by any related shareholder on related party transactions in violation of this article shall be invalid.

A resolution on matters related to the related party transactions at the general meeting shall only be valid if it is approved by more than half of the voting rights held by non-related shareholders present at the general meeting. However, if the related party transaction matters involve matters as stipulated in article 82 of the Articles of Association, the resolution of the general meeting shall only be valid if it is approved by more than two-thirds of the voting rights held by non-related shareholders present at the general meeting.

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The Company shall, under the premise of ensuring the legality and validity of the general meeting, prioritize the provision of modern information technology means such as online voting platforms through various methods and channels to facilitate shareholders' participation in the general meeting.

The principles below shall be followed for voting at a general meeting under the cumulative voting system:

- (I) the number of candidates for the directors may be greater than that of the directors to be elected at the general meeting, but the number of candidates to be voted by each shareholder shall not exceed the number of directors to be elected at the general meeting, and the total number of votes allocated to a shareholder shall not exceed the number of votes which he/she is entitled; otherwise, his/her votes shall be invalid;
- (II) voting for independent directors and non-independent directors shall be carried out separately. For the election of independent directors, the number of votes each shareholder is entitled to shall be equal to the number of shares held by the shareholder multiplied by the number of independent directors to be elected, and such votes must be cast only for the candidates for the Company's independent directors; for the election of non-independent directors, the number of votes each shareholder is entitled to shall be equal to the number of shares held by the shareholder multiplied by the number of non-independent directors to be elected, and such votes must be cast only for the candidates for the Company's non-independent directors;
- (III) the candidates to be finally elected as directors shall be determined according to the numbers of votes they have received, but the minimum number of votes each candidate elected has received must exceed half of the total number of shares held by shareholders attending the general meeting. If the number of directors elected falls short of the number of directors to be elected at the general meeting, a new round of voting shall be carried out for the candidates for directors not having received the required number of votes to fill the shortfall. If the shortfall is still not eliminated, a by-election shall be conducted at the next general meeting of the Company. If two or more candidates for directors have the same number of votes, but not all of them can be elected according to the election quota, a separate round of voting shall be conducted for such candidates with the same number of votes.

In addition to the cumulative voting system, the general meeting shall vote on all proposals one by one; in the event that there are several proposals for the same issue, such proposals shall be voted on and resolved in order of the time at which they have been submitted. Unless the general meeting is terminated or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be set aside nor withheld at the general meeting.

Each voting right shall be exercised either at the meeting, online, or by any of other available means. The first vote shall prevail in cases when a given voting right is exercised repeatedly.

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Voting shall be conducted by open ballot at a general meeting.

When proposals are voted on at the general meeting, two shareholder representatives shall be appointed to participate in vote counting and scrutinizing. Where any shareholder has interests in any matter considered, such shareholder or proxy thereof shall not participate in vote counting or scrutinizing.

When proposals are voted on at the general meeting, the lawyer and shareholder representative shall count and scrutinize the votes jointly and announce the voting results on the scene. Such voting results shall be recorded in the meeting minutes.

Shareholders of the Company or proxies thereof voting online or by other means shall have the right to check their voting results via the corresponding voting system.

An on-site general meeting shall not conclude earlier than that held online or by other means, and the chairperson of the meeting shall be responsible for announcing whether a proposal is passed or not at the general meeting according to the voting results of each proposal.

Before the formal announcement of voting results, the Company, vote counters, vote scrutineers, shareholders, network services providers and other related parties involved at the physical general meetings, over the network and by another voting method shall have an obligation to keep confidential details of the voting.

Resolutions of the general meeting shall be announced in due time. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting results for every proposal and the details of each of the resolutions passed.

Where a proposal has not been passed or any resolutions of the preceding general meeting have been changed at the current general meeting, special mention shall be made in the announcement of the resolutions of the general meeting.

DIRECTORS AND THE BOARD

Directors

Directors may include executive directors, non-executive directors and independent directors. Independent directors refers to persons who meet the requirements of Article 111 to the Articles of Association. Directors of the Company shall be natural persons who shall possess the qualifications as required by laws, administrative regulations, department rules and the securities regulatory rules of the place where the Company's shares are listed.

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Directors shall be elected or replaced by the general meeting and may be removed from office by the general meeting before the expiration of their term, but such removal shall not affect the rights of such director to make any claim for damages under any contract. Employee representatives of the Board shall be democratically elected by the Company's employees through an employees representative assembly, employees assembly or other means, and are not subject to consideration at the general meeting. The term of office for directors is three years, and they shall be eligible for re-election and re-appointment in accordance with the provisions of the securities regulatory rules of the places where the Company's shares are listed upon expiration of their term of office. Directors shall not be removed from office without reason by the general meeting before their term of office expires. If the securities regulatory rules of the place where the Company's shares are listed have other provisions regarding the re-election of directors, such provisions shall apply.

The term of office for a director is calculated from the date of assumption of office until the expiration of the term of the current Board. If directors are not timely re-elected upon the expiration of their term, the original directors shall, prior to the assumption of office by the newly elected director, continue to perform their duties in accordance with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Directors may concurrently serve as the senior management, but the total number of directors who concurrently serve as the senior management as well as directors who are employee representatives shall not exceed one-half of the total number of directors of the Company.

Directors shall observe the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association to perform the duties of loyalty to the Company, shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their power to seek improper benefits.

Directors shall perform the following duties of loyalty to the Company:

- (I) shall not embezzle the properties of the Company or misappropriate the funds of the Company;
- (II) shall not deposit the funds of the Company into accounts under his/her own name or the name of other individuals;
- (III) shall not abuse their powers to accept bribes or other unlawful income;
- (IV) shall not, directly or indirectly, enter into contracts or conduct transactions with the Company without reporting to the Board or the general meeting and obtaining an approval by a resolution of the Board or the general meeting according to the provisions of the Articles of Association;

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- (V) shall not take advantage of his/her position to seek any business opportunity that belongs to the Company for himself/herself or any other person except under the circumstances where he/she has reported to the Board or the general meeting and has obtained an approval by a resolution of the general meeting or where the Company cannot make use of the business opportunity as stipulated by the provisions of laws, administrative regulations or the Articles of Association;
- (VI) shall not operate the same kind of business as that of the Company for themselves or for others' benefit without reporting to the Board or the general meeting and obtaining an approval by a resolution of the general meeting;
- (VII) shall not take as their own any commission for any transaction with the Company;
- (VIII) shall not disclose confidential information of the Company without permission;
- (IX) shall not use their affiliated relationship to damage the interests of the Company;
- (X) other duties of loyalty as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The proceeds from the violation of such provisions by directors shall be attributed to the Company, and they shall be liable to compensate the Company for the losses thereof.

Directors shall observe the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association to perform their duties of due diligence to the Company, and shall fulfill their duties with reasonable care generally due to managers in the best interests of the Company.

Directors shall perform the following duties of due diligence to the Company:

- (I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of national laws, administrative regulations and various economic policies and are not beyond the business scope specified in business license;
- (II) to treat all shareholders impartially;
- (III) to actively keep informed of and continuously pay attention to the operation and management conditions of the Company through various methods such as reviewing documents and materials, inquiring with responsible personnel, and conducting on-site inspections, to promptly report relevant issues and risks to the Board, and shall not claim exemption from liability on the grounds of unfamiliarity with the Company's business or lack of understanding of related matters;

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- (IV) to sign the regular reports of the Company for written confirmation of their comments and ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;
- (V) to provide information and data to the audit committee, and not to interfere with the audit committee in their exercise of powers;
- (VI) to ensure that they have sufficient time and energy to participate in the affairs of the Company and to prudently judge the risks and benefits that may arise from the matters considered;
- (VII) in principle, directors shall attend the meetings of the Board in person. If it's really necessary to authorize another director to attend the meeting on their behalf, they shall prudently select the proxy, specify the authorized matters and decision-making intentions clearly, and shall not issue a general authorization;
- (VIII) to actively promote the Company's standardized operation, to urge the Company to fulfill its information disclosure obligations, to timely correct and report violations of the Company, and to support the Company in fulfilling its social responsibilities;
- (IX) other duties of due diligence as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

A director may resign prior to expiry of his/her term of office. A resigning director shall submit a written resignation report to the Company, and the resignation shall take effect on the day on which the Company receives the resignation report. The Company shall make relevant disclosure within 2 trading days or the period required by the securities regulatory rules of the place where the Company's shares are listed.

The Company shall establish a management system for the resignation of a director, explicitly specifying safeguard measures for holding accountable and recovering compensation in respect of the unfulfilled open commitments and other unaccomplished matters. When a director's resignation takes effect or his/her term of service expires, the director should complete all hand-over procedures with the Board, his/her duties of loyalty towards the Company and the shareholders do not necessarily cease upon the end of his/her term of service. Their obligation to maintain the confidentiality of the Company's trade secrets remains effective after their tenure ends until such secrets become public information. Other obligations shall continue for a period of no less than one year. The responsibilities that a director should undertake in the performance of his/her duties during the term of office shall not be relieved or terminated upon leaving office.

Save as specified in the Articles of Association or as legally authorized by the Board, no director shall act on behalf of the Company or the Board in his/her personal name. If a director acts in his/her own name but a third party may reasonably think that the said director is acting on behalf of the Company or the Board, the said director shall make a prior statement of his/her standpoint and capacity.

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Board

The Company shall have a Board which consists of ten directors, including one chairperson, an employee representative director and four independent directors.

The Board shall exercise the following functions and powers:

- (I) to convene general meetings and report to general meetings;
- (II) to execute resolutions of general meetings;
- (III) to resolve on the Company’s business plans and investment plans;
- (IV) to formulate the equity incentive scheme;
- (V) to prepare the profit distribution plan and loss makeup plan of the Company;
- (VI) to prepare plans for the increase or decrease of the registered capital of the Company, the issuance of bonds or other securities and the listing;
- (VII) to formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution and change in the form of the Company;
- (VIII) to decide on external investment, acquisition and disposal of assets, pledge of assets, external guarantee, entrusted financial management, related party transactions, external donations and other matters under the authority granted by the general meetings;
- (IX) to resolve on the establishment of internal management organizations of the Company;
- (X) to decide on the appointment or dismissal of the Company’s general manager, secretary to the Board and other senior management, and to decide on their remuneration, rewards and punishments; to appoint or dismiss the Company’s deputy general manager, Chief Financial Officer and other senior management based on the nomination of the general manager, and to decide on their remuneration, rewards and punishments;
- (XI) to formulate the basic management system of the Company;
- (XII) to formulate the proposals for any amendment to the Articles of Association;
- (XIII) to manage the disclosure of information by the Company;

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- (XIV) to propose to general meetings the appointment or change of the accounting firm acting as the auditor of the Company;
- (XV) to listen to the work report by the general manager of the Company and inspect his/her work;
- (XVI) other functions and powers as conferred by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or general meetings.

The statutory functions and powers of the Board shall be exercised collectively by the Board, and shall not be delegated to be exercised by others, nor be modified or deprived by means of the resolutions at general meetings. Other functions and powers of the Board specified in the Articles of Association that involve material businesses and matters shall be determined collectively and shall not be delegated to any individual or subset of directors for separate decision-making.

The Board shall formulate the procedural rules for the Board to ensure implementation of the resolutions of the general meeting, as well as the work efficiency and scientific decision-making of the Board. The procedural rules for the Board shall be annexed to the Articles of Association and shall be drafted by the Board and approved by the general meeting.

The Board shall establish stringent review and decision-making procedures and matters beyond its authority shall be proposed to the general meeting for approval. Material investment projects shall be reviewed by relevant experts and professionals.

The Board shall have a chairperson who shall be elected by the Board with approval of more than half of all the directors. The chairperson shall exercise the following functions and powers:

- (I) to preside over the general meetings, and to convene and preside over Board meetings;
- (II) to supervise and examine the execution of the resolutions of the Board;
- (III) to approve the related party transactions between the Company and related parties where the transaction amount does not reach the threshold specified in Item (2) of Article 116 of the Articles of Association and that are subject to consideration and decision by the Board;
- (IV) to approve the transaction matters occurring within the Company that do not reach the threshold specified in Item (3) of Article 116 of the Articles of Association and that are subject to consideration and decision by the Board;

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- (V) to approve the borrowing (lending) matters occurring within the Company that do not reach the threshold specified in Item (4) of Article 116 of the Articles of Association and that are subject to consideration and decision by the Board;
- (VI) other functions and powers conferred by the Board.

Extraordinary meetings of the Board may be notified to all directors by means of personal delivery, mail, email, fax, telephone, SMS, WeChat, or other methods. The notice period for an extraordinary meeting of the Board shall be three days prior to the meeting; however, under special circumstances, directors shall be notified immediately and the meeting shall be convened promptly.

A notice of the Board meeting shall include the following:

- (I) the date and venue of the meeting;
- (II) duration of the meeting;
- (III) subject matters and issues;
- (IV) date of notice;
- (V) convening method.

The Board meeting shall be held upon the attendance of more than half of directors. Resolutions made by the Board must be approved by more than half of all directors, unless otherwise provided by laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

When the Board of the Company reviews matters on external guarantees or financial assistance, such matters shall be approved by a resolution passed by at least two-thirds of the directors present at the Board meeting.

Resolutions of the Board are voted by way of poll with each director having one vote.

If any director has connection with the enterprise or individual involved in the resolution made at a Board meeting, such director shall promptly report to the Board in written form. Such connected director shall not vote on the said resolution for himself/herself or on behalf of another director. The Board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meetings is less than 3, the matter shall be submitted to the general meeting for consideration.

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Directors shall attend Board meetings in person. If any director cannot attend the meeting for any reason, he/she may authorize in writing another director to act on his/her behalf. The power of attorney shall set out the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the appointing director. The appointed director who attends the meeting shall exercise the director’s duties within the scope of authorization. If a director does not attend a Board meeting in person and does not appoint a proxy to attend the meeting, he/she shall be deemed to have waived the voting rights at the meeting. If the independent director is unable to attend the meeting in person for any reason, he/she shall first review the meeting materials, formulate specific opinion and appoint another independent director in writing to attend the meeting on his/her behalf. An independent director may not appoint a non-independent directors to vote on his/her behalf.

Directors shall be responsible for the resolutions of the Board. In the event that any resolution of the Board is in breach of the laws, regulations, the Articles of Association, or resolutions of the general meeting, resulting in losses to the Company, the directors participating in the resolution shall be liable for compensation to the Company. However, if it can be proven that a director expressed dissenting opinions on the voting on such resolution, and that such objection was recorded in the minutes of the meeting, such director may be exempted from such liability.

The minutes of Board meetings shall include the following:

- (I) date, venue and name of the convener of the meeting;
- (II) names of the directors present and names of the directors (proxies) entrusted by others to attend the Board meeting;
- (III) agenda of the meeting;
- (IV) main points of directors’ speeches;
- (V) voting method and results of each resolution (the voting results shall state the number of votes for, against or abstention);
- (VI) dissenting opinions of independent directors.

SPECIAL COMMITTEES OF THE BOARD

The Board has established four special committees: the Strategy and Sustainable Development Committee, the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee. The special committees shall perform their duties in accordance with the Articles of Association and the authorization of the Board.

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The Audit Committee is responsible for reviewing the Company’s financial information and its disclosure, and supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the Board for consideration only upon approval by a majority of all members of the Audit Committee:

- (I) the disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (II) the appointment or dismissal of an accounting firm that is engaged to perform audits for the Company;
- (III) the appointment or dismissal of the Company’s Chief Financial Officer;
- (IV) changes in accounting policies and accounting estimates or corrections of major accounting errors due to reasons other than changes in accounting standards;
- (V) other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association.

The Audit Committee shall meet at least once a quarter. Extraordinary meetings may be convened upon the request of two or more members or when the convener deems it necessary. A meeting of the Audit Committee shall be held with the attendance of at least two-thirds of its members.

Each member shall have one vote for voting on resolutions of the Audit Committee. Resolutions of the Audit Committee shall be passed by a majority of members of the Audit Committee.

The main responsibilities of the Strategy and Sustainable Development Committee are to research and propose recommendations on the Company’s long-term development strategy and major investment decisions, sustainable development and ESG.

The Remuneration and Appraisal Committee shall be responsible for formulation of appraisal standards and performance appraisal for directors and senior management, formulate and examine remuneration decision mechanism, decision-making procedures, payment and stop-payment recourse arrangements and other remuneration policies and schemes for directors and senior management and make recommendations to the Board on the following matters:

- (I) remuneration of directors and senior management;
- (II) formulation or change of share option incentive plan or employee stock ownership plan; achievement of grant of share options to and exercise of share options by participants of share option incentive scheme;

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- (III) arrangement of shareholding plan for the subsidiary proposed to be split by the directors and senior management;
- (IV) other matters stipulated by laws, regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Nomination Committee shall be responsible for formulating the selection criteria and procedures for directors and senior management, giving full consideration to factors such as the composition and professional structure of the Board. The Nomination Committee shall select and review candidates for directors and senior management and their qualifications for office, and propose recommendations to the Board on the following matters:

- (I) the nomination, appointment, reappointment or removal of directors, as well as the succession plan for directors (especially the chairman and the general manager);
- (II) the appointment or dismissal of senior management;
- (III) other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Each special committee may engage intermediary institutions to provide professional advice. All relevant expenses incurred by the special committees in performing their duties shall be borne by the listed company.

Each special committee shall be accountable to the Board, and the proposals of the special committees shall be submitted to the Board for review and decision.

SENIOR MANAGEMENT

The Company shall have one general manager, who shall be appointed or dismissed by the Board. The Company shall have several deputy general managers, who shall be nominated by the general manager and appointed or dismissed by the Board. Each term of office of the general manager shall be three years. The general manager may serve consecutive terms upon reappointment.

The provisions of the Articles of Association on the duties of loyalty and diligence of directors shall also apply to senior management. If a senior management member is found, during his/her tenure, to be in a situation that, according to the Articles of Association, disqualifies him/her from holding a senior management position, he/she shall immediately cease performing his/her duties and resign from his/her position. If the senior management member fails to resign, the Board shall immediately remove him/her from office upon becoming aware, or upon being reasonably expected to be aware, of the occurrence of such fact.

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The general manager is responsible to the Board and exercises the following powers:

- (I) to preside over the Company's production and operation management, organize the implementation of the resolutions of the Board, and report his/her work to the Board;
- (II) to organize the implementation of the Company's annual operating plan and investment plan;
- (III) to draft plans for establishment of the internal management organization of the Company;
- (IV) to draft the basic management system of the Company;
- (V) to formulate the specific rules and regulations of the Company;
- (VI) to propose to the Board the appointment or dismissal of deputy general managers and Chief Financial Officer;
- (VII) to decide to appoint or dismiss management personnel other than those who shall be appointed or dismissed by the Board;
- (VIII) other powers authorized by the Articles of Association or the Board.

Deputy general managers, acting as assistants to the general manager, shall be responsible for the work assigned to them according to the instructions of the general manager, shall be responsible to the general manager, and shall sign and issue relevant business documents within the scope of their duties. When the general manager is unable to perform his/her duties, a deputy general manager may be entrusted by the general manager to perform the duties of the general manager.

The Chief Financial Officer shall be responsible for and manage the Company's financial and accounting work, and shall review and sign the Company's financial plans, credit plans, accounting reports and major expenditures. The Chief Financial Officer shall maintain true and accurate records and accounts, and shall prepare quarterly financial reports for the Board and the general meeting, as well as other periodic financial statements required by the Articles of Association and relevant Chinese laws.

The Company shall have a secretary to the Board, who is responsible for preparing for general meetings and meetings of the Board, keeping documents and management of shareholders' materials and handling matters relating to information disclosure, etc.

If a senior management member, in the course of performing his/her duties for the Company, causes damage to others, the Company shall be liable for compensation. If a senior management member is found to have acted with willful or material default, he/she shall also be liable for compensation.

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Where a senior management member violates any laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association in performing his/her duties for the Company, causing losses to the Company, he/she shall be liable for compensation.

Senior management of the Company shall faithfully perform their duties, safeguarding the best interests of the Company and all the shareholders. Where a senior management member fails to faithfully perform his/her duties or violates his/her fiduciary duties, causing losses to the interests of the Company and the public shareholders, he/she shall be responsible for compensation according to the law.

QUALIFICATIONS AND RESPONSIBILITIES OF DIRECTORS AND SENIOR MANAGEMENT

A person may not serve as a director or senior management member of the Company if any of the following circumstances applies:

- (I) he/she has no civil capacity or restricted civil capacity;
- (II) he/she has been subject to criminal penalty due to corruption, bribery, embezzlement or misappropriation of property or disrupting the socialist market economic order, or has been deprived of political rights due to a crime, and not more than 5 years have elapsed since the completion date of the execution of the penalty; where a probation has been declared, and not more than 2 years have elapsed since the expiry date of the probation;
- (III) he/she served as a director, factory director, manager of a company or enterprise subject to bankruptcy liquidation, and was personally liable for the bankruptcy of such company or enterprise, and not more than 3 years have elapsed since the date of completion of the bankruptcy liquidation of the company or enterprise;
- (IV) he/she served as a legal representative of a company or enterprise, whose business license was revoked or which was ordered to close down due to a violation of the law, and was personally liable, and not more than 3 years have elapsed since the date of revocation of the business license or closure of the company or enterprise;
- (V) he/she is listed as a dishonest person subject to enforcement by the people's court due to a relatively large amount of outstanding personal debt;
- (VI) he/she has been prohibited from entering into the securities market by the securities regulatory authorities of the place where the Company's shares are listed, and the period has not elapsed;
- (VII) he/she has been publicly determined by the stock exchanges to be not suitable to serve as a director or senior management member of a listed company, and the period has not elapsed;

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(VIII) other contents specified by the laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed or departmental rules.

FINANCIAL AND ACCOUNTING SYSTEM

When the Company distributes its after-tax profits of the current year, it shall allocate 10% of the profits into the legal reserve fund. If the Company’s legal reserve fund exceeds 50% of the registered capital, no further allocation is required.

If the legal reserve fund of the Company is insufficient to compensate for the losses suffered in the previous year, then before making the allocation mentioned in the preceding paragraph, profits of the current year shall first be used to cover up the losses.

After the Company withdraws the legal reserve fund from the after-tax profits, if resolved by the general meeting, it may also withdraw an optional reserve fund from the after-tax profits.

After the Company makes up losses and withdraws reserve funds, the balance of after-tax profits shall be distributed according to the proportion of shares held by shareholders, unless the Articles of Association provide that the distribution is not made as per the proportion of shareholding.

If a general meeting violates the Company Law by distributing profits to shareholders, the shareholders shall return the distributed profits to the Company. If losses are caused to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

Shares of the Company held by the Company do not participate in profit distribution.

The Company shall appoint one or more receiving agents in Hong Kong for the H Shareholders. The receiving agent(s) shall collect and hold on behalf of the relevant shareholders the dividends and other payable amounts distributed by the Company in respect of the H Shares, pending payment to such H Shareholders. The receiving agent(s) appointed by the Company shall comply with the requirements of laws, regulations and securities regulatory rules of the place where the Company’s shares are listed.

The Company’s reserve fund shall be used for making up losses of the Company, expansion of the manufacturing and business operations or converted to the additional registered capital of the Company.

For making up losses of the Company by the reserve fund, the optional reserve fund and legal reserve fund shall first be used; where there is still no way to make up losses, the capital reserve may be used pursuant to the provisions.

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Where the legal reserve fund is converted to additional registered capital, the remaining reserve fund shall not be less than 25% of the Company's registered capital prior to the conversion.

Dividends (or shares) shall be distributed within two months after the general meeting of the Company makes a resolution on the profit distribution plan, or the Board of the Company formulates a specific plan on the basis of the conditions and cap of interim dividends for the following year deliberated and approved by the annual general meeting.

DISSOLUTION AND LIQUIDATION OF THE COMPANY

The Company may be dissolved due to the following reasons:

- (I) expiry of the business term as specified by the Articles of Association or the occurrence of other matters for dissolution as specified by the Articles of Association;
- (II) dissolution by a resolution of the general meeting;
- (III) dissolution due to merger or division of the Company;
- (IV) revocation of the business license, or being ordered to be closed down or revoked according to the law;
- (V) where the Company has serious difficulties in its business management and its subsistence will cause serious damage to the interests of its shareholders, which is unable to be resolved through any other means, a shareholder who holds 10% or more of the voting rights of the Company may apply to a people's court for dissolution of the Company.

In the circumstances of item (I) and item (II), if no asset has been distributed to shareholders, the Company may subsist through amendment to the Articles of Association or a resolution passed by a general meeting.

Amendment of Articles of Association or resolution passed by a general meeting pursuant to the provisions of the preceding paragraph shall be adopted by shareholders who hold two-thirds or more of the voting rights present at the general meeting.

If the Company dissolved pursuant to item (I), item (II), item (IV) and item (V), it shall undergo liquidation. As the liquidation obligors of the Company, directors shall form a liquidation team to carry out liquidation within 15 days from occurrence of the event which triggers dissolution.

The liquidation team shall comprise directors, unless otherwise provided in the Articles of Association or as resolved by a general meeting to elect others.

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Where the liquidation obligors fail to perform liquidation obligations promptly and cause the Company or its creditors to suffer losses, they shall be liable for compensation. The liquidation team shall exercise the following powers during the liquidation period:

- (I) sorting out the Company assets and formulating balance sheet and inventory of assets;
- (II) issuing a notification and announcement to creditors;
- (III) handling the Company’s pending liquidation-related business;
- (IV) settling tax in arrears and taxes arising in the course of liquidation;
- (V) sorting out creditor’s rights and debts;
- (VI) distributing the Company’s residual assets following repayment of debts;
- (VII) representing the Company in civil lawsuits.

The liquidation team shall notify creditors within 10 days from the date of its establishment and shall make an announcement within 60 days in a media that meets the requirements stipulated by the CSRC, or on the National Enterprise Credit Information Publicity System, the Shanghai Stock Exchange website (<http://www.sse.com.cn>) and the HKExnews website of Hong Kong Stock Exchange (<https://www.hkexnews.hk>). Creditors shall declare their claims to the liquidation team within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if no notice has been received. Where the securities regulatory rules of the stock exchange where the Company’s shares are listed prescribe additional requirements, the relevant parties shall also comply with such requirements.

Creditors declaring creditor’s rights shall state the relevant information of the creditor’s rights and provide supporting materials. The liquidation team shall register the creditor’s rights. During the period for declaration of creditor’s rights, the liquidation team shall not make repayment to creditors.

Upon sorting out of the Company’s assets and formulation of balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan and submit it to a general meeting or a people’s court for confirmation.

The residual assets following payment of liquidation expenses, employees’ wages, social security premiums and statutory compensation, payment of tax in arrears and repayment of the Company’s debts shall be distributed in accordance with the shareholding percentage of shareholders.

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During the liquidation period, the Company shall subsist but shall not engage in business activities unrelated to liquidation. The Company's assets shall not be distributed to shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.

Upon sorting of the Company's assets and formulation of balance sheet and inventory of assets, where the liquidation team discovers that the Company's assets are inadequate for repayment of debts, it shall apply to a people's court for bankruptcy liquidation.

If the Company is declared bankrupt according to law, it shall undergo bankruptcy liquidation pursuant to the laws on enterprise bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Under any of the following circumstances, the Company shall amend its Articles of Association:

- (I) following revision of the Company Law or the relevant laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in the Articles of Association contradict the provisions of the revised laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed;
- (II) there is a change to the Company's details which result in inconsistency with the matters set out in the Articles of Association;
- (III) the general meeting has decided on amendment to the Articles of Association.

Where an amendment to Articles of Association resolved by a general meeting is subject to examination and approval by the competent authority, the amendment shall be submitted to the competent authority for approval; where company registration matters are involved, the change registration formalities shall be completed pursuant to the law.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A FURTHER INFORMATION ABOUT OUR GROUP

1 Incorporation

Our Company was established as a limited liability company under the laws of the PRC on August 21, 2013 and was converted into a joint stock company with limited liability on November 8, 2017, whose A Shares have been listed on the STAR Market since September 30, 2019. Our Company has established a place of business in Hong Kong at Room 1919, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on December 4, 2025. Ms. Chan Pui Ching has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As the Company was established in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in the section headed “Regulatory Overview” in this document and Appendix III to this document, respectively.

2 Changes in the Share Capital of Our Company

Save as disclosed in “History and Corporate Structure” in this document, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this document.

3 Changes in Share Capital of our Subsidiaries

A summary of the particulars of our principal subsidiaries are set out in Note 15 to the Accountants’ Report in Appendix I to this document. The following subsidiaries of our Company were incorporated within two years immediately preceding the date of this document:

Name of subsidiary	Place of incorporation/ establishment	Date of incorporation/ establishment	Initial registered capital/share capital
Shenzhen Taichi Technology Limited (深 圳太馳科技有限公司) . . .	PRC	June 21, 2024	RMB5,000,000
Shenzhen ESTAR INFORMATION Technology Limited (深 圳奕詩塔信息技術有限公 司)	PRC	June 24, 2024	USD1,000,000

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Name of subsidiary	Place of incorporation/ establishment	Date of incorporation/ establishment	Initial registered capital/share capital
TRANESS TECHNOLOGY LIMITED (全勢科技有 限公司)	Hong Kong	July 19, 2024	HKD200,000
Shenzhen Chuanxiang Industry Operation Co., Ltd. (深圳傳翔產業運營 有限公司)	PRC	July 25, 2024	RMB20,000,000
ACOUST ENTERTAINMENT SINGAPORE PTE. LTD.	Singapore	August 22, 2024	USD700,000
Shenzhen Acoust Entertainment Limited (深圳市阿庫斯特互動娛 樂有限公司)	PRC	November 18, 2024	USD500,000
UnityCorp Technology Limited	Hong Kong	November 26, 2024	HKD10,000
UnityGlobal Technology Limited	Hong Kong	November 26, 2024	HKD10,000
ORAIMO ENERGY LIMITED	Hong Kong	December 17, 2024	HKD10,000
WELL PROMISE TECHNOLOGY RU LLC	Russia	January 23, 2025	9,500,000 Russian Rubles
Shanghai Yinshu Huyu Technology Co., Ltd. (上 海音數滬娛科技有限公 司)	PRC	March 28, 2025	RMB100,000
GROWVIA PTE. LTD. . . .	Singapore	June 3, 2025	USD1,300,000
Anray Capital Limited (安 睿資本有限公司)	Cayman Islands	June 17, 2025	USD10,000
ALPHANEXT INVESTMENT PTE. LIMITED	Singapore	July 9, 2025	USD10,000
YESCOM INVESTMENT PTE. LTD.	Singapore	July 21, 2025	USD10,000
Haikou Zhanwant To Information Technology Co., Ltd. (海口市展想信 息科技有限公司)	PRC	September 22, 2025	RMB5,000,000

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Name of subsidiary	Place of incorporation/ establishment	Date of incorporation/ establishment	Initial registered capital/share capital
Wuxi Ruivo Intelligent Technology Co., Ltd. (無錫市銳沃智行科技有 限公司)	PRC	November 20, 2025	RMB3,500,000
ORAIMO LIFESTYLE LIMITED	Hong Kong	January 22, 2026	HKD10,000
ForeSight Innovation Capital Fund L.P.	Cayman Islands	January 27, 2026	USD20,000,000
LinkArc Limited	Bangladesh	March 12, 2026	BDT500,000
NovaTrade Mobile Pte. Limited	Singapore	March 18, 2026	USD10,000
UnityLink Technology Limited	Hong Kong	May 12, 2026	HKD10,000
UnityPrime Technology Limited	Hong Kong	May 19, 2026	HKD10,000
HIGGS SOLARTEC ENERGY SYSTEMS AND COMPONENTS TRADING FZE	Dubai	May 21, 2026	AED200,000

The following sets out the changes in the share capital of our subsidiaries within the two years immediately preceding the date of this document:

GENIEX-TECH NIGERIA LIMITED

- On August 20, 2024, the share capital of GENIEX-TECH NIGERIA LIMITED increased from NGN10,000,000 to NGN100,000,000.

DIGITAL CHAMPION MANUFACTURING NG LIMITED

- On September 12, 2024, the share capital of DIGITAL CHAMPION MANUFACTURING NG LIMITED increased from NGN10,000,000 to NGN100,000,000.
- On July 11, 2025, the share capital of DIGITAL CHAMPION MANUFACTURING NG LIMITED increased from NGN100,000,000 to NGN2,400,725,404.

DATASIM HK LIMITED

- On October 2, 2024, the share capital of DATASIM HK LIMITED increased from HKD10,000 to HKD11,000.

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TRANSMIOS TECHNOLOGY NIGERIA LIMITED

- On January 21, 2025, the share capital of TRANSMIOS TECHNOLOGY NIGERIA LIMITED increased from NGN10,000,000 to NGN100,000,000.

DIGITAL SQUARE PROPERTY MANAGEMENT LIMITED

- On January 22, 2025, the share capital of DIGITAL SQUARE PROPERTY MANAGEMENT LIMITED increased from NGN5,000,000 to NGN100,000,000.

Shenzhen Dynamic Energy Technology Co., Ltd. (深圳市鈦氮能源科技有限公司)

- On June 6, 2025, the registered capital of Shenzhen Dynamic Energy Technology Co., Ltd. increased from RMB100,000,000 to RMB200,000,000.

TRANSSION MANUFACTURING PLC

- On July 3, 2025, the share capital of Transsion Manufacturing PLC increased from ETB689,752,400 to ETB866,256,800.

AFMOBI TECHNOLOGY KE LIMITED

- On September 24, 2025, the share capital of AFMOBI TECHNOLOGY KE LIMITED increased from 100,000 Kenyan Shillings to 142,800 Kenyan Shillings.

WELL PROMISE TECHNOLOGY RU LLC

- On November 10, 2025, the share capital of WELL PROMISE TECHNOLOGY RU LLC decreased from 9,500,000 Russian Rubles to 10,000 Russian Rubles.

PT. CARLCARE SERVICE ILA

- On March 18, 2026, the share capital of PT. CARLCARE SERVICE ILA increased from IDR2,771,370,000 to IDR10,002,257,043.

Shenzhen Dynamic Energy Technology Co., Ltd. (深圳市鈦氮能源科技有限公司)

- On April 1, 2026, the registered capital of Shenzhen Dynamic Energy Technology Co., Ltd. increased from RMB200,000,000 to RMB300,000,000.

CARLCARE SERVICE LIMITED

- On April 8, 2026, the share capital of CARLCARE SERVICE LIMITED increased from UGX10,000,000 to UGX357,000,000.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Save as disclosed above, there had been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this document.

4 Resolutions Passed by Our Shareholders’ General Meeting in Relation to the [REDACTED]

On November 28, 2025, resolutions of our Shareholders were passed pursuant to which, among other things:

- (a) the Articles of Association was approved and adopted with effect from the [REDACTED];
- (b) the [REDACTED] (including the [REDACTED], [REDACTED] and [REDACTED]) and the [REDACTED] were approved and our Directors were authorized to [REDACTED] and [REDACTED] the [REDACTED] pursuant to the [REDACTED]; and
- (c) the number of [REDACTED] to be [REDACTED] shall be up to [REDACTED]% of the total [REDACTED] of our Company upon completion of the [REDACTED] and before any exercise of the [REDACTED], and the grant of the [REDACTED] in respect of no more than [REDACTED]% of the number of [REDACTED] initially [REDACTED] pursuant to the [REDACTED].

B FURTHER INFORMATION ABOUT OUR BUSINESS

1 Summary of Material Contract

The following is the contract (not being contracts entered into in the ordinary course of business) entered into by any member of our Group within the two years immediately preceding the date of this document that is or may be material:

- (a) the [REDACTED].

2 Intellectual Property Rights

Save as disclosed below, as of the Latest Practicable Date, there were no other trademarks, service marks, patents, intellectual property rights, or industrial property rights which are or may be material in relation to our business.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registered Owner	Place of Registration	Class	Registration Number	Expiry Date
1. . .		TECNO TELECOM (HK) LIMITED	PRC	9	13277338	January 13, 2035
2. . .		ITEL TECHNOLOGY LIMITED	PRC	9	74244562A	October 6, 2034
3. . .		ORAIMO TECHNOLOGY LIMITED	PRC	11	17526631	May 19, 2027
4. . .		ORAIMO TECHNOLOGY LIMITED	PRC	11	17526631A	October 13, 2026
5. . .		ORAIMO TECHNOLOGY LIMITED	PRC	9	17526632A	October 13, 2026
6. . .		INFINIX TECHNOLOGY LIMITED	PRC	9	11088921	November 6, 2033
7. . .		ITEL TECHNOLOGY LIMITED	PRC	9	17960354	November 6, 2026
8. . .		ITEL TECHNOLOGY LIMITED	PRC	9	22015982A	February 20, 2028
9. . .		ORAIMO TECHNOLOGY LIMITED	PRC	9	13446703	March 6, 2035
10. . .		ORAIMO TECHNOLOGY LIMITED	PRC	7	21051243	October 20, 2027
11. . .		ORAIMO TECHNOLOGY LIMITED	PRC	11	21051244	October 20, 2027
12. . .		ORAIMO TECHNOLOGY LIMITED	PRC	9	17526632	September 20, 2027

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Trademark	Registered Owner	Place of Registration	Class	Registration Number	Expiry Date
13 . .		TECNO TELECOM (HK) LIMITED	Hong Kong	9	303270988	January 15, 2035
14 . .		TECNO TELECOM (HK) LIMITED	Hong Kong	9	301792080	December 16, 2030
15 . .		TECNO TELECOM (HK) LIMITED	India	9	3117328	December 4, 2025
16 . .		TECNO TELECOM (HK) LIMITED	Russia	9	586352	September 28, 2035
17 . .		TECNO TELECOM (HK) LIMITED	Kenya	9	MA/T/1/67244	January 13, 2030
18 . .		TECNO TELECOM (HK) LIMITED	Uganda	9	44523	January 9, 2029
19 . .		ORAIMO TECHNOLOGY LIMITED	Hong Kong	9	301513331	December 30, 2029
20 . .		ORAIMO TECHNOLOGY LIMITED	Kenya	9	67269	January 18, 2030
21 . .		ORAIMO TECHNOLOGY LIMITED	Saudi Arabia	9	1438023936	April 4, 2027
22 . .		ORAIMO TECHNOLOGY LIMITED	Egypt	9	306216	August 24, 2034
23 . .		ORAIMO TECHNOLOGY LIMITED	Saudi Arabia	9	1436006923	June 30, 2034
24 . .		ORAIMO TECHNOLOGY LIMITED	Hong Kong	9; 11	303484918	July 26, 2035
25 . .		ORAIMO TECHNOLOGY LIMITED	Kenya	9	88731	August 19, 2035
26 . .		ITEL TECHNOLOGY LIMITED	PRC	9	13733279	November 13, 2026
27 . .		ORAIMO TECHNOLOGY LIMITED	Uganda	9	2010/40592	April 9, 2027

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Trademark	Registered Owner	Place of Registration	Class	Registration Number	Expiry Date
28 . .		ORAIMO TECHNOLOGY LIMITED	India	9	3249295	May 3, 2026
29 . .		ORAIMO TECHNOLOGY LIMITED	India	11	3249296	May 3, 2026
30 . .		ORAIMO TECHNOLOGY LIMITED	India	9	2661511	Janurary 17, 2034
31 . .		INFINIX TECHNOLOGY LIMITED	African Intellectual Property Organization	9; 16; 28	3201404635	December 18, 2034
32 . .		INFINIX TECHNOLOGY LIMITED	Saudi Arabia	9	1435020942	February 7, 2034
33 . .		INFINIX TECHNOLOGY LIMITED	Nigeria	9	100589	Janurary 14, 2034
34 . .		ITEL TECHNOLOGY LIMITED	Saudi Arabia	9	302034819	September 18, 2031
35 . .		ITEL TECHNOLOGY LIMITED	Rwanda	9; 38	RW/T/2012/390	June 24, 2032
36 . .		ITEL TECHNOLOGY LIMITED	Uganda	9	2010/40594	April 8, 2027
37 . .		CARLCARE TECHNOLOGY LIMITED	Hong Kong	37	303937951	October 20, 2026
38 . .		CARLCARE TECHNOLOGY LIMITED	Egypt	37	320058	June 23, 2035
39 . .		CARLCARE TECHNOLOGY LIMITED	African Intellectual Property Organization	35; 37; 38	88871	December 18, 2034
40 . .		CARLCARE TECHNOLOGY LIMITED	Kenya	37	90832	February 4, 2026
41 . .		CARLCARE TECHNOLOGY LIMITED	Rwanda	37	RW/T/2016/148	April 12, 2026

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Trademark	Registered Owner	Place of Registration	Class	Registration Number	Expiry Date
42 . .		CARLCARE TECHNOLOGY LIMITED	South Africa	37	2013/00935	January 15, 2033
43 . .		CARLCARE TECHNOLOGY LIMITED	India	37	3031128	August 12, 2035
44 . .		CARLCARE TECHNOLOGY LIMITED	UAE	37	135980	July 8, 2030
45 . .		ORAIMO TECHNOLOGY LIMITED	UAE	9	246135	December 29, 2035
46 . .		ORAIMO TECHNOLOGY LIMITED	UAE	11	246136	December 29, 2035
47 . .		ITEL TECHNOLOGY LIMITED	UAE	9	135979	July 8, 2030
48 . .	DYQUE	Shenzhen Chuancheng Technology Co., Ltd. (深圳傳承科技有限公司)	PRC	7	72418388	December 13, 2033
49 . .	DYQUE	Shenzhen Chuancheng Technology Co., Ltd. (深圳傳承科技有限公司)	PRC	9	72407432	December 13, 2033
50 . .	DYQUE	Shenzhen Chuancheng Technology Co., Ltd. (深圳傳承科技有限公司)	PRC	11	72427679	December 13, 2033
51 . .	DYQUE	Shenzhen Chuancheng Technology Co., Ltd. (深圳傳承科技有限公司)	Hong Kong	7; 9; 11	306271623	June 14, 2033
52 . .	TRANSSION	Shenzhen Chuancheng Technology Co., Ltd. (深圳傳承科技有限公司)	PRC	9	14393623	May 27, 2035
53 . .	Transssion 传音	Shenzhen Chuancheng Technology Co., Ltd. (深圳傳承科技有限公司)	PRC	9	80878604A	June 7, 2035
54 . .	TRANSSION	Shenzhen Chuancheng Technology Co., Ltd. (深圳傳承科技有限公司)	Hong Kong	9	302965285	April 15, 2034
55 . .	Transssion	Shenzhen Chuancheng Technology Co., Ltd. (深圳傳承科技有限公司)	Hong Kong	9	306710832	October 31, 2034

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No.	Trademark	Registered Owner	Place of Registration	Class	Registration Number	Expiry Date
56 . .		Shenzhen Chuancheng Technology Co., Ltd. (深圳傳承科技有限公司)	India	42	2292030	March 25, 2029
57 . .		Shenzhen Chuancheng Technology Co., Ltd. (深圳傳承科技有限公司)	India	9	4128033	March 25, 2029
58 . .	DLight Cloud	Shenzhen Chuancheng Technology Co., Ltd. (深圳傳承科技有限公司)	Hong Kong	42	306583375	June 13, 2034
59 . .		Shenzhen Chuancheng Technology Co., Ltd. (深圳傳承科技有限公司)	Hong Kong	42	306583384	June 13, 2034

(b) Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
1 . .	Shell assembly and intelligent terminal (殼體組件及智能終端)	Shanghai Transsion	Invention	202310166751.X	February 24, 2043
2 . .	Shell assembly and intelligent terminal (殼體組件及智能終端)	Shanghai Transsion	Invention	202310172734.7	February 24, 2043
3 . .	Image processing method, intelligent terminal and storage medium (圖像處理方法、智能終端及存儲介質)	Our Company	Invention	202210719728.4	June 23, 2042
4 . .	Image processing method, intelligent terminal and storage medium (圖像處理方法、智能終端及存儲介質)	Our Company	Invention	202210719738.8	June 23, 2042
5 . .	Method, device and system for activating connection and storage medium (激活連接的方法、設備、系統及存儲介質)	Our Company	Invention	202080105184.1	September 14, 2040
6 . .	Data processing method and device and computer readable storage medium (數據處理方法、設備及計算機可讀儲存介質)	Our Company	Invention	202080105127.3	September 14, 2040

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
7 . .	Indication method, communication device, communication system and storage medium (指示方法、通信設備、通信系統及存儲介質)	Our Company	Invention	202180022897.6	August 19, 2041
8 . .	Image beautifying method, terminal and computer readable storage medium (圖像美化方法、終端及計算機可讀存儲介質)	Our Company	Invention	201910343011.2	April 24, 2039
9 . .	Processing method, communication device, communication system and storage medium (處理方法、通信設備、通信系統及存儲介質)	Our Company	Invention	202180023455.3	October 28, 2041
10 . .	Electrochromic material drive circuits and method, and portable device (電致變色材料驅動電路、方法和便攜設備)	Our Company	Invention	201910767600.3	August 20, 2039
11 . .	Transmission method, communication device and storage medium (傳輸方法、通信設備及存儲介質)	Our Company	Invention	202311150459.5	September 7, 2043
12 . .	Image processing method, processing equipment and storage medium (圖像處理方法、處理設備及存儲介質)	Our Company	Invention	202311071925.0	August 24, 2043
13 . .	Image processing method, processing equipment and storage medium (圖像處理方法、處理設備及存儲介質)	Our Company	Invention	202310276253.0	March 21, 2043
14 . .	Mobile phone and method for automatically taking pictures, deleting and reserving valid pictures (一種自動拍照刪除並保留有效照片的手機和方法)	Shanghai Transsion	Invention	201811630682.9	December 29, 2038
15 . .	Information display method and device, terminal and computer storage medium (信息顯示方法、裝置、終端以及計算機存儲介質)	Our Company	Invention	201911117492.1	November 15, 2039
16 . .	Processing method, processing equipment and storage medium (處理方法、處理設備及存儲介質)	Our Company	Invention	202310960404.4	August 2, 2043
17 . .	Processing method, communication device and storage medium (處理方法、通信設備及存儲介質)	Our Company	Invention	202310849147.7	July 12, 2043
18 . .	Housing sealing structure (殼體密封結構)	Shenzhen Transsion Manufacture	Invention	201710805442.7	September 8, 2037

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
19.	Panoramic beauty camera phone and realization method thereof (全景美顏拍照手機及其實現方法)	Shenzhen Transsion Communications Co., Ltd. (深圳傳音通訊有限公司)	Invention	201710763172.8	August 30, 2037
20.	Waterproof structure and mobile phone (防水結構及手機)	Shenzhen Transsion Manufacture	Invention	201710818142.2	September 12, 2037
21.	Configuration method and device of DNS server and network system (一種DNS服務器的配置方法、配置裝置及網絡系統)	Shanghai Transsion	Invention	201811630674.4	December 29, 2038
22.	Terminal screen awakening method and device, terminal and storage medium (一種終端屏幕喚醒方法、裝置、終端及存儲介質)	Shenzhen Tecno	Invention	201811629833.9	December 28, 2038
23.	Processing method, processing equipment and storage medium (處理方法、處理設備及存儲介質)	Our Company	Invention	202211382700.2	November 7, 2042
24.	Processing method, processing equipment and storage medium (處理方法、處理設備及存儲介質)	Our Company	Invention	202310042340.X	January 28, 2043
25.	Image processing method, processing equipment and storage medium (圖像處理方法、處理設備及存儲介質)	Our Company	Invention	202310370419.5	April 10, 2043
26.	Processing method, processing equipment and storage medium (處理方法、處理設備及存儲介質)	Our Company	Invention	202310246090.1	March 15, 2043
27.	Antenna switching method and device (天線的切換方法及設備)	Shanghai Transsion	Invention	201910090832.X	January 30, 2039
28.	Intelligent device control method and device, electronic device and readable storage medium (一種智能設備控制方法、裝置、電子設備及可讀存儲介質)	Our Company	Invention	201911016548.4	October 24, 2039
29.	Control method, communication device and storage medium (控制方法、通信設備及存儲介質)	Our Company	Invention	202210532039.2	May 17, 2042
30.	Shooting method and device and computer readable storage medium (一種拍攝方法、裝置以及計算機可讀存儲介質)	Our Company	Invention	201911016880.0	October 24, 2039

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
31 . .	Data transmission method, communication device and storage medium (數據傳輸方法、通信設備及存儲介質)	Our Company	Invention	202210478249.8	May 5, 2042
32 . .	Card holder and intelligent terminal (卡托及智能終端)	Our Company	Invention	202211223892.2	October 9, 2042
33 . .	Cell activation method, apparatus and system and storage medium (小區激活方法、設備、系統及存儲介質)	Our Company	Invention	202080010327.0	July 7, 2040
34 . .	Processing method, communication device and storage medium (處理方法、通信設備及存儲介質)	Our Company	Invention	202210531728.1	May 17, 2042
35 . .	Card holder and mobile terminal (卡托及移動終端)	Our Company	Invention	202210328811.9	March 31, 2042
36 . .	Neighbor cell measurement control method and device and storage medium (鄰小區測量控制方法、裝置及存儲介質)	Our Company	Invention	202080009610.1	May 26, 2040
37 . .	Image processing method, terminal and computer storage medium (一種圖像處理方法、終端及計算機存儲介質)	Our Company	Invention	201911066957.5	November 4, 2039
38 . .	Image processing method, intelligent terminal and storage medium (圖像處理方法、智能終端及存儲介質)	Our Company	Invention	202210491875.0	May 7, 2042
39 . .	Terminal mirror surface photographing method, terminal and computer readable storage medium (終端鏡面拍照方法、終端及計算機可讀存儲介質)	Our Company	Invention	201911130016.3	November 18, 2039
40 . .	Card support, card seat assembly and mobile terminal (卡托、卡座組件及移動終端)	Our Company	Invention	202210314497.9	March 29, 2042
41 . .	Card holder and mobile terminal (卡托及移動終端)	Our Company	Invention	202210495720.4	May 9, 2042
42 . .	Card holder and mobile terminal (卡托及移動終端)	Our Company	Invention	202210244502.3	March 14, 2042
43 . .	Card tray, card seat assembly and electronic equipment (卡托、卡座組件及電子設備)	Our Company	Invention	202210249074.3	March 15, 2042
44 . .	Card holder and mobile terminal (卡托及移動終端)	Our Company	Invention	202210388041.7	April 14, 2042

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
45 . .	Card holder and mobile terminal (卡托及移動終端)	Our Company	Invention	202210392394.4	April 15, 2042
46 . .	Image processing method, intelligent terminal and storage medium (圖像 處理方法、智能終端及存儲介質)	Our Company	Invention	202210317793.4	March 29, 2042
47 . .	Processing method, communication equipment and storage medium (處理方法、通信設備及存儲介質)	Our Company	Invention	202210007414.1	January 6, 2042
48 . .	Paging cycle updating method, communication device, communication system and storage medium (尋呼週期更新方法、通信 設備、通信系統及存儲介質)	Our Company	Invention	202111329564.6	November 11, 2041
49 . .	Image processing method, intelligent terminal and storage medium (圖像 處理方法、智能終端及存儲介質)	Our Company	Invention	202210029380.6	January 12, 2042
50 . .	Image processing method and device, and computer storage medium (一種圖像處理方法、裝置及計算機 存儲介質)	Our Company	Invention	201911126395.9	November 18, 2039
51 . .	Photographing method based on intelligent terminal (一種基於智能 終端的拍照方法)	Shanghai Transsion	Invention	201710020973.5	January 11, 2037
52 . .	Photographing method, mobile terminal and computer readable storage medium (拍照方法、移動終 端及計算機可讀存儲介質)	Our Company	Invention	202010206837.7	March 20, 2040
53 . .	Reminding method, terminal equipment, network equipment and storage medium (提醒方法、終端設 備、網絡設備及存儲介質)	Our Company	Invention	202111317398.8	November 9, 2041
54 . .	Processing method, communication device, communication system and storage medium (處理方法、通信設 備、通信系統及存儲介質)	Our Company	Invention	202111382801.5	November 22, 2041
55 . .	Processing method, communication device and storage medium (處理方 法、通信設備及存儲介質)	Our Company	Invention	202111335886.1	November 12, 2041
56 . .	Image processing method, intelligent terminal and readable storage medium (圖像處理方法、智能終端 及可讀存儲介質)	Our Company	Invention	202111253333.1	October 27, 2041

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
57 . .	Photographing composition method, and terminal (拍照構圖方法、終端)	Shanghai Transsion	Invention	201711459236.1	December 28, 2037
58 . .	Processing method, processing equipment and storage medium (處理方法、處理設備及存儲介質)	Our Company	Invention	202110867324.5	July 30, 2041
59 . .	Mobile terminal, control method of mobile terminal and computer storage medium (移動終端及移動終端的控制方法、計算機存儲介質)	Our Company	Invention	201911048066.7	October 30, 2039
60 . .	Charging system and method for handheld equipment and terminal equipment (一種用於手持設備的充電系統及方法、終端設備)	Our Company	Invention	201910839962.9	September 5, 2039
61 . .	Terminal shooting method and device, mobile terminal and readable storage medium (終端拍攝方法、裝置、移動終端及可讀存儲介質)	Our Company	Invention	201910873337.6	September 12, 2039
62 . .	Image processing method and electronic terminal equipment (一種圖像處理方法和電子終端設備)	Our Company	Invention	201911132637.5	November 18, 2039
63 . .	Input module of intelligent terminal and intelligent terminal provided with input module (一種智能終端的輸入模塊及具有該輸入模塊的智能終端)	Shanghai Transsion	Invention	201711459888.5	December 28, 2037
64 . .	Light supplementing device, control method of light supplementing device and computer storage medium (補光裝置、補光裝置的控制方法及計算機存儲介質)	Our Company	Invention	201911230349.3	December 4, 2039
65 . .	Flash control circuit and mobile terminal (閃光燈控制電路及移動終端)	Shenzhen Tecno	Invention	201811080114.6	September 17, 2038
66 . .	Night scene shooting control method, system and equipment (夜景拍攝控制方法、系統以及設備)	Shenzhen Tecno Technology Co., Ltd. Shanghai Branch	Invention	201710465036.0	June 19, 2037
67 . .	Photographing method of intelligent terminal (一種智能終端的拍照方法)	Shanghai Transsion	Invention	201710113330.5	February 28, 2037

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No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
68.	Imaging system and imaging method for realizing camera direction unlimited setting (實現攝像頭方向無限制設置的成像系統和成像方法)	Shanghai Transsion	Invention	201710508758.X	June 28, 2037
69.	Picture editing method and terminal (圖片編輯方法與終端)	Shanghai Transsion	Invention	201710898555.6	September 28, 2037
70.	Intelligent terminal (智能終端)	Shanghai Transsion	Utility model	202323613051.5	December 27, 2033
71.	Hinge device and intelligent terminal (鉸鏈裝置及智能終端)	Shanghai Transsion	Utility model	202321640863.6	June 26, 2033
72.	Electronic device (電子設備)	Shanghai Transsion	Utility model	202321750492.7	July 4, 2033
73.	Display device and intelligent terminal (顯示裝置及智能終端)	Chongqing Transsion Technology	Utility model	202223599223.3	December 30, 2032
74.	Imaging device (拍攝裝置)	Our Company	Utility model	202090000938.2	March 3, 2030
75.	Card seat mechanism and mobile terminal (卡座機構和移動終端)	Our Company	Utility model	202220580474.8	March 16, 2032
76.	Card seat, card seat assembly and mobile terminal (卡座、卡座組件及移動終端)	Our Company	Utility model	202221110978.X	May 11, 2032
77.	Card holder assembly and mobile terminal (卡托組件和移動終端)	Our Company	Utility model	202221136594.5	May 13, 2032
78.	Card support, card seat assembly and mobile terminal (卡托、卡座組件及移動終端)	Our Company	Utility model	202221097212.2	May 10, 2032
79.	5G terminal signal transceiving device and terminal (5G終端信號收發裝置以及終端)	Shenzhen Tecno	Utility model	201921773467.4	October 18, 2029
80.	5G backhaul device and network topology system (5G回傳裝置和網絡拓撲系統)	Shenzhen Tecno	Utility model	201921805222.5	October 24, 2029
81.	Driving circuit and electronic equipment (驅動電路及電子設備)	Our Company	Utility model	201921360860.0	August 20, 2029
82.	Trinity card holds in palm and cell-phone (三合一卡托及手機)	Shanghai Transsion	Utility model	201721259111.X	September 28, 2027
83.	Intelligent terminal with full surface screen curtain (一種具有全面屏幕的智能終端)	Shenzhen Transsion Manufacture	Utility model	201721381033.0	October 25, 2027
84.	Intelligent terminal with full surface screen curtain (一種具有全面屏幕的智能終端)	Shenzhen Transsion Manufacture	Utility model	201721381035.X	October 25, 2027

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No.	Patent	Registered Owner	Type	Patent Number	Expiry Date
85 . .	Hall sensing device, terminal (霍爾傳感裝置、終端)	Chongqing Transsion Communications Technology Co., Ltd.	Utility model	201720603652.3	May 26, 2027
86 . .	Mobile terminal with front camera and large LCD (移動終端)	Shanghai Transsion	Utility model	201621160217.X	November 1, 2026
87 . .	Rear camera module of mobile phone (手機的後置攝像頭模塊)	Our Company	Design	202430384374.2	August 2, 2037
88 . .	Rear camera module of mobile phone (手機的後置攝像頭模塊)	Our Company	Design	202230500500.7	August 2, 2037
89 . .	Rear camera module of mobile phone (手機的後置攝像頭模組)	Our Company	Design	202230500451.7	August 2, 2037
90 . .	Hinge of mobile phone (手機的轉軸)	Our Company	Design	202230500734.1	August 2, 2037
91 . .	Mobile phone (手機)	Our Company	Design	202230500592.9	August 2, 2037
92 . .	Mobile phone (手機)	Our Company	Design	202030013898.2	January 9, 2030

(c) Copyrights

As of the Latest Practicable Date, we had registered the following computer software copyrights which we consider to be material to our Group’s business:

No.	Copyright	Registered Owner	Registration Number	Registration Date
1 . .	Transsion Communication One-Click Phone Transfer Software (傳音通訊一鍵換機軟件)	Shenzhen Transsion Communications Co., Ltd. (深圳傳音通訊有限公司)	Ruan Zhu Deng Zi No. 4868791	December 27, 2019
2 . .	Transsion Communication App Lock Application Software (傳音通訊應用鎖應用軟件)	Shenzhen Transsion Communications Co., Ltd. (深圳傳音通訊有限公司)	Ruan Zhu Deng Zi No. 4872996	December 30, 2019
3 . .	Transsion Communication Lock Screen Password Reset Mobile Software (傳音通訊鎖屏密碼重置手機軟件)	Shenzhen Transsion Communications Co., Ltd. (深圳傳音通訊有限公司)	Ruan Zhu Deng Zi No. 4873044	December 30, 2019
4 . .	Transsion Communication Smart Auxiliary Application Software (傳音通訊智能輔助應用軟件)	Shenzhen Transsion Communications Co., Ltd. (深圳傳音通訊有限公司)	Ruan Zhu Deng Zi No. 4873058	December 30, 2019
5 . .	Transsion Information Smart Filter Software (傳英信息智能濾鏡軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 5773877	August 7, 2020
6 . .	Transsion Information HDR Photography Software (傳英信息HDR拍照軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 5774926	August 7, 2020

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Copyright	Registered Owner	Registration Number	Registration Date
7 . .	Transsion Information Variable Theme Application Software (傳英信息百變主題應用軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 5778981	August 10, 2020
8 . .	Transsion Information AR Space Canvas Software (傳英信息AR空間畫布軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 6335270	November 2, 2020
9 . .	Transsion SystemUI Cross-Platform Support Software (傳英SystemUI跨平台支持軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 6466123	November 27, 2020
10 .	Transsion Recording Note Software (傳英錄音筆記軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 6466122	November 27, 2020
11 .	Transsion Information Message Split Screen Software (傳英信息消息分屏軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 6466121	November 27, 2020
12 .	Transsion Privacy Protection Software (傳音隱私防護軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 6476101	November 28, 2020
13 .	Transsion Password Retrieval Feature Software (傳音密碼找回功能軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 6475992	November 28, 2020
14 .	Transsion Quick Reply Mobile Software (傳音迅回手機軟件)	Our Company	Ruan Zhu Deng Zi No. 7740184	July 9, 2021
15 .	Transsion YoParty Software (傳音YoParty軟件)	Our Company	Ruan Zhu Deng Zi No. 7740183	July 9, 2021
16 .	Transsion Information battery lab Software (傳英信息battery lab軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 7740180	July 9, 2021
17 .	Transsion Black and White Portrait Software (傳英黑白人像軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 7847920	July 29, 2021
18 .	Transsion Information Power Saving Center Mobile Software (傳英信息省電中心手機軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 7857740	August 2, 2021
19 .	Transsion Portrait Light Effect Software (傳英人像光效軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 7889483	August 6, 2021
20 .	Transsion Data Bandwidth Adjustment and Upgrade Software (傳音數據帶寬調整升級軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 8431435	November 11, 2021
21 .	Transsion AR 3D Motion Effect Software (傳音AR 3D動效軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 8764481	December 10, 2021
22 .	Transsion Freeze Background App Freezing Software (傳英Freeze後台凍結軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 8764469	December 10, 2021

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No.	Copyright	Registered Owner	Registration Number	Registration Date
23 .	Transsion Information Engine Prediction and Recovery System Software (傳英信息引擎預測回救系統軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 9033967	January 12, 2022
24 .	Transsion Carlcare Software (傳英Carlcare軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 9033846	January 12, 2022
25 .	Transsion SmartCaller Software (傳英SmartCaller軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 9150384	February 7, 2022
26 .	Transsion Smart Panel Software (傳英智慧面板軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 9150383	February 7, 2022
27 .	Transsion Third-Party Video Call Optimization Software (傳英三方視頻通話優化軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 9150366	February 7, 2022
28 .	Transsion Automated Application Placement Platform Software (傳音自動化應用投放平台軟件)	Shenzhen Tecno	Ruan Zhu Deng Zi No. 9150358	February 7, 2022
29 .	Transsion Power Consumption Smart Analysis Software (傳英功耗智能分析軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 9184031	February 15, 2022
30 .	Transsion Settings Mobile Software (傳音設置手機軟件)	Our Company	Ruan Zhu Deng Zi No. 9883911	July 14, 2022
31 .	Transsion HiTranslate Software (傳音HiTranslate軟件)	Shenzhen Transsion Communications Co., Ltd. (深圳傳音通訊有限公司)	Ruan Zhu Deng Zi No. 9883855	July 14, 2022
32 .	Transsion Data Collection Software (傳英數據採集軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 9896662	July 18, 2022
33 .	Transsion Phone Master Software (傳音手機大師軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 9900435	July 19, 2022
34 .	Transsion Multi-Window Screen Projection Software (傳英多窗口投屏軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 10080362	August 15, 2022
35 .	Transsion File Manager Software (傳音文件管理器軟件)	Our Company	Ruan Zhu Deng Zi No. 10333195	September 28, 2022
36 .	Transsion Mass Production Dram Sorting Software (傳音量產Dram Sorting軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 11004580	March 30, 2023
37 .	Transsion SMS Software (傳英短信軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 11080572	April 23, 2023
38 .	Transsion Smart Refresh Software (傳英智能刷新軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 11080235	April 23, 2023

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No.	Copyright	Registered Owner	Registration Number	Registration Date
39	Transsion Portrait Master Software (傳音人像大師軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 11083529	April 24, 2023
40	Transsion LED Backlight Software (傳音LED背光燈軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 11124907	May 12, 2023
41	Transsion Manchester AR 3D Motion Effect Software (傳音曼城AR 3D動效 軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 11221970	June 13, 2023
42	Transsion Demo Mode Software (傳英演示模式軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 11325431	June 28, 2023
43	Transsion Secure Keyboard Software (傳英安全鍵盤軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 11325430	June 28, 2023
44	Transsion External Screen Phone Settings Software (傳英外屏手機設置軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 11325378	June 28, 2023
45	Transsion Smart Interconnection Multi- Window Software (傳英智慧互聯多窗 口軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 11325377	June 28, 2023
46	Transsion Wow FM Recording Software (傳英Wow FM錄音軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 11835869	October 17, 2023
47	TranssionIM Software (傳英TranssionIM 軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 11984707	November 7, 2023
48	Transsion Back Panel Light Effect Software (傳英背板燈效軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 11984597	November 7, 2023
49	Aore Smart Interconnection – TWS Headset Software (奧雷智慧互聯-TWS 耳機軟件)	Shenzhen Aoremo Technology Co., Ltd.	Ruan Zhu Deng Zi No. 11991306	November 8, 2023
50	Transsion Smart Network Speed Distribution Software (傳英智慧網速分 配軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 12283366	December 20, 2023
51	Transsion Sleep Segment Recognition Software (傳音睡眠片段識別軟件)	Shenzhen Transsion Communications Co., Ltd. (深圳傳音通訊有限公司)	Ruan Zhu Deng Zi No. 12329398	December 25, 2023
52	Tecno TranRAWHDR Software (泰衡諾TranRAWHDR軟件)	Shenzhen Tecno	Ruan Zhu Deng Zi No. 12336013	December 25, 2023
53	Xiaochuan HolaBrowser Software (小傳HolaBrowser軟件)	Shanghai Xiaochuan Technology Co., Ltd.	Ruan Zhu Deng Zi No. 12627037	February 2, 2024
54	Transsion Language Master Software (傳音語言大師軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 13039259	May 11, 2024

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No.	Copyright	Registered Owner	Registration Number	Registration Date
55	Transsion Important Activity Location Recognition Software (傳音重要活動地識別軟件)	Shenzhen Transsion Communications Co., Ltd. (深圳傳音通訊有限公司)	Ruan Zhu Deng Zi No. 13319760	July 2, 2024
56	Transsion WLAN Smart Network Selection System Software (傳音WLAN智能選網系統軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 13441091	July 22, 2024
57	Transsion Foldable Screen AOD Ornament Mode Software (傳英折疊屏AOD擺件模式軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 13443356	July 22, 2024
58	Transsion NFC TAG Software (傳英NFC TAG軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 13443365	July 22, 2024
59	Transsion TranHamal Software (傳英TranHamal軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 13517341	August 2, 2024
60	Transsion Game Space Software (傳英遊戲空間軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 13536832	August 6, 2024
61	Transsion Communication Smart Manager Software (傳英通信智能管家軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 13536813	August 6, 2024
62	Transsion Interactive Cute Pet Software (傳英互動萌寵軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 13536771	August 6, 2024
63	Transsion Mobile Cloner Software (傳英Mobile Cloner軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 13536764	August 6, 2024
64	Transsion Multi-Link Aggregation Software (傳英多鏈路聚合軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 13536732	August 6, 2024
65	Transsion Social Assistant Software (傳英社交助手軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 13536622	August 6, 2024
66	Xiaochuan Magazine Lockscreen Software (小傳Magazine Lockscreen軟件)	Shanghai Xiaochuan Technology Co., Ltd.	Ruan Zhu Deng Zi No. 13536551	August 6, 2024
67	Transsion Smart Sidebar Software (傳英智能側邊欄軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 13536541	August 6, 2024
68	Transsion Multi-Racial Skin Tone Classification Software (傳英多膚色人種膚色分級軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 13536739	August 6, 2024
69	Transsion Port Liquid Detection Software (傳英端口液體檢測軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 13536757	August 6, 2024
70	Transsion Full-Domain hdr Software (傳音全域hdr軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 13540683	August 7, 2024
71	Tecno Mobile-based Port Protection Software (泰衡諾基於手機端的端口保護軟件)	Shenzhen Tecno	Ruan Zhu Deng Zi No. 13550774	August 8, 2024

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No.	Copyright	Registered Owner	Registration Number	Registration Date
72 .	Transsion Visha Player Software (傳英Visha播放器軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 13570125	August 12, 2024
73 .	Transsion Game Mode Software (傳英遊戲模式軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 13570047	August 12, 2024
74 .	Transsion Notebook Software (傳英Notebook軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 13570025	August 12, 2024
75 .	Transsion Sports and Health Terminal Software (傳音運動健康終端軟件)	Shenzhen Transsion Communications Co., Ltd. (深圳傳音通訊有限公司)	Ruan Zhu Deng Zi No. 13568399	August 12, 2024
76 .	Transsion Large Screen Compatibility Mode Software (傳英大屏兼容模式軟 件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 14088524	November 4, 2024
77 .	Transsion Sensing and Scheduling Software (傳英感知調度軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 14291980	November 25, 2024
78 .	Transsion Stability File Anomaly Software (傳英穩定性文件異常軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 14291979	November 25, 2024
79 .	Transsion Negative One Screen Platform Dynamic Card Software (傳英負一屏平 台動態卡片軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 14291976	November 25, 2024
80 .	Xiaochuan Global Search – Multi-Source Search Capability Aggregation Software (小傳全局搜索-多源搜索能力 聚合軟件)	Shanghai Xiaochuan Technology Co., Ltd.	Ruan Zhu Deng Zi No. 14291883	November 25, 2024
81 .	Transsion Dynamic-Light Effect Software (傳音靈眸光效Dynamic-Light Effect軟 件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 14289841	November 25, 2024
82 .	Transsion Video Blurring Algorithm Software (傳音視頻虛化算法軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 14289751	November 25, 2024
83 .	Transsion Starburst Algorithm Software (傳英星芒算法軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 14291977	November 25, 2024
84 .	Transsion Front Camera Confusing Color Clothing Color Cast Calibration Software (傳音前置混淆色衣服色偏校 準軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 14301042	November 26, 2024
85 .	Dynamic Photovoltaic Charging Software (鈦氮光伏充電軟件)	Shenzhen Dynamic Energy Technology Co., Ltd.	Ruan Zhu Deng Zi No. 14342319	December 5, 2024
86 .	Transsion Ultra HD Portrait 2.0 Down- Tier G99 Software (傳音超清人像2.0下 沉G99軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 14772305	January 17, 2025
87 .	Xiaochuan Palmstore Offline Scenario Software (小傳palmstore無網場景軟件)	Shanghai Xiaochuan Technology Co., Ltd.	Ruan Zhu Deng Zi No. 15258256	April 10, 2025

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Copyright	Registered Owner	Registration Number	Registration Date
88 .	Transsion Endurance Digital Operation Big Data Tracking Point Software (傳音續航數字化運營大數據埋點軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 15330501	April 24, 2025
89 .	Transsion TAPS Algorithm Up-shift Architecture Application Software (傳音TAPS算法上移架構應用端軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 15469239	May 19, 2025
90 .	Transsion Smart Retail Software (傳音Smart Retail軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 15469422	May 19, 2025
91 .	Transsion Dual Prism Periscope Telephoto Solution Software (傳英雙棱鏡潛望長焦方案軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 15477064	May 20, 2025
92 .	Transsion AI Voice Assistant Software (傳英AI語音助手軟件)	Shanghai Transsion	Ruan Zhu Deng Zi No. 15731248	June 24, 2025
93 .	Transsion Airaw Lite Camera Software (傳音Airaw Lite相機軟件)	Chongqing Transsion Communications Technology Co., Ltd.	Ruan Zhu Deng Zi No. 15752520	June 26, 2025

(d) Domain Name

As of the Latest Practicable Date, we owned the following domain name which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner
1 . .	transsion.com	Our Company

C FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1 Directors’ Service Contracts and Appointment Letters

Each of our Directors [entered into] a service contract or appointment letter with our Company. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors has entered, or is proposed to enter, a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

APPENDIX IV STATUTORY AND GENERAL INFORMATION

2 Remuneration of Directors

Save as disclosed in “Directors and Senior Management” and under “Accountants’ Report — Notes to the Historical Financial Information — Employee Benefit Expenses (including Director’s Remuneration)” in Appendix I to this document, no Director received other remuneration or benefits in kind from our Company in respect of each of the years ended December 31, 2023, 2024 and 2025.

3 Disclosure of Interests

(a) *Interests of our Directors and chief executive*

Immediately following completion of the [REDACTED] (assuming that the [REDACTED] and the [REDACTED] are not exercised), the interests or short positions of our Directors and chief executive in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to our Company and the Stock Exchange, once the H Shares are [REDACTED], are set out below:

(i) *Interest in our Company*

Name of Director or chief executive	Nature of interest ⁽¹⁾	Number and class of Shares or underlying Shares held as of the Latest Practicable Date	Approximate shareholding in relevant class of Shares upon completion of the [REDACTED] ⁽²⁾	Approximate shareholding in total issued share capital upon completion of the [REDACTED] ⁽²⁾
Mr. Zhu Zhaojiang (竺兆江) ⁽³⁾	Interest in controlled corporation	537,696,463 A Shares	[REDACTED]	[REDACTED]
Mr. Zhang Qi (張祺) ⁽⁴⁾	Beneficial owner	844,887 A Shares	[REDACTED]	[REDACTED]
Ms. Yang Hong (楊宏) ⁽⁵⁾	Beneficial owner	60,000 A Shares	[REDACTED]	[REDACTED]

Notes:

- (1) All interests stated are long position.
- (2) The calculation is based on the [REDACTED] H Shares and 1,151,184,545 A Shares in issue immediately following the completion of the [REDACTED] (assuming that the [REDACTED] and the [REDACTED] are not exercised).
- (3) Pursuant to the articles of association of Transsion Investment, Mr. Zhu is entitled to exercise 67.00% of its voting rights, despite holding only 20.68% of its equity interests. Therefore, by virtue of the SFO, Mr. Zhu is deemed to be interested in the 537,696,463 Shares held by Transsion Investment.
- (4) The interest comprises (i) 60,887 A Shares directly held by Mr. Zhang Qi, and (ii) 784,000 A Shares that Mr. Zhang Qi had interest in respect of the restricted Shares granted and vested pursuant to the 2022 Restricted Share Incentive Plan.
- (5) The interest comprises 60,000 A Shares directly held by Ms. Yang Hong.

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(ii) *Interest in our associated corporations*

Name of substantial shareholder	Name of member of our Group	Nature of interest	Approximate percentage interest held by the substantial shareholders as of the Latest Practicable Date
Shenzhen Xinju Huineng Enterprise Management Consulting Partnership (Limited Partnership) (深圳市新炬匯能企業管理諮詢合夥企業(有限合夥)) ⁽¹⁾ (“Shenzhen Xinju Huineng”)	Shenzhen Dynamic Energy Technology Co., Ltd. (深圳市鈦氮能源科技有限公司)	Beneficial owner	33.33%
Mr. Yan Meng (嚴孟) ⁽¹⁾	Shenzhen Dynamic Energy Technology Co., Ltd. (深圳市鈦氮能源科技有限公司)	Interest in controlled corporation	33.33%

Note:

- (1) As of the Latest Practicable Date, (i) Shenzhen Danna Mike Information Technology Co., Ltd. (深圳市丹納覓刻信息技術有限公司) (which is held as to 99% by Mr. Yan Meng (嚴孟) and 1% by Mr. Deng Xiang (鄧翔)), as the general partner, held 0.005% equity interest in Shenzhen Xinju Huineng; (ii) Mr. Yan held 54.16% equity interest therein; Mr. Deng held 20% equity interest therein; and (iii) each of the remaining 20 limited partners held less than 5% equity interest therein. By virtue of the SFO, Mr. Yan is deemed to be interested in the Shares held by Shenzhen Xinju Huineng.

Save as disclosed above, so far as our Directors are aware, immediately following the completion of the [REDACTED], no Directors or the chief executive will, directly or indirectly, be interested in the shares or underlying shares of the associated corporations of our Company.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

(b) *Interests of our substantial Shareholders*

Name of substantial shareholder	Name of member of our Group	Nature of interest	Approximate percentage interest held by the substantial shareholders as of the Latest Practicable Date
DIGISPICE TECHNOLOGIES LIMITED (formerly known as SPICE MOBILITY LIMITED) .	S MOBILE DEVICES PRIVATE LIMITED	Beneficial owner	20.00%
Advanced Cloud FZE	TRANSSION DEVELOPMENT LIMITED	Beneficial owner	30.00%
HK ZC INVESTMENT LIMITED	ISMARTU IN PTE. LIMITED	Beneficial owner	17.98%
XING CHANGTAI TECHNOLOGY LIMITED	ISMARTU TECHNOLOGY BD LIMITED	Beneficial owner	20.44%
Shanghai Yuesheng Enterprise Management Center (Limited Partnership) (上海越昇企業管理中心(有限合夥)) .	SHENZHEN CORE UNION TECHNOLOGY LIMITED (深圳合芯優聯科技有限公司)	Beneficial owner	20.00%
Shenzhen Continuously Explores Enterprise Management Consulting Partnership (Limited Partnership) (深圳持續探索企業管理諮詢合夥企業(有限合夥))	SHENZHEN ORAIMO TECHNOLOGY LIMITED (深圳奧雷莫科技有限公司)	Beneficial owner	29.33%
Shenzhen Gongchuangda Enterprise Management Consulting Partnership (Limited Partnership) (深圳共創達企業管理諮詢合夥企業(有限合夥)) .	SHENZHEN HEXINYAOFEI TECHNOLOGY LIMITED (深圳合鑫耀非科技有限公司)	Beneficial owner	32.00%
TREASURE HEIGHT DEVELOPMENTS LIMITED (珍高發展有限公司)	DlighTek Limited (點亮數字科技有限公司)	Beneficial owner	15.00%

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Name of substantial shareholder	Name of member of our Group	Nature of interest	Approximate percentage interest held by the substantial shareholders as of the Latest Practicable Date
Shenzhen Xinjuhuineng Enterprise Management Consulting Partnership (Limited Partnership) (深圳市新炬匯能企業管理諮詢合夥企業(有限合夥))	Shenzhen Dynamic Energy Technology Co., Ltd. (深圳市鈦氮能源科技有限公司)	Beneficial owner	33.33%
MMD Hong Kong Holding Limited	VisionTrans Technologies Limited (景至合聯科技有限公司)	Beneficial owner	19.00%
IMMENSE VICTORY LIMITED (BVI)	Transsion eStar Technology Limited	Beneficial owner	22.22%
HORIZON LUCK LIMITED (景幸有限公司).	Transsion eStar Technology Limited	Beneficial owner	22.22%
Shenzhen Chuanxiang Enterprise Management Consulting Partnership (Limited Partnership) (深圳傳翔企業管理諮詢合夥企業(有限合夥))	Shenzhen Chuanxiang Industry Operation Co., Ltd. (深圳傳翔產業運營有限公司)	Beneficial owner	25.00%
ACOUST TECHNOLOGY LIMITED	ACOUST ENTERTAINMENT SINGAPORE PTE. LTD.	Beneficial owner	30.00%

Save as disclosed in the paragraph headed “Appendix IV— C. Further Information About Our Directors and Substantial Shareholders — 3 Disclosure of Interests — (a) Interests of our Directors and chief executive — (ii) Interest in our associated corporations” in this document and above, immediately following the completion of the [REDACTED] and without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED] or the [REDACTED], our Directors are not aware of any other person (other than our Directors or chief executive) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company or any other members of our Group.

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4 Disclaimer

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document, there are no commissions (but not including commission to sub-underwriters) for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company.
- (b) Save as disclosed in this document:
 - (i) there are no founder, management or deferred shares in our Company or any member of our Group;
 - (ii) none of the Directors or the experts named in “— Other Information — Consent of Experts” below has any interest, direct or indirect, in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
 - (iii) there are no bank overdrafts or other similar indebtedness by our Company or any member of our Group;
 - (iv) there are no hire purchase commitments, guarantees or other material contingent liabilities of our Company or any member of our Group;
 - (v) there are no outstanding debentures of our Company or any member of our Group;
 - (vi) our Company is not presently listed on any stock exchange or traded on any trading system;
 - (vii) no capital of any member of our Group is under option, or is agreed conditionally or unconditionally to be put under option; and
 - (viii) there are no contracts or arrangements subsisting at the date of this document in which a Director is materially interested or which is significant in relation to the business of our Group.

D OTHER INFORMATION

1 Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall upon any member of our Group.

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2 Litigation

Save as disclosed in this document, no member of our Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company that would have a material adverse effect on our Company’s results of operations or financial condition.

3 Sole Sponsor

The Sole Sponsor has made an [REDACTED] on behalf of our Company to the Listing Committee for [REDACTED] of, and permission to [REDACTED], the H Shares of our Company. All necessary arrangements have been made enabling the H Shares to be [REDACTED] into [REDACTED].

The Sole Sponsor satisfies the independence criteria applicable to the sponsor set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of US\$450,000 to act as the sponsor of our Company in connection with the proposed [REDACTED] on the Stock Exchange.

4 Consent of Experts

The qualification of the experts, as defined under the Hong Kong Listing Rules, who have given opinions in this document are as follows:

Name	Qualification
CITIC Securities (Hong Kong) Limited	A licensed corporation under the SFO to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Confucius International CPA Limited	Certified Public Accountants under Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
AllBright Law Offices	Qualified PRC lawyers
Paul Hastings (Hong Kong) LLP	Qualified international trade controls lawyers

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Name	Qualification
Anjarwalla and Khanna LLP . .	Qualified Kenya lawyers
Bird & Bird	Qualified Hong Kong lawyers
Bird & Bird ATMD LLP	Qualified Singapore lawyers
Bennani & Associés RDC SAS	Qualified DR Congo lawyers
Dentons Link Legal	Qualified India lawyers
Doulah & Doulah	Qualified Bangladesh lawyers
Haymanot & Advocates	Qualified Ethiopia lawyers
Nuri Yaba Law Office	Qualified Iraq lawyers
Winson Partners and Legal Consultants FZ-LLC	Qualified United Arab Emirates lawyers
Thiam & Associés	Qualified Guinea Lawyers
Winstlaw Attorneys	Qualified Tanzania Lawyers
ENS Advocates	Qualified Uganda Lawyers
Corpus Legal Practitioners	Qualified Zambia Lawyers
Pierre, Tweh & Associates, Inc.	Qualified Liberia Lawyers
Yan Kwok Wing	Hong Kong barrister-at-law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

As of the Latest Practicable Date, none of the experts named above has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Each of the experts named above has given and has not withdrawn their respective written consent to the issue of this document with the inclusion of their reports and/or letters and/or opinions and/or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

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5 Financial Adviser

J.P. Morgan Securities (Asia Pacific) Limited has been appointed by our Company as the financial adviser to provide financial advisory services relating to the [REDACTED] and the [REDACTED]. The appointment of J.P. Morgan Securities (Asia Pacific) Limited is at our Company’s own initiative and not made pursuant to the requirements of the Listing Rules, and the appointment of J.P. Morgan Securities (Asia Pacific) Limited is separate and distinct from the appointment of the Sole Sponsor (which is required to be made by us pursuant to the Listing Rules). The role of J.P. Morgan Securities (Asia Pacific) Limited in the [REDACTED] and the [REDACTED] focuses on providing general and financial advisory services to our Company, including providing advice regarding the financial and strategic position of our Company and inputs in related descriptions in the [REDACTED] documents. These roles are different from, and not relevant to, any sponsor role or responsibility in connection with the [REDACTED] or the [REDACTED]. J.P. Morgan Securities (Asia Pacific) Limited is a corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (Advising on Corporate Finance) and Type 7 (providing automated trading services) of regulated activities as defined under the SFO.

6 Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

7 Promoters

The promoters of our Company are Transsion Investment, Beijing Chuanjiali, Tetrad Ventures Pte Ltd, Gamnat Pte. Ltd., Hong Kong NetEase Interactive Entertainment Limited (香港網易互動娛樂有限公司), Yuanke (Pingtan) Equity Investment Fund Partnership (Limited Partnership) (源科(平潭)股權投資基金合夥企業(有限合夥)), Shenzhen Chuancheng Venture Partnership (Limited Partnership) (深圳市傳承創業合夥企業(有限合夥)) (currently known as Xinyu Chancheng Enterprise Management Partnership (Limited Partnership) (新餘傳承企業管理合夥企業(有限合夥))), Shenzhen Chuanli Venture Partnership (Limited Partnership) (深圳市傳力創業合夥企業(有限合夥)) (currently known as Xinyu Chuanli Enterprise Management Partnership (Limited Partnership) (新餘傳力企業管理合夥企業(有限合夥))), Shenzhen Chuanyin Venture Partnership (Limited Partnership) (深圳市傳音創業合夥企業(有限合夥)) (currently known as Xinyu Chuanyin Enterprise Management Partnership (Limited Partnership) (新餘傳音企業管理合夥企業(有限合夥))), Xinyu Ruiqi Hesheng Investment Partnership (Limited Partnership) (新餘睿啟和盛投資合夥企業(有限合夥)), Ningbo Meishan Bonded Port Area Zhuzhou Zhanfei Investment Center (Limited Partnership) (寧波梅山保稅港區竺洲展飛投資中心(有限合夥)), Suzhou Maixing Zhiyuan Venture Capital Enterprise (Limited Partnership) (蘇州麥星致遠創業投資企業(有限合夥)) and Shenzhen Nanshan Hongtai Equity Investment Fund Partnership (Limited Partnership) (深圳南山鴻泰股權投資基金合夥企業(有限合夥)).

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Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are proposed to be paid, allotted or given to the above promoters in connection with the [REDACTED] and the related transactions described in this document.

8 Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

9 Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

10 Compliance Adviser

Our Company has appointed Red Sun Capital Limited as our compliance adviser in compliance with Rules 3A.19 of the Listing Rules.

11 No Material Adverse Change

Save as disclosed in this document, our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since December 31, 2025, being the end of the period reported on in the Accountants’ Report set out in Appendix I to this document.

12 Related Party Transactions

Our Group entered into the related party transactions within the three years immediately preceding the date of this document as mentioned in Note 36 to the Accountants’ Report in Appendix I to this document.

13 Miscellaneous

Save as disclosed in this document:

- (i) within the two years immediately preceding the date of this document:
 - (a). no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

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- (b). no share or loan capital of our Company or any of our subsidiaries had been under option or is agreed conditionally or unconditionally to be put under option;
- (c). no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
- (d). no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;
- (ii) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;
- (iii) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;
- (iv) our Company has no outstanding convertible debt securities or debentures;
- (v) there is no arrangement under which future dividends are waived or agreed to be waived;
- (vi) save for the A Shares of our Company that are listed on the STAR Market, and save for the H Shares to be [REDACTED] in connection with the [REDACTED], none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and
- (vii) all necessary arrangements have been made to enable the H shares to be [REDACTED] into [REDACTED] for clearing and settlement.

APPENDIX V

**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY**

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a). the written consents referred to in “Statutory and General Information — (D) Other Information — 4 Consents of Experts” in Appendix IV to this document; and
- (b). a copy of the material contract referred to in “Statutory and General Information — (B) Further Information about our Business — 1 Summary of Material Contract” in Appendix IV to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Electronic copies of the following documents will be available for inspection at the website of the Stock Exchange at www.hkexnews.hk and our website at <https://www.transsion.com> including the date which is 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the audited consolidated financial statements of our Group for the Track Record Period;
- (c) the Accountants’ Report from Confucius International CPA Limited, the text of which is set out in Appendix I to this document;
- (d) the report on the unaudited [REDACTED] financial information of our Group issued by Confucius International CPA Limited, the text of which is set out in Appendix II to this document;
- (e) the legal opinions issued by AllBright Law Offices, our PRC Legal Advisor, in respect of certain general corporate matters and property interests in the PRC of our Group;
- (f) the legal opinion issued by Paul Hastings (Hong Kong) LLP, our legal advisors as to international sanctions laws, in respect of certain matters in relation to international trade controls of our Group;
- (g) the legal opinions issued by Anjarwalla and Khanna LLP, our legal advisors as to Kenya law, in respect of Relevant Payment Arrangements;
- (h) the legal opinions issued by Bird & Bird, our Local Legal Advisor as to Hong Kong law, in respect of certain of the Group members established in Hong Kong;

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**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY**

- (i) the legal opinions issued by Bird & Bird ATMD LLP, our legal advisor as to Singapore law, in respect of certain of the Group members established in Singapore;
- (j) the legal opinions issued by Bennani & Associés RDC SAS, our legal advisor as to DR Congo law, in respect of Relevant Payment Arrangements;
- (k) the legal opinions issued by Dentons Link Legal, our legal advisor as to India law, in respect of certain general corporate matters of the Group members established in India;
- (l) the legal opinions issued by Doulah & Doulah, our legal advisor as to Bangladesh law, in respect of certain general corporate matters of the Group members established in Bangladesh and Relevant Payment Arrangements;
- (m) the legal opinions issued by Haymanot & Advocates, our legal advisor as to Ethiopia law, in respect of certain general corporate matters of the Group members established in Ethiopia and Relevant Payment Arrangements;
- (n) the legal opinions issued by Nuri Yaba Law Office, our legal advisor as to Iraq law, in respect of Relevant Payment Arrangements;
- (o) the legal opinions issued by Winson Partners and Legal Consultants FZ-LLC, our legal advisor as to United Arab Emirates law, in respect of certain general corporate matters of the Group members established in United Arab Emirates and Relevant Payment Arrangements;
- (p) the legal opinions issued by Thiam & Associés, our legal advisor as to Guinea Law, in respect of Relevant Payment Arrangements;
- (q) the legal opinions issued by Winstlaw Attorneys, our legal advisor as to Tanzania Law, in respect of Relevant Payment Arrangements;
- (r) the legal opinions issued by ENS Advocates, our legal advisor as to Uganda Law, in respect of Relevant Payment Arrangements;
- (s) the legal opinions issued by Corpus Legal Practitioners, our legal advisor as to Zambia Law, in respect of Relevant Payment Arrangements;
- (t) the legal opinions issued by Pierre, Tweh & Associates, Inc., our legal advisor as to Liberia Law, in respect of Relevant Payment Arrangements;
- (u) the legal opinions issued by Yan Kwok Wing, our Special Legal Advisor as to Hong Kong law, in respect of Relevant Payment Arrangements;

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**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY**

- (v) the industry report issued by Frost & Sullivan, a summary of which is set forth in “Industry Overview” in this document;
- (w) the material contract referred to in “Statutory and General Information — (B) Further Information about our Business — 1 Summary of Material Contract” in Appendix IV to this document;
- (x) the service contracts and the letters of appointment referred to in “Statutory and General Information — (C) Further information about our Directors and Substantial Shareholders — 1 Particulars of Directors’ Service Contracts and Appointment Letters” in Appendix IV to this document;
- (y) the written consents referred to in “Statutory and General Information — (D) Other information — 4 Consent of experts” in Appendix IV to this document; and
- (z) the PRC Company Law, the Securities Law and the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies, together with their unofficial English translation.