OVERVIEW

We are a fabless memory chip provider in the Chinese Mainland, specializing in the research and development, design and sales of code storage flash memory. Code storage flash memory is primarily designed to store code during system boot-up and operation, which requires high levels of stability and reliability. We offer a broad range of code storage flash memory with a density ranging from 1Mbit to 8Gbit. According to CIC, we are one of over 20 fabless companies globally offering code storage flash memory with a range of density specifications; and we ranked:

- ***Fifth*** globally among all fabless companies in terms of revenue generated from code storage flash memory in 2025;
- ***Fourth*** globally among all fabless companies in terms of revenue generated from SLC NAND Flash in 2025; and
- ***Fifth*** globally among all fabless companies in terms of revenue generated from NOR Flash in 2025.

Since our establishment in 2014, we have been deeply engaged in the field of code storage flash memory for over 12 years, establishing a competitive advantage through reliable product design and stable delivery guarantees.

Our Rich and Diverse Product Matrix and Main Application Scenarios

We mainly provide code storage flash memory. To enhance the product portfolio, we also offer analog IC and MCU, which function as independent product units while creating synergies with our flash memory to provide customers with optimized performance and cost-effective solutions. Our products feature stable performance, reliability, and compatibility, which are widely applied across various sectors, including network communications, AI communications, consumer electronics, smart home, IoT, industrial and medical, automotive electronics, and computer and peripherals.

Code Storage Flash Memory

Our NOR Flash products are available in storage densities ranging from 1 Mbit to 2 Gbit and are engineered for the storage and high-speed random access of small- to medium-density code. We provide a diversified portfolio of NOR Flash products, utilizing both ETOX and NORD process platforms to achieve an optimal balance of reliability, low power consumption, and compact design. The stable performance of our NOR Flash products makes them suitable for a wide array of applications, including communications infrastructure, industrial electronics, and mass-market consumer electronic devices.

Our SLC NAND Flash products, primarily manufactured on 2xnm process nodes, offer storage densities from 1 Gbit to 8 Gbit, providing higher storage capacity with greater cost-efficiency compared to NOR Flash. By leveraging proprietary error correction technology, our SLC NAND Flash products deliver stable performance and long-term data integrity while maintaining low power consumption. These characteristics make our SLC NAND Flash ideal for applications demanding reliability and energy efficiency under sustained operating conditions.

To address the growing demand for high data transfer rates within compact form factors, we have also developed MCP solutions by integrating our SLC NAND Flash with DRAM.

Others

Building on our flash memory foundation, we have expanded our product portfolio to include analog ICs (such as motor driver ICs) and MCUs. This expansion leverages our existing technical expertise and customer base to create a "Memory+" product ecosystem, transitioning our business to a broader IC design company.

Our analog IC product line includes motor driver IC and power management IC. Our general-purpose motor driver ICs can drive brushed DC motors and stepper motors to meet a wide range of motor control needs. Our power management ICs product line mainly covers charging management ICs, DC-DC converters, linear regulators, and over-current and over-voltage protectors.

We provide 8-bit and 32-bit MCUs, which are mainly applied in major home appliances. The MCUs form a functional unit when combined with our flash and analog ICs, which can satisfy the diversified application requirements of our customers.

Our Transformative Market Opportunities

The AI era is no longer future vision. With the in-depth evolution of digital technology and the accelerated advancement of industrial transformation, AI has moved from the technical exploration stage to a critical period of large-scale deployment, and it is creating substantial development opportunities for enterprises equipped with core technologies and the capability to implement real-world applications.

As the key carrier for storing massive amounts of code and data during the equipment operation, the flash memory industry is expected to benefit from the substantial growth opportunities. The global market size in terms revenue of flash memory increased to US$68.4 billion in 2024 with a year-on-year growth rate of 67.0%, and is projected to reach US$538.5 billion in 2030 with a CAGR of 48.5% from 2025 to 2030. Among which, code storage flash memory has demonstrated strong market momentum as a critical component for enhancing the real-time performance and reliability of localized code storage and execution. The corresponding global market size increased from US$3.6 billion in 2020 to US$5.1 billion in 2025 with a CAGR of 7.2%, and is expected to grow to US$42.7 billion by 2030 at a CAGR of 53.0%. The market share of code storage flash memory within the total flash memory market also increased from 6.1% in 2020 to 6.8% in 2025, and is expected to increase to 7.9% by 2030.

OUR STRENGTHS

I. We Are a Major Player in Code Storage Flash Memory Market

Since our incorporation, we have been deeply engaged in the field of code storage flash memory, adopting a differentiated competition strategy with the focus on the NOR Flash and SLC NAND Flash in global market. We actively lead the technological development and standard-setting for domestic flash memory. Relying on continuous technological innovation, highly reliable product performance, and an extensive customer ecosystem, we have received numerous awards and consistently solidified our market position.

Leading Market Position

According to CIC, in terms of revenue from code storage flash memory, we ranked fifth among all global fabless companies in 2025. In terms of revenue from SLC NAND Flash, we ranked fourth among all global fabless companies in 2025. In terms of revenue from NOR Flash, we ranked fifth among all global fabless companies in 2025.

Industry Technology Leadership

We are committed to driving technological progress and ecosystem development in the industry. We are a key participant in the formulation of the national industry standard *Semiconductor Integrated Circuit — Flash Memory (FLASH)* (《半導體集成電路快閃存儲器(FLASH)》), collaborating with industry partners to promote the standardization of technical specifications for flash memory in China, including the aspects of product definition, key technical requirements, and testing methodologies.

- *Technology for High-reliability Applications:* to address the industry-wide long-standing challenge of "single-bit charge loss" in NOR Flash, we have independently developed an enhanced flash programming technology. We also incorporate an innovatively designed real-time monitoring and recording mechanism for the program/erase state with the erase of redundant backup, enabling the seamless repair and dynamic replacement of bad blocks. As a result, our technology effectively doubles the erase endurance of NOR Flash and enhances product reliability. In combination with an active management scheme implemented at the main chip, we effectively resolve charge loss issues caused by various factors. In application scenarios such as base station communications, servers, and industrial lighting control, where memory chips are required to operate for a long time under a high-temperature environment while maintaining reliability, our technology significantly enhances the data retention capability of the memory chips, reducing the failure rate of storing data for ultra-long term to nearly 0 PPM.

- *Advanced assembly and integration design:* in 2016, we launched the world's smallest size SLC NAND Flash in a BGA24-package, reducing PCB footprint by 70% for equivalent storage density. In 2020, we launched the industry's first NOR MCP product, integrating NOR Flash and PSRAM into an MCP module to meet the urgent demand for miniaturized chips in the IoT industry. In 2019 and 2022, we introduced DFN8 2x3x0.55mm and DFN8 2x3x0.4mm NOR Flash products in the 32Mbit and 64Mbit respectively with smaller die area and package size, making them the smallest NOR Flash products fabricated on 55nm process in the industry at that time. In 2019, we won the Annual Best Domestic Storage Chip Product Award and our products perfectly align with the trend towards thinner and lighter wearable devices. In 2022, by optimizing chip design and adopting advanced packaging, we achieved in mass-producing a 2Mbit FODFN6 1.2x0.7x0.4mm NOR Flash with the world's smallest size and lowest power consumption, continuously strengthening our leading advantage in chip size and integration.

- *High storage density:* in the application scenario requiring rapid startup, and large capacity of firmware and code, the high-reliability and high-density SPI NOR Flash products have long been dominated by overseas manufacturers. Through innovation in packaging technology, we adopt a multi-chip stacking design that increases storage density without enlarging die size and incorporate bit-line redundancy and array-level redundancy mechanisms to enhance mass-production yield for high-density products. We have successfully achieved mass production of 512Mbit, 1Gbit, and 2Gbit SPI NOR Flash based

on ETOX 55nm process, making us one of the only two domestic memory chip design company capable of providing 2Gbit mass-density SPI NOR Flash which is widely used in application scenarios such as communication base station and AI servers.

Recognition by Leading Customers

Based on the product performance, reliability, and cost advantages, our products have successfully entered the supply chains of the major players across multiple fields, including top 5 global communications equipment manufacturers, top 3 global OLED display equipment manufacturers, and top 3 global home appliance manufacturers. We have established stable cooperation with these customers achieving mass delivery and widespread application. We adhere firmly to the key-account strategy, under which we establish project benchmarks by providing in-depth service to leading customers within the industry, and then leverage these successful cases to continuously expand high-quality customer base across various segments. As of March 31, 2026, our products had been applied by over 2,500 end-customers in diverse application fields.

Established brand recognition and relevant industry recognition

Our product and technological innovations have received wide recognition within the industry. We have been recognized by the Ministry of Industry and Information Technology as a "Specialized, Refined, Distinctive and Innovative 'Small Giant' Enterprise" and have been included in the recommended list. We have also been recognized by the Department of Science and Technology of Guangdong Province as the "Guangdong Provincial Engineering Technology Research Centre for High-performance Flash Memory Chips". We have been listed three times in the AspenCore EE Times Silicon 100 and have won the China IC Design Achievement Award for consecutive years.

We have established the automotive industry quality management system in accordance with the IATF 16949 requirements and we carry out product testing in accordance with AEC-Q100 standards. We are currently preparing the laboratory for accreditation in accordance with the ISO 17025 international standard and applying for CNAS accreditation. In addition, we are applying and introducing the ISO 26262 Functional Safety System Certification Program to establish chip development and security analysis capabilities that meet automotive-grade requirements.

II. Deployment of the Next-Generation NORD Process Platform and Breakthroughs in Advanced Process Node

As a fabless company, we have strong R&D expertise and capabilities. As of March 31, 2026, we owned 218 registered patents, and 87 registered trademarks, with our core technologies covering key areas such as chip design, and reliability testing.

In the memory chip sector, advanced process platforms and process nodes determine the performance, reliability, and cost structure of flash memory at the underlying architectural level. These factors are critical to the competitive edge of code storage flash memory products. We pursue a strategic roadmap for the development and adoption of advanced process platforms and process nodes. Leveraging process platforms and supply chain collaboration, we continuously drive process miniaturization and node breakthroughs to establish a technological moat for our products.

Deploying the Next-Generation NORD Process Platform

With AI applications rapidly penetrating into edge terminals alongside the growth of sectors such as network communications and automotive electronics, the performance and reliability requirements for code storage flash memory continue to rise. Consequently, the traditional ETOX architecture is not sufficient to fully meet the needs of some high-end application scenarios. Having identified the market opportunities in these high-growth sectors, we strategically deployed the next-generation NORD process technology. We have achieved a breakthrough in mass-production for NOR Flash products based on the NORD architecture, including the mass production and shipment of our newly developed 2Mbit–64Mbit capacity NOR flash products based on the NORD process platform in the three months ended March 31, 2026, positioning us as one of the first enterprises with mass-production capabilities in this field.

According to CIC, in the industry, NOR Flash products developed based on the NORD process platform demonstrate excellent data retention across a wide temperature range of -40°C to 125°C; and a single can support over 200,000 program/erase cycles, maintaining data integrity for over 20 years and up to 50 years at 25°C. Leveraging the NORD process platform, we are able to further enhance product performance, which in turn broadens our addressable market in high-barrier segments such as communication base stations and automotive electronics. By leveraging NORD technology to achieve smaller memory-cell sizes and fewer mask layers, we have also reduced chip manufacturing costs, achieved cost optimization, and improved product gross margin.

Breakthroughs in Advanced Process Nodes

The integrated circuit industry continues to evolve towards smaller nodes in line with Moore's Law, and the advancement of process is a key factor to cost competitiveness. We have achieved continuous breakthroughs in process nodes; currently, our full range of 5xnm NOR Flash product has reached mass production, aligning with prevailing international standards for mature process, and we continue to iterate towards more advanced process. For SLC NAND Flash, our full series of product based on 24nm process have entered mass production. Furthermore, R&D for the 20nm node has achieved substantial progress, and we continue to iterate towards more advanced process.

Our 2Gbit SLC NAND Flash developed on the 20nm process node is currently the smallest in size among products of the same density worldwide, and the product area is reduced by approximately 20% compared to mainstream 24nm products, thereby remarkably enhancing its storage density and cost advantage. More advanced process not only reduce the cost per bit, but also enhance the product competitiveness in critical metrics such as high-speed read/write operations and low-power consumption. These advantages position us favorably in application scenarios that are highly sensitive to chip size and energy efficiency, including IoT devices, edge computing and wearable devices.

III. Agile Market Responsiveness Underpinned by Product Delivery Capability

To enhance collaboration with our customers, we have developed a proprietary end-to-end digital platform that empowers our team operations, enabling us to gain deep insights into end-market needs and maintain agile responsiveness across the semiconductor industry chain. Operating under the fabless model, we have maintained close cooperation with world-class supply chain partners to ensure high-quality product delivery.

End-to-End Digital Platform Empowerment

We have developed an end-to-end digital management system that spans the entire business chain. The system comprehensively integrates distributor management, end-customer project management, sales process optimization, and financial data consolidation into a highly coordinated and data-driven operational platform, which notably improves the operational efficiency and meaningfully streamlines our management chain:

- **Distributor management:** Our digital platform integrates operations with distributors, enabling collaboration across the workflow from forecasting and quotation to delivery and settlement. Based on platform data, we assess distributor performance using indicators such as revenue contribution, customer acquisition, and fulfillment rates. This system aligns channel partners with our strategic goals to improve management efficiency.

- **Access to end-customers:** Distributors generally provide sales plans and end-customer project details on the digital platform when placing orders. This allows us to overcome traditional distribution limitations, providing direct insights into end-market demands, technical preferences, and feedback. These insights guide our product iterations and market strategies. By responding to market dynamics and providing technical support, we enhance customer retention and implement flexible pricing strategies to optimize profitability.

Reliable Product Delivery Supported by Global Supply Chain Collaboration under a Fabless Model

We operate under a fabless model, focusing our resources on product design, R&D, and sales to achieve rapid product iterations with lower capital intensity compared to the IDM model. We have established long-term partnerships with wafer foundries and A&T service providers, collaborating across the value chain from process tuning and product development to capacity allocation and testing optimization. This ecosystem ensures our access to stable production capacity and advanced technologies. Through redundancy planning, we maintain production flexibility to facilitate the transition from R&D to mass production and shorten time-to-market, supported by a design-manufacturing feedback loop that drives technical collaboration and product innovation.

IV. Comprehensive Product Matrix Supports Extensive Downstream Applications

With NOR Flash and SLC NAND Flash as our core product lines, we have established a comprehensive product matrix featuring a full range of categories, storage density, and voltage specifications to meet diverse requirements of our customer across various application scenarios.

Comprehensive Product Matrix

By formulating a comprehensive product portfolio spanning full product categories, storage densities, and voltage specifications, we are able to provide our customers with customized memory solutions and rapidly respond to diverse market demands.

- **Full product categories and solutions:** our flash memory product line encompasses two mainstream flash products — NOR Flash and SLC NAND Flash. We have also launched the customized NAND MCP, which integrate SLC NAND memory chips with DDR memory chips into MCP module, significantly reducing PCB footprint, particularly suited for wearable devices, embedded systems, and other applications sensitive to space utilization.

- **Full density ranges:** in the field of NOR Flash, based on the mature ETOX process platform, we have launched a full-density product series ranging from 1Mbit to 2Gbit. In addition, we have made a breakthrough in NORD technology, achieving production of 64Mbit products on 65nm node, and also making key progress in the R&D of 128Mbit to 2Gbit products on 55nm node, therefore enabling us to provide our customers with more cost-competitive, more reliable and lower power consumption product options in the low-to-medium density field. For SLC NAND product line, the density range of our products covers 1Gbit to 8Gbit, and we are developing the 32Gbit high-density products on the 20nm advanced process node, paving the way for high-end applications such as next-generation communications.

- **Full voltage compatibility:** our flash memory products support 3.3V standard supply voltage (suitable for optical network units, routers and other communication devices), 1.8V lithium battery supply (compatible with wearables and communication base stations, etc.) and applications requiring a wide voltage range of 1.65V to 3.6V.

Leading Product Reliability Indicators in the Industry

Our stringent quality control system enables us to maintain product defect rates below 100 ppm (0.01%) of across customer applications, with defect rates in certain high-end application scenarios further optimized to 50 ppm (0.005%), which meet the quality standards of customers across various industries. Our core products demonstrate stable performance in key metrics such as endurance and data retention. A single chip based on NORD process technology supports over 200,000 P/E cycles and ensures data retention for more than 20 years within a temperature range of -40°C to 125°C. Through the forward-looking deployment of our next-generation NORD process platform, products utilizing NORD process exhibit enhanced reliability.

Furthermore, to mitigate the risks of bit-flip errors and bad blocks in application of SLC NAND Flash, our self-developed SPI NAND controller integrates enhanced ECC functionality and a flexible bad block management mechanism. The controller supports 14-bit error correction for 2xnm SLC NAND products, which extends product operation lifespan and enhance system reliability, thereby further solidifying the our technical advantage in storage solutions.

Broad Downstream Coverage

Our products have achieved extensive penetration across downstream sectors, including network communications, AI communications, consumer electronics, smart home, IoT, industrial and medical, automotive electronics, and computer and peripherals. This diversified presence enables us to capture the growth opportunities across multiple market segments while effectively mitigating risks associated with cyclical fluctuations in any single industry. Beginning in the consumer electronics sector, we have progressively expanded into network communications sector, which entails higher technical barriers, and we are now the leading supplier of code storage flash memory and have successfully entered the supply chains of mainstream communication equipment manufacturers. Building on our existing market foundation, we are steadily advancing our strategic expansion into high value-added areas including automotive electronics and next-generation communication.

V. Multidisciplinary Talent Team with industry experience

We are empowered by a talent team with the global perspective and extensive semiconductor industry expertise.

Our Founder and Chairman, Mr. Long, has extensive experience in the semiconductor industry. After graduating from electronics and information systems major in Fudan University, he entered the semiconductor industry and has extensive industry experience. His professional background covers core roles in globally renowned semiconductor firms including Renesas Electronics Corporation (瑞薩半導體), STMicroelectronics Semiconductor (Shenzhen) Co., Ltd. (意法半導體(深圳)有限公司), and Freescale Semiconductor (China) Co., Ltd., Shenzhen Branch Company (飛思卡爾半導體(中國)有限公司深圳分公司). This experience has enabled him to build a comprehensive skill set across the full value chain — from IC design to market development and sales. His combined technical and commercial background provides us with leadership and the ability to penetrate markets.

Our core management team also includes Deputy General Managers Mr. Wang Bin and Mr. Ai Kanglin, both with extensive experience in the semiconductor industry. They previously held positions in leading international IC companies and bring a well-rounded background spanning technology development, market development, and sales operation. Their combined expertise enables them to accurately anticipate industry trends and effectively drive our business development. As of March 31, 2026, our R&D personnel representing approximately 44.8% of our total employees. This well-structured, energetic talent pipeline provides critical support for us to capture opportunities and achieve breakthroughs in core technologies in the era of AI.

OUR STRATEGIES

I. Dual-Pillar Approach: "Memory+" and "AI+"

To capture the growing demand for memory solutions in AI applications, we have implemented "Memory+" and "AI+" strategies.

The "Memory+" strategy aims to create complete chip solutions. Drawing on the development experience of leading global general-purpose IC companies, we have formulated the "Memory+" strategy to expand our business into the analog IC and MCU. We have built a comprehensive solution that covers the entire chain from "power supply (input) control memory drive (output)". This enables us to provide customers with more comprehensive product support, thereby increasing customer stickiness and individual customer value.

The "AI+" strategy focuses on developing CIM AI chips. We are optimizing our product performance for edge AI application scenarios, pursuing technological breakthroughs and product iterations towards high-speed read operations, low latency, high reliability, and enhanced security. Concurrently, as Moore's Law approaches its physical limits, the CIM architecture has emerged as a key technological pathway to improve computing efficiency. We will leverage the novel ReRAM to develop CIM AI chips that could provide AI computing power with low energy consumption, higher efficiency and better cost performance for the main-control chip.

II. Driving Product Iteration and Building a Diversified Product Matrix through Continuous R&D and Innovation

We are committed to the strategy of driving corporate growth through technological innovation and we will continue to increase our investment in R&D.

Deepening the iterative development of our flash memory products to consolidate our leading position in the market. We continue to iterate our NOR Flash and SLC NAND Flash product lines with a focus on process nodes, storage density, reliability, and power efficiency to enhance chip

integration and cost-efficiency. By expanding our product range and performance, we aim to further penetrate high-end markets, such as the industrial and automotive sectors, to strengthen our market position in code storage flash memory.

Strengthening R&D of motor driver IC to enhance our business presence. We are expanding our R&D in motor driver ICs, focusing on high-voltage, high-current, micro-stepping, and brushless motor drivers. By increasing R&D investment in these areas, we aim to diversify our product portfolio and achieve technical synergies across our existing product lines to capture evolving market demands.

III. Focusing on developing and Serving Key Accounts to Continuously Optimize the Customer Structure

We are firmly committed to a key account strategy, driving long-term growth through the continuous optimization of our customer structure. We plan to strengthen our market position by deepening partnerships with existing key accounts and proactively acquiring new strategic customers in emerging sectors. By iterating our products and leveraging our digital management platform, we aim to enhance customer retention and response efficiency. By utilizing the technical synergies within our "Memory+" ecosystem, we intend to broaden our product offerings to individual customers and increase their value contribution. Concurrently, we focus on developing benchmark projects in sectors such as automotive electronics and next-generation communications to demonstrate our technical capabilities and drive expansion across similar downstream application scenarios.

IV. Advancing a Globalization Strategy

To enhance our global competitiveness amid shifting industry dynamics, we intend to pursue a globalization strategy focused on expanding our market influence, integrating global resources, and establishing a world-class brand with international service capabilities.

We will penetrate key overseas regional markets by strengthening collaborations with existing sales channels in Hong Kong, South Korea, and Vietnam, while expanding into Europe and North America. To build a comprehensive global sales network, we plan to engage qualified overseas distributors to leverage their local networks for timely technical support and after-sales service. Additionally, we intend to enhance our international presence through websites and cross-border e-commerce platforms, integrating these with regional channel partners to develop our global sales infrastructure and increase our market share.

We will deepen our strategic partnerships with global industry leaders, collaborating on custom product development, joint technology R&D, and coordinated market expansion to enhance our global resource integration capabilities. Concurrently, we will continue to optimize our global supply chain layout, establishing a stable and secure globalized supply chain system to guarantee production flexibility and delivery reliability.

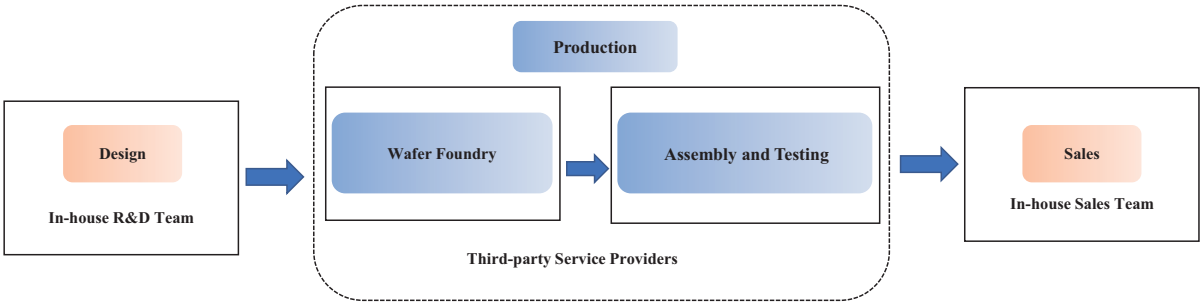
V. Seeking Mergers, Acquisitions, and Investment Opportunities along the Industry Chain to Achieve Inorganic Growth

Guided by our "AI+" and "Memory+" strategies, we intend to selectively pursue merger, acquisition, and investment opportunities along the industry chain that offer technical or market synergies with our existing business. We aim to integrate resources to optimize our product portfolio and expand into high-value-added downstream markets. We will conduct these industry chain-related M&A and investment activities prudently, with the objective of achieving inorganic growth for the Company through capital operations.

Our Business

We are a fabless IC design firm in Chinese Mainland dedicated to R&D, design and sales of ICs for general-purpose application, with a primary focus on code storage flash memory and complementary product lines covering analog IC and MCU. We adopt a fabless model, under which we partner with qualified manufacturers throughout the entire production process. Our self-developed IC are fabricated by wafer foundries, and assembly and testing are outsourced to third party service providers. With our fabless business model, we are able to focus on product innovation and design, while collaborating flexibly with reputable foundry and AT partners to ensure high efficiency of production and scalability across our product portfolio.

The following diagram illustrates our fabless business model:



OUR PRODUCTS

We provide general-purpose code storage flash memory, covering NOR Flash, SLC NAND Flash and MCP. We primarily offer code storage flash memory with a wide density range from 1 Mbit to 8 Gbit. To complement our product portfolio, we provide analog IC and MCU, which function synergistically with our flash memory and also function as an independent unit. This approach enables us to deliver a more comprehensive and dependable suite of products to our customers.

Our products are widely applied in various fields, including network communications, AI communications, consumer electronics, smart home, IoT, industrial and medical, automotive electronics, and computers and peripherals.

Revenue generated from the sales of code storage flash memory contributed to the majority of our total revenue during the Track Record Period, representing approximately 95.6%, 94.5% and 94.0% of our total revenue in each period during the Track Record Period. The following table sets forth our revenue breakdown by products of each period during the Track Record Period:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(in RMB thousands, except for percentages)									
							(unaudited)			
Code Storage Flash Memory	633,475	95.6	417,969	94.5	488,026	94.0	117,223	92.8	217,541	97.1
NOR	241,692	36.5	159,296	36.0	170,017	32.7	39,481	31.3	55,932	25.0
SLC NAND	318,562	48.1	215,723	48.8	279,945	53.9	67,991	53.8	149,396	66.7
MCP	73,221	11.0	42,950	9.7	38,064	7.3	9,751	7.7	12,213	5.4
Others	29,402	4.4	24,165	5.5	31,154	6.0	9,108	7.2	6,571	2.9

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(in RMB thousands, except for percentages)									
							(unaudited)			
Total	**662,877**	**100.0**	**442,134**	**100.0**	**519,180**	**100.0**	**126,331**	**100.0**	**224,112**	**100.0**

Code Storage Flash Memory

We primarily design and provide NOR Flash and SLC NAND Flash. Flash is a type of non-volatile memory chip, which can retain codes or data without continuous power supply. Our flash products are primarily dedicated to code storage, which are mainly used for storing code during systems boot-up and operation. Our products are engineered for application which requires relatively high standards of reliability, with an emphasis on stability and overall performance. Our products provide well-balanced performance and cost efficiency, allowing them to support a diverse range of application scenarios.

NOR Flash

NOR Flash is one of our core products, with ongoing expansion in storage densities (1 Mbit to 2 Gbit), designated for storing and quickly retrieving small- to medium-density codes. Our NOR Flash products are primarily based on the SPI and the process platform primarily focusses on ETOX and NORD architectures, which differ in their internal storage structures. SPI is an industry-standard serial communication interface used for high-speed data transmission between the flash memory and external controllers. ETOX is a mature, widely adopted industry-standard flash memory process platform. NORD is a flash memory process platform featuring physically separated read and write paths to reduce operational interference. Products based on NORD typically offer smaller cell sizes and lower power consumption than the traditional ETOX platform. Both ETOX and NORD are industry-standard architectures. We leverage these open-standard platforms to develop our products through our internal design and optimization capabilities. ETOX offers advantages in achieving higher density, with proven process maturity and high mass-production yield, particularly demonstrating reliability and stability for medium- and high-density products. Products leveraging NORD process platform is better suited for applications that demand smaller form, lower densities and reduced power consumption. This strategy of utilizing dual process platform enables us to address diverse customer needs across different markets.

The table below sets forth the main features of our NOR Flash:

Technology	**ETOX**			**NORD**
Voltage	3.3V	1.8V	1.65-3.6V	1.65-3.6V
Density	1Mbit-1Gbit	8Mbit-2Gbit	2Mbit-1Gbit	2Mbit-64Mbit
Operating temperature range	-40°C~105°C	-40°C~105°C	-40°C~105°C	-40°C~125°C
Speed	133MHz max	133MHz max	104MHz max	133MHz max
Sector erase speed	45ms (typ)	35ms (typ)	65ms (typ)	2.5ms (typ)
64KB block erase speed	150ms (typ)	150ms (typ)	300ms (typ)	2.5ms (typ)
Read power consumption (x4,50MHz, Typ.)	6mA	3.5mA	6mA	2.5mA

Technology	ETOX			NORD
P/E power consumption (Typ.)	10–15mA	12mA	10–15mA	2mA
P/E cycle	100K	100K	100K	200K
Data retention	20 Years	20 Years	20 Years	20 Years

Key characteristics of our NOR Flash include:

- *Diverse product portfolio and strong adaptability.* The product series have been continuously expanding, covering a wide storage densities range from 1Mbit to 2Gbit, supporting multiple operating voltages, and being packed in various package options.
- *Reliability and security*. Our NOR Flash endures up to 200K P/E cycles and supports wide operating temperature ranges, with data retention duration of 20 years. Built-in mechanisms such as UID, CID, OTP and sector protection are deployed to safeguard the code integrity and enhance data security.
- *High performance*. The products support Standard, Dual and Quad I/O modes and DTR modes for high-speed code transfer. Our products provide flexible random access under various application scenarios.
- *Cost advantages*. With a low-pin-count SPI interface and compact packaging, our products reduce BOM costs, simplify system integration and enable cost-efficient designs for end-products, particularly in space-constrained devices.

The picture below is our typical NOR Flash product.

Our NOR Flash products are widely used in base stations and the equipment of AI data centers and application scenarios that demand sustained reliability for boot-up processes and stringent security standards. With technical features such as XIP, fast random reading, and reliability, our NOR Flash has become a key foundational storage component in main-control modules of the base station, radio units and AI servers, contributing to improved startup efficiency, enhanced operational stability and greater security in firmware updates. Our NOR Flash also has a wide range of vertical application scenarios in the mass consumer sector. In smart wristbands, NOR Flash stores data collected from sensors, graphical interface content and network configuration settings. In wireless stereo earphones, it is used to store the boot-up codes of Bluetooth modules as well as application codes that support key functions, such as active noise cancellation, voice recognition and in-ear detection. In home automation area, NOR Flash is used to store system start-up and operating codes of smart small household appliance, such as smart door locks, together with personal data and security encryption algorithms.

SLC NAND Flash

SLC NAND Flash is one of our core products, which mainly comprises SPI NAND Flash and PPI NAND Flash with densities ranging from 1 Gbit to 8 Gbit. Our SLC NAND Flash provides high-density storage solution with competitive cost per bit than NOR Flash, and therefore, customers requiring storage density above 1 Gbit typically prefer our SLC NAND Flash memory solution. Our SLC NAND Flash also supports different voltage and delivers compatibility, reliability and stable performance.

The table below sets forth the main features of our SLC NAND Flash:

Type of Interface	**SPI**		**PPI**	
Voltage	3.3V	1.8V	3.3V	1.8V
Density	1Gbit to 8Gbit	1Gbit to 8Gbit	1Gbit to 8Gbit	1Gbit to 8Gbit
Speed	120MHz (max.)	108MHz (max.)	40MHz	40MHz
Operating temperature range	-40°C~85°C	-40°C~85°C	-40°C~85°C	-40°C~85°C
Power consumption	standby: 15uA (typ.)	standby: 15uA (typ.)	standby: 50uA (max.)	standby: 50uA (max.)
Process node	24nm	24nm	24nm	24nm
P/E cycle	60K	50K	60K	50K
Black block rate	2%	2%	2%	2%
Data retention	10 years	10 years	10 years	10 years

Key characteristics of our SLC NAND Flash include:

- *Proprietary controller design*. We have developed a proprietary SPI NAND controller featuring advanced ECC and bad block management functions, effectively mitigating common issues such as bit-flip errors and endurance degradation.

  ECC is a technology that automatically detects and corrects data errors. During the data reading process, if bit-flip errors occur, the controller performs real-time restoration to ensure the accuracy and integrity of stored information. This technology improves the anti-interference performance of our flash products, contributing to the stability of their long-term operation. A bad block refers to an area in the flash memory that cannot reliably store data. Our management scheme utilizes a specific address-transformation logic to ensure that the "first block," which is the most critical part of the chip, remains intact. This protects the boot programs and core configurations from corruption. In addition to resolving device boot failures caused by bad blocks, this approach simplifies circuit design and effectively extends the product's service life.

  Through the synergistic optimization of our proprietary controllers with these technologies, we have technologically transitioned the distribution of bad blocks from "random" to "uniform." This optimization effectively mitigates the localized excessive wear of single memory cells, leading to an enhancement in product endurance. Consequently, our products achieve 100,000 P/E cycles, representing a 100% increase compared to traditional SLC NAND lacking the integration of such controller. Furthermore, leveraging our ECC technology, our controllers can more accurately rectify bit-flip errors occurring during high-frequency usage.

The implementation of NAND controllers extends the service life of our products and mitigates failure risks across the entire product lifecycle, which in turn drives sustained market adoption.

- *Strong reliability and data protection*. Our SLC NAND Flash incorporates comprehensive data protection and security features, including write protection, OTP and UID functions, ensuring secure operation and safeguarding stored data integrity in diverse application environments.

- *Stable performance with low energy consumption*. Our SLC NAND Flash delivers stable performance under wide operating temperature ranges. It supports high-speed data transfer, while maintaining low standby power consumption as low as 15 μA (typ.) for SPI products, and 50 μA (max.) for PPI products. Such energy-efficient design enables reliable operation in power-sensitive applications, particularly in consumer electronics and IoT devices.

- *Design Innovation*. We have independently defined and developed a 1Gbit low-density SPI NAND Flash product, which supports both 1.8V and 3.3V operating voltages and enables fast read performance through DTR mode. In addition, we have optimized the design to reduce die size, thereby increasing the number of dies per wafer and enhancing the product's market competitiveness. Such products are suitable for a wide range of applications, including consumer electronics, communications and industrial sector, and offer substantial market growth potential.

The picture below is our typical SLC NAND Flash product.

SLC NAND Flash provides reliable, high-density storage solutions widely used in network communications, industrial and medical applications, consumer electronics, where stability and endurance are critical. In network communications applications, our SLC NAND Flash is widely used in Wi-Fi routers, modules and broadband terminals for storing system firmware, data and upgrade packages. In terms of industrial and medical applications, our SLC NAND Flash supports LTE communication products, where high-density and fast-write capabilities are required to manage protocol stacks and user parameter settings. Our SLC NAND Flash stores boot-up codes, control programs and configuration settings in monitoring devices and smart cameras, ensuring reliable system initialization and stable operation under continuous workloads and wide temperature environments.

MCP

Non-volatile code storage flash is typically used together with volatile memory chips to jointly enable storage and data processing functions. We typically integrate the non-volatile code storage chip with the volatile memory chip into a single package, which helps save space, increase storage density

and optimize packaging costs. Anticipating the growing demand for high data rates in compact and flexible designs, we have integrated SLC NAND Flash with externally-procured DRAM to produce NAND MCP with LPDDR2 technology.

Below set forth the main features of our NAND MCP:

Series	LPDDR2
NAND Density	1 to 4 Gbit
DRAM Density	1 to 2 Gbit
Operating Temperature Range	-25°C~85°C -40°C~85°C
Speed	533MHz (max.)
Power Consumption	NAND standby: 50uA (max.) DDR2 standby: 0.1mA
P/E Cycle	50K
Data Retention	10 years

Our MCPs combine high performance and reliability with low-power design, providing long life cycles, multiple density and package options, and suitability for space-constrained applications across extended and industrial temperature ranges. NAND MCP products are widely used in 4G and 5G terminal. In IoT communication modules, NAND MCP is applied to store communication protocols, configuration data. Its integrated design helps reduce module size and facilitate integration into various IoT devices. In smart wearable devices, such as smartwatches and smart bands, where space is highly constrained and there are stringent requirements for power consumption and storage density, the characteristics of small size and low power consumption enable NAND MCP to provide sufficient storage density while supporting long battery life.

Others

We have broadened our product portfolio beyond standalone flash memory to include analog IC and MCU, allowing us to deliver a suite of more comprehensive offerings to better address customer demand.

Analog IC

Our analog ICs include motor driver IC and power management IC, mainly used in electronic systems for (1) driving and (2) power supply, monitoring and protection, to ensure the effectiveness and reliability of equipment utilizing energy.

- *Motor driver IC:*

We provide general-purpose motor driver ICs that can be used to drive brushed DC motors and stepper motors to meet a wide range of motor control needs. In addition, we also offer power devices, including silicon-based MOSFETs and third-generation semiconductor power devices such as GaN. Our motor driver ICs can operate reliably under different loads and operating environments and achieve stable motor control, which are widely used in the field of smart home and industrial equipment.

— Our brushed DC motor driver ICs utilize a highly integrated driver architecture with built-in protection functions, including over-temperature protection, over-current protection and under-voltage protection, which reduces the need for peripheral devices and improves the stability and reliability of the system. Meanwhile, our medium- and high-voltage products support current mirror output functionality, enabling the direct provision of proportionally scaled current signals to the main-control system. This eliminates the need for external current sensing circuitry, thereby simplifying system design and reducing BOM costs. Our products support multi-range voltage inputs from 1.8V to 18V and support high current outputs, which can satisfy the high driving power requirements of applications such as smart door locks, floor sweeping robots, electric toys for children, smart home appliances, and security surveillance cameras.

— Our stepper motor driver ICs cover a wide voltage input range from 1.65V to 18V, which can meet the needs from light-loaded applications to high torque and long-life industrial stepper motor drivers. We have developed an extensive product portfolio that supports mainstream control modes such as PWM and PH-EN and can be adapted to different main-control platforms to achieve multi-range outputs from low to high currents. Our stepper motor driver products are designed to precisely control the motor's step, phase and current to achieve precise management of angle and position, and are widely used in surveillance cameras, 3D printers, stage lighting control systems, robot joint drives, and drone control modules, which have higher requirements for applications in terms of positioning accuracy, smooth operation, and noise performance.

• *Power management IC:*

Our power management ICs mainly cover charging management IC, DC-DC converters, linear regulators, and over-current and over-voltage protectors. Our mass-produced DC-DC products support 5V and 12V platforms. Our linear voltage regulators focus on ultra-low-power series, which are capable of meeting the power supply requirements of mainstream applications, including consumer electronics and smart terminal devices. Our low-dropout and low-power linear regulators have an quiescent current performance as low as 1uA-6uA, making them ideal for ultra-low-power applications such as battery-powered devices, wearable devices, IoT modules, etc.. Our DC-DC converters are available in the industry's mainstream ultra-small packages, including DFN1.6×1.6, DFN1.5×1, and SOT563, and we are also actively advancing the development of power module solutions that integrate bootstrap capacitors and inductors, which can effectively reduce the module size and enhance the flexibility of the overall design in space-constrained devices.

Our products feature a wide input voltage range, ultra-small package size and ultra-low quiescent current, which can meet the power management needs of various scenarios from consumer electronics to industrial equipment, and provide customers with reliable power management solutions. At the same time, our power management ICs have a strong correlation with the application areas of flash memory, and we have achieved stable supporting shipments in the field of network communications, industrial and medical, and smart home.

MCU

MCU is a miniature computer integrated on a single chip used to manage specific control tasks within embedded systems. We provide 8-bit and 32-bit MCUs. Our MCU products are mainly used in white goods, and our end-users are mainly the well-known home appliance enterprises in China. At the same time, the MCUs form a functional unit when combined with our flash and analog ICs, which can satisfy the diversified application requirements of our customers.

Key Operating Data

The table below sets forth our sales volume and the average unit selling price by product during the Track Record Period:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Sales volume	*Average Selling Price[(1)]*	*Sales volume*	*Average Selling Price[(1)]*	*Sales volume*	*Average Selling Price[(1)]*	*Sales volume*	*Average Selling Price[(1)]*	*Sales volume*	*Average Selling Price[(1)]*
	(sales volume in thousands, average selling price in RMB)									
NOR	369,811	0.65	293,641	0.54	311,358	0.55	65,629	0.60	76,825	0.73
SLC NAND	60,763	5.24	55,153	3.91	65,064	4.30	17,468	3.89	11,461	13.04
MCP	3,964	18.47	2,498	17.20	2,096	18.16	571	17.07	421	29.02
Others[(2)]	23,234	1.27	44,715	0.54	84,158	0.37	15,962	0.57	34,398	0.19

(1) Average selling price is calculated through dividing revenue by the relevant sales volume during the same period, which represented the average price at which our products were sold to our customers.

(2) Others mainly include: analog IC and MCU.

In 2024, the average selling price of our NOR Flash and SLC NAND Flash products decreased by 16.9% and 25.4% as compared to 2023, respectively. The price reduction was a result of the strategic pricing adjustment implemented to accelerate the digestion of our accumulated inventory and respond to the intense price competition from domestic brand suppliers in the low-to-mid capacity segments during the early stage of the industry recovery. Our MCP products, which comprise SLC NAND and DRAM, saw a modest average selling price decline of 6.9% in 2024 as compared to 2023, primarily correlated with the price adjustments of the core SLC NAND. We experienced a decline in sales volume of NOR Flash, SLC NAND Flash and MCP products resulted from the decreasing customer demand for our products, which was observed subsequent to market attention arising from our previous A-share listing application in early 2024. See "Financial Information — Period-to-Period Comparison of Results of Operations — Year Ended December 31, 2023 Compared with Year Ended December 31, 2024 — Revenue" for further details.

In 2025, our SLC NAND and NOR Flash products achieved simultaneous growth in both sales volume and average selling price. The sales volume of our NOR Flash products increased by 6.0% with the average selling price recovered to the normal level in 2025 as compared to 2024. Our SLC NAND Flash products demonstrated a stronger recovery, with sales volume increasing by 18.0% and average selling price by 10.0% in 2025 as compared to 2024. While the average selling price of our MCP products recovered by 5.6% in tandem with the SLC NAND Flash, the sales volume continued to trend downward, decreasing by 16.1% in 2025 as compared wo 2024. This divergence was primarily due to the structural product adjustments made by the major end-customers of our MCP products, which led to

a gradual contraction in demand for MCP products. See "Financial Information — Period-to-Period Comparison of Results of Operations — Year Ended December 31, 2024 Compared with Year Ended December 31, 2025 — Revenue" for further details.

For the three months ended March 31, 2026, our business lines experienced varied fluctuations in sales volume and ASP compared to the same period in 2025. Our NOR Flash products achieved growth in both sales volume and average selling price, primarily driven by the mass production of the new NOR flash products in mid-2025 and price increase on orders from key customers. Conversely, our SLC NAND Flash products saw a volume decline due to tight market supply and our sales order management to allocate the products to key customers, with its average selling price soared substantially from RMB3.89 to RMB13.04 as market supply-demand dynamics pushed up industry prices and we increased sales of high-value-added mainstream products.

During the Track Record Period, our "Others" product category witnessed explosive growth in sales volume by 262% in 2025 as compared to 2023 alongside a continuous decline in average selling price by 70.9% during the same period. The sales volume increased by 115.5% from 16.0 million for the three months ended March 31, 2025 to 34.4 million for the three months ended March 31, 2026. This trend was predominantly driven by the market penetration strategy for our Analog IC business. As this segment was in its initial expansion phase, our primary objectives were to rapidly increase market share and penetrate the supply chains of key accounts. We have therefore actively engaged in market competition through more competitive pricing to establish the market foothold and drive the observed volume surge.

Application of Our Products

Our products have been applied across a diverse range of scenarios, catering to the needs of multiple fields and end-customers. Our product offerings are extensively utilized in network communications, AI communications, consumer electronics, smart home, IoT, industrial and medical sectors, automotive electronics and computers and peripherals. The main application scenarios of our products are as follows:

Fields	Our Products	Application
Network Communications	NOR Flash SLC NAND Flash Power management IC	• 4G/5G base stations • Routers • Optical network units • TV set-top boxes • VoIP terminals • Gateways
AI Communications	NOR Flash	• AI data center
Consumer Electronics	NOR Flash SLC NAND Flash Power management IC Motor driver IC	• Smart watch • Display panel • Smart glasses • Smart toys • Smart speakers
Smart Home	NOR Flash SLC NAND Flash Power management IC Motor driver IC	• White goods (air-conditioning, washing machine, refrigerator) • Floor sweeping robot • Smart door lock

Fields	Our Products	Application
IoT	NOR Flash SLC NAND Flash Power management IC	• 4G communication modules • Wi-Fi modules
Industrial and Medical	NOR Flash SLC NAND Flash Power management IC Motor driver IC	• Point-of-sale (POS) terminals • Consumer and industrial network cameras • Laser printers • Servers
Automotive Electronics	NOR Flash SLC NAND Flash Power management IC Motor driver IC	• Automotive entertainment system • Automotive instrument clusters
Computers and Peripherals	NOR Flash SLC NAND Flash Power management IC	• Stream Deck • USB HUB • Computer

RESEARCH AND DEVELOPMENT

R&D Team and Expenses

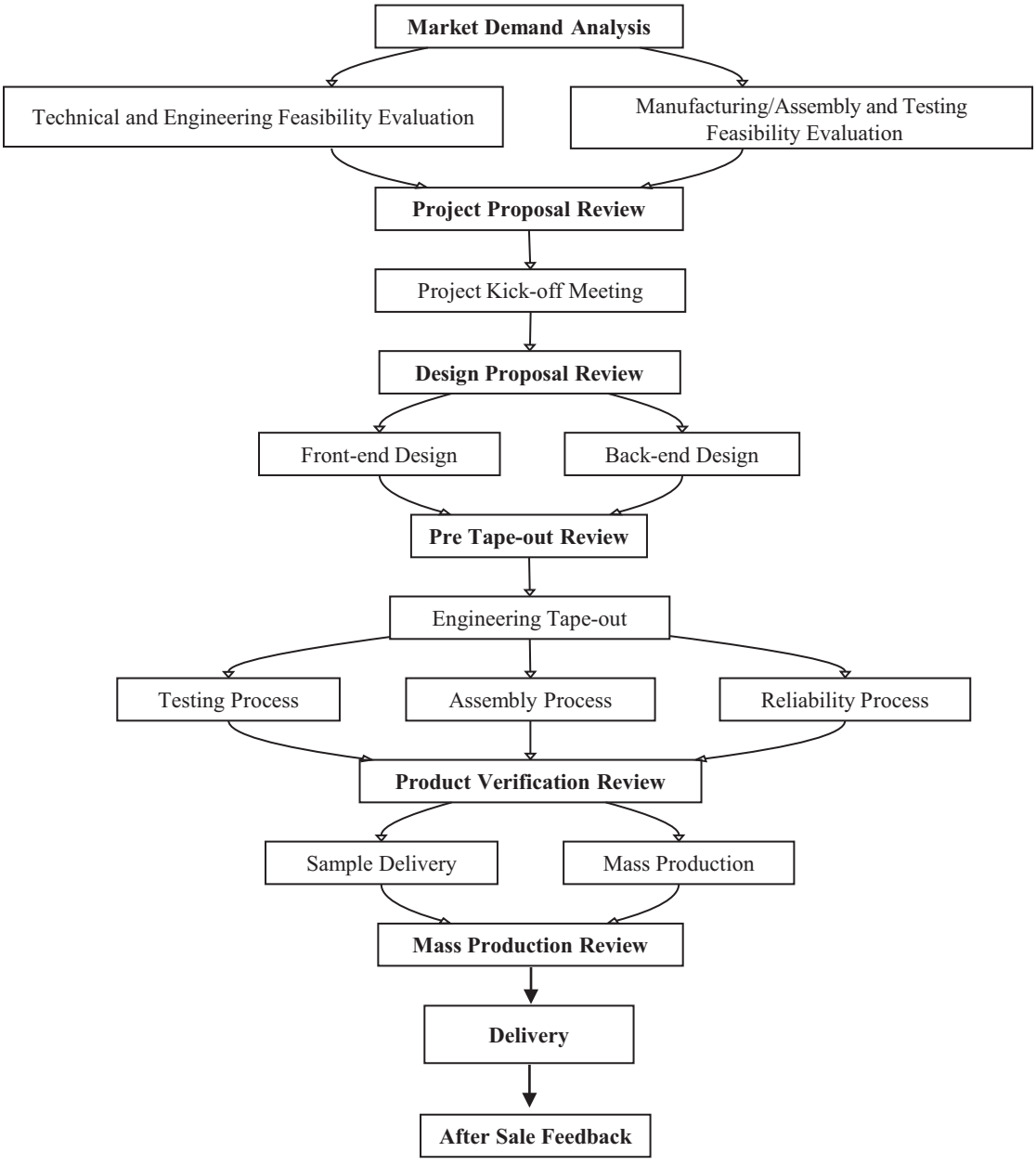
We follow the principle that talent is a key factor for competitiveness. As of March 31, 2026, our R&D personnel represented approximately 44.8% of our total workforce. Our R&D personnel are well-educated and distinguished by academic credentials and interdisciplinary background, with over 93.2% of them holding a bachelor's degree or above. More importantly, our R&D team possesses professional expertise and extensive experience in IC design.

During the Track Record Period, our R&D expenses amounted to RMB85.2 million, RMB65.9 million, RMB47.3 million, RMB11.9 million and RMB16.0 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, accounting for approximately 12.9%, 14.9%, 9.1%, 9.5% and 7.1% of our total revenue in each period.

We have established a series of in-house training programs to ensure that our R&D personnel stay abreast of technological developments. Through talent recruitment and training, we aim to encourage innovation, enhance employee capabilities, and improve overall team performance. To further attract and integrate talent from different regions, we have Shenzhen as our primary R&D hub, supported by teams in Hong Kong and Chengdu.

R&D Process

We have established a comprehensive R&D process as follows:



R&D Achievements

We place emphasis on R&D and continue to innovate in process technology, storage density, operating voltage, temperature and controller technology, which has enabled us to achieve a series of breakthroughs in product performance and reliability to address industry pain points and diverse market demands.

NOR Flash

For NOR Flash, we have developed a newly designed ECC to repair defective storage cells and recover erroneous data. By incorporating the monitoring and recording technology that tracks erase/write status, we have effectively reduced data loss and enhanced the security and reliability of our products. In addition, with our redundant data erase technology, which removes unnecessary backup

data during erase operations, we have successfully doubled the erase endurance of NOR Flash. Building on the above technologies, we have launched a series of signature products. We have launched SPI NOR Flash supporting seamless density expansion of up to 2Gbit, making us the second memory flash IC design company in China capable of providing 2Gbit ultra-high-density SPI NOR Flash products. With the growing demand for smaller-size IC in new-generation electronic devices, we have introduced the low-density (2 Mbit and 4Mbit) SPI NOR Flash with low power consumption and small size based on the NORD technology. In 2022, we became the first in the industry to achieve mass production of the world's smallest-package and lowest-power 2Mbit NOR Flash (1.2 × 0.7 × 0.4 mm).

SLC NAND Flash

We have also developed a proprietary SPI NAND controller featuring advanced ECC and bad block management functions, effectively mitigating common issues affecting reliability such as bit-flip errors and endurance degradation. Our products feature low power consumption, reduced latency and higher capacity, in line with industry trends and the increasing demand from AI-edge and IoT applications.

Ongoing R&D Projects

No.	Project Name	Technical Focus and Key Targets	Commencement Date	Estimated Completion Date	Current Stage	Estimated Project Investment	Source of Technology
						(RMB Million)	
1	512Mbit/1Gbit/2Gbit 3.3V SPI/Parallel NOR Flash . . .	We aim to develop high-density 512Mbit/1Gbit/2Gbit NOR products featuring both serial and parallel interfaces. The project focuses on design upgrades to support parallel interfaces with SPI compatibility, incorporating radiation-hardened designs and features such as ECC, enhanced programming, and redundancy replacement to meet reliability standards.	Nov 30, 2025	Dec 30, 2026	Validation	14.8	Independent R&D
2	256Mbit 1.8V SPI NOR Flash .	This project involves the development of 256Mbit 1.8V automotive-grade SPI NOR Flash products. We focus on implementing design upgrades to satisfy the stringent requirements of AEC-Q100 automotive certification.	Jun 30, 2025	Dec 30, 2026	Validation	6.0	Independent R&D
3	1Gbit SLC SPI NAND Flash . .	We are developing a high-performance 1Gbit single-chip SPI NAND Flash product. The objective is to support DTR Read for optimized read speeds while establishing a fully localized supply chain within China.	Oct 20, 2022	Jun 30, 2026	Pilot Production	28.5	Independent R&D
4	Research on Key Technologies of SLC and MLC NAND Flash	This research initiative targets key SLC and MLC technologies, including high-precision analog circuits to improve the consistency and reliability of read/write/erase performance. It also focuses on powerful ECC correction circuits, high-sensitivity page buffers, and dynamic read voltage adjustment tailored for MLC multi-step programming.	Jun 01, 2026	Aug 30, 2027	Evaluation and Planning	28.3	Independent R&D
5	Research on High-Reliability Ultra-High Density SLC and MLC NAND Flash	We conduct research on high-reliability, ultra-high density SLC and MLC NAND Flash technology to enhance P/E cycle reliability and establish safe communication mechanisms for multi-die stacking. The project also implements advanced DFT designs to identify wafer manufacturing defects and reduce product failure PPM.	Jun 01, 2026	Aug 30, 2027	Evaluation and Planning	22.6	Independent R&D
6	Research on High-Reliability NORD NOR Flash	Our research focuses on high-reliability NORD NOR Flash technology using high-precision analog circuits to overcome process limitations. We pair this with high-precision low-power sense amplifier designs, ECC circuits, and comprehensive DFT designs to improve overall reliability and lower product failure rates.	Jul 01, 2026	Oct 01, 2027	Evaluation and Planning	11.9	Independent R&D

No.	Project Name	Technical Focus and Key Targets	Commencement Date	Estimated Completion Date	Current Stage	Estimated Project Investment	Source of Technology
						(RMB Million)	
7	Research on High-Reliability and High-Density ETOX NOR Flash	This project explores high-reliability, high-density ETOX NOR Flash technology by optimizing programming schemes for higher efficiency. We aim to design refined DFT based on defect-induced failure modes during wafer production and establish safe multi-die communication to enhance performance consistency and reliability.	Oct 01, 2026	Feb 01, 2028	Evaluation and Planning	18.2	Independent R&D
8	Research on Key Technology of 3D NOR Flash	We investigate key 3D NOR Flash technologies, focusing on anti-interference and reliability enhancement circuits, high-speed interfaces, and timing control. The research also covers memory array and row/column decoder designs alongside on-chip error correction management to achieve density breakthroughs while maintaining reliability.	Jan 01, 2027	Sep 01, 2028	Evaluation and Planning	18.2	Independent R&D
9	2Gbit/4Gbit/8Gbit SLC SPI NAND Flash	We are developing high-performance 2Gbit/4Gbit/8Gbit SPI NAND Flash products. The project utilizes a 2Gbit single-chip design that supports DTR Read to optimize read performance while achieving a fully localized supply chain.	Feb 02, 2026	May 20, 2027	Tape-out	58.6	Independent R&D
10	32Gbit~256Gbit MLC NAND Flash	The goal is to develop 32Gbit to 256Gbit high-performance MLC Flash products with a fully localized supply chain. This involves a 32Gbit single-die MLC design that supports stacking up to 256Gbit, aiming to fill the domestic market gap for MLC particles.	Jul 30, 2026	Jun 30, 2028	Evaluation and Planning	73.3	Independent R&D
11	Wide-Voltage 65nm NORD 8Mbit~64Mbit SPI NOR Product Development	We are developing next-generation low-power, high-performance 8Mbit-64Mbit wide-voltage SPI NOR Flash products. By evolving the wafer manufacturing process and optimizing designs, we aim to reduce read current by approximately 20% and erase/write current by 3-4 times, while enhancing performance post-P/E cycles by at least 100 times.	Sep 01, 2024	Feb 15, 2027	64Mbit: Pilot Production; 32Mbit: Validation; 8Mbit/16Mbit: Tape-out	56.1	Independent R&D
12	1.8V 55nm/65nm NORD 8Mbit~32Mbit SPI NOR Product Development	Our team is developing next-generation ultra-low-power, high-performance 8Mbit-32Mbit 1.8V SPI NOR Flash products. Through process evolution and design optimization, we seek to lower power consumption by reducing read current by roughly 20% and erase/write current by 3-4 times, achieving 100-fold performance improvements post-P/E cycles.	Mar 30, 2026	Jun 30, 2028	Evaluation and Planning	54.6	Independent R&D

No.	Project Name	Technical Focus and Key Targets	Commencement Date	Estimated Completion Date	Current Stage	Estimated Project Investment	Source of Technology
						(RMB Million)	
13	Wide-Voltage 55nm NORD 128Mbit-256Mbit SPI NOR Product Development	This project focuses on next-generation 55nm NORD ultra-low-power, high-performance 128Mbit-256Mbit wide-voltage SPI NOR Flash development. We utilize advanced process and design optimizations to achieve significantly lower power consumption and improved performance after extensive P/E cycles.	May 30, 2026	Dec 30, 2028	Evaluation and Planning	55.9	Independent R&D
14	Wide-Voltage 4xnm ETOX 128Mbit-256Mbit SPI NOR Product Development	We are developing high-cost-performance 128Mbit-256Mbit wide-voltage SPI NOR Flash on a next-generation 4xnm ETOX process platform. The objective is to further reduce the chip's die size and optimize overall product costs through advanced design and process evolution.	May 30, 2026	Oct 30, 2028	Evaluation and Planning	54.3	Independent R&D
15	Overseas Product Upgrade . . .	This project aims to upgrade products supplied to international markets to satisfy overseas customers' demands.	Jan 10, 2027	Mar 30, 2028	Evaluation and Planning	31.4	Independent R&D

R&D Focus

Flash

Our R&D efforts have been primarily directed towards advancing our core flash products. We are currently upgrading our product design from industrial-grade to automotive-grade standards by further enhancing the performance and reliability of our launched products. From our industrial-grade product portfolio, we select candidate products for further screening and validation through CNAS-accredited laboratories.

At the same time, we continue to enhance the performance of our products. For NOR Flash based on ETOX process, our R&D efforts are focused on expanding our product portfolio to cover a wider range of storage densities and upgrading reading and P/E performance. We also focus on enhancing reliability and stability for medium- to high-density products by further improving manufacturing requirements and standards, which in turn reduces defect rates and lowers our after-sales maintenance costs.

For NORD-based NOR Flash, our R&D efforts are directed towards reducing power consumption, improving P/E efficiency and further shrinking die size. These advancements support the delivery of energy-efficient, high-value NOR Flash solutions for power, size and cost sensitive application scenarios.

Regarding NAND Flash, we are focusing on the development of 20nm SLC SPI NAND Flash, in response to the market demand and to strengthen the supply-chain security of our customers. Ongoing process-node refinement will allow us to further reduce power consumption and shrink die size of the products, enabling us to deliver more competitive NAND Flash products.

"Memory+" Strategy

Drawing on our extensive industry experience, we have observed a growing demand for the collaborative operation of multiple ICs within end-products, as well as a market preference for suppliers that can offer a more comprehensive product portfolio and solutions. In response to this trend, we intend to deepen our "Memory+" R&D strategy. We have focused on developing our analog IC and MCU product lines to work synergistically with our flash products. Our R&D efforts will focus on products with a higher level of system integration. By integrating MCU, motor driver IC and power management modules into system-in-package products, we are able to provide downstream customers with highly integrated, functionally coordinated solutions, thereby enhancing product value and differentiation. Such system-in-package products will enable us to expand our coverage to application scenarios where space is constrained and reliability is required, and further strengthen our long-term competitiveness by enhancing customer stickiness and extending product lifecycles. Related products are particularly suitable for robots' joints, drones and other miniaturized devices with stringent requirements for size and energy efficiency, allowing higher functional integration while ensuring reliable system performance within limited space.

"AI+" Strategy

With the rapid advancement of AI technologies and the increasing emphasis on data security, computing workloads are shifting toward localized deployment, where data is processed and stored directly on devices rather than in the cloud. This approach enables better operation within limited space and power budgets, while reducing the risk of data leakage.

Therefore, building on our extensive experience in memory products, we intend to strategically expand into the field of AI-driven memory-computing integrated solutions to capture emerging opportunities. Leveraging next-generation ReRAM technology, we are developing CIM AI ICs that enable AI inference within memory to support the localization of smart applications with lower power consumption, higher efficiency and optimized cost.

INTELLECTUAL PROPERTIES

Our patents, copyrights, trademarks, domain names, know-how, trade secrets and other intellectual property rights are critical to the business operations. As of March 31, 2026, we had 87 registered trademarks, 218 registered patents, 26 registered copyrights, 6 registered domain names and 88 integrated circuit layout design in Chinese Mainland and overseas. As of March 31, 2026, we owned all of the intellectual properties abovementioned. For further details of the intellectual property rights that are material to our business operations, see "Appendix VI — Statutory and General Information — Further Information about Our Business — Intellectual Property Rights of Our Group."

We primarily safeguard our intellectual property rights through applying for and owning trademarks, patents, copyrights, trade secrets, as well as through applicable anti-unfair competition laws and protective clause set forth in the contracts. We set out clear provisions on the ownership and protection of intellectual property in the agreements entered into with our employees and business partners. In addition, we adopt measures to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security over our premises and both physical and electronic safeguards over our information technology systems.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes related to infringement of intellectual property, and were not aware of any material infringement (i) of third-party intellectual property rights by us, or (ii) of our intellectual property rights by any third parties.

PRODUCTION AND PROCUREMENT

Our Fabless Model

We adopt a fabless model, under which we partner with qualified wafer foundry and OSAT service providers for production. The production procedures of our products could be summarized as follows:

Regarding our flash business segment, the wafers of our NOR Flash are self-developed, with wafer fabrication outsourced to wafer foundries and assembly and testing outsourced to third-party AT partners.

For our SLC NAND Flash, to enhance our competitive positioning, we adopt two models: (1) independently developing low-to-medium density single-chip SPI NAND Flash; and (2) independently developing SPI NAND controller, including SPI and SD NAND interface controller series, while engaging AT partners to flexibly assemble externally procured NAND wafers. The production procedures of self-developed wafers and controllers are the same as that of our NOR Flash. We concurrently advance two production modes for our SLC NAND Flash to strategically optimize resource allocation and market adaptability. These two modes are developed in parallel as a dual-track strategy to ensure a diversified capacity guarantee through independent wafer manufacturing resources.

Mode 1 facilitates a high degree of integration and mitigate cross-border supply chain risks throughout the design and manufacturing stages, making it the ideal solution for domestic applications with stringent localized requirements. However, this mode typically features a relatively singular product form, requiring a higher initial R&D investment for any further expansion of product varieties. Mode 2 offers design flexibility and lower initial R&D costs by utilizing our proprietary SPI and SD NAND interface controllers paired with externally procured wafers. It allows for rapid diversification of product forms and designs to cater to various application scenarios. Compared to the integrated design of Mode 1, products produced from Mode 2 exhibits relatively lower read performance and higher power consumption, which may limit its suitability for low-power application scenarios.

Overall, by balancing these two approaches, we leverage the complementary technical attributes and independent sourcing channels to maximize supply chain flexibility and maintain sustained market adoption throughout different industry cycles. We adjust the balance between these two approaches in response to market dynamics to ensure the overall market competitiveness of our SLC NAND Flash product line.

All of our analog ICs are self-developed with IC production process same as our NOR Flash. Our MCU portfolio comprises both in-house developed models and certain microcontrollers sourced from external suppliers.

The fabless model enables us to mainly focus on product design and R&D processes, and respond swiftly to market changes to meet market demand by continuously innovating our product offerings without the burden of managing capital-intensive manufacturing facilities.

Arrangement with Production Partners

We select and collaborate with reputable wafer foundry for IC fabrication and AT partners for assembly and testing, which we believe helps safeguard the reliability and quality of our products.

In selecting production partners, we follow a structured mechanism covering initial sourcing, evaluation, pilot production and qualification. The process involves cross-functional review by our business unit, operation, engineering and quality teams, and approval by senior management. The key criteria in evaluating production partners includes (i) quality management and reliability, such as industry certifications and track record of meeting stringent yield and reliability requirements, (ii) technology and engineering capabilities, including process nodes, roadmap alignment, ability to provide advanced packaging formats, comprehensive testing services and ability to support both current and long-term product development, (iii) production capacity and expansion planning, to ensure stable supply and scalability for volume production, (iv) cost competitiveness, including total cost of ownership and continuous cost improvement initiatives, (v) supply chain security and compliance, including trade security and business continuity, and (vi) social responsibility, covering ethical standards, labor rights, workplace safety and environmental protection.

IC Fabrication

We typically cooperate with wafer foundry partners under a master framework agreement supplemented by binding purchase orders and quality agreements. We provide the wafer foundry with a rolling forecast of our delivery requirements over a designated period to facilitate their capacity planning and monthly adjustments. The specific production details, including pricing, volume and product specifications, are finalized through purchase orders, which remain subject to the terms of the overarching framework agreement.

We generally enter into agreements provided by our IC fabrication suppliers. While the specific terms may vary from one supplier to another, the core standard terms are summarized as follows:

Placement of purchase orders:	We generally place separate purchase orders for our requirements. Each purchase order typically specifies the product requirements, model, quantity, unit price, total amount, and payment terms, subject to final confirmation by the IC fabrication supplier.
Production Forecast:	We are required to provide suppliers with a rolling production forecast reflecting a reasonable estimate of our requirements over a 3-to-6-month period. The binding nature of such forecasts varies across different timeframes; for instance, in a 6-month forecast, the projections for the first three months are generally legally binding on us. The projections for the fourth and fifth months are binding at a 60% production ratio, while the projection for the sixth month is typically non-binding.
Consumables and Testing Costs:	We are generally responsible for the costs of specialized consumables and testing involved in the fabrication process, such as photomasks and probe testing.
Specifications:	We typically specify the required specifications for the wafer, and suppliers are responsible for ensuring that the materials or services meet such specifications.
Inspection and Acceptance:	A specified inspection period follows the delivery of products, typically lasting 60 days. If we do not notify the supplier of any non-conformity with the agreed technical specifications within this period, the products are deemed to have passed inspection and been accepted.
Payment and credit terms:	The payment and credit terms granted by our suppliers are determined based on factors such as our business relationship and transaction size, and typically include prepayment terms or settlement on a 30-day to 60-day basis.
Quality assurance:	Our suppliers are generally responsible for replacement or other remedies for non-conforming products during the warranty period, which is typically 12 months.
Termination:	Our procurement agreements may be terminated by mutual agreement of the parties, or by either party upon prior written notice in the event of a material breach by the other party.

Assembly and Testing

We typically cooperate with our OSAT partners under a master agreement, supplemented by purchase orders which take precedence over the master agreement and must be confirmed by OSAT partners in advance each time. Quality assurance is governed by a separate quality agreement, under

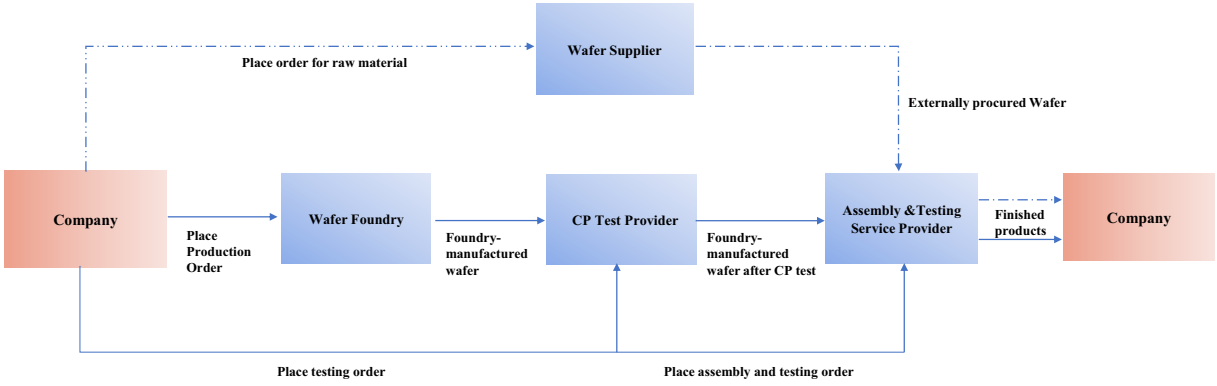
which OSAT partners assume the responsibility for yield shortfalls or defects. All wafers, work-in-process and finished products remain our property, and OSAT partners are required to safeguard such materials and observe strict confidentiality obligations.

The standard terms and conditions of the outsourced service agreements and quality assurance agreements we typically enter into with our OSAT partners include the following key provisions:

Placement of purchase orders:	We generally place separate work orders pursuant to our framework agreements, specifying the product model, quantity, processing technology, and packaging/testing requirements. OSAT partners are required to confirm acceptance within 48 hours, or the order is deemed accepted.
Pricing:	Service and processing prices are determined on the purchase order basis, which typically include all government taxes, freight, insurance, and packaging costs. We require our partners to provide competitive price concessions based on prevailing market conditions.
Specifications:	We specify technical requirements, and our partners are responsible for ensuring that the finished products meet all international, national, and our internal quality standards. We enter into specific quality assurance agreements to monitor yield targets and process change notifications (PCN).
Payment and credit terms:	Payments are subject to successful inspection, acceptance by our designated recipients, and the receipt of valid value-added tax invoices and complete documentation. Payment are generally settled within 30 to 60 days.
Quality assurance:	Partners provide a warranty period of no less than 24 months from the date of our acceptance. Within this period, the partner is liable for free repair, replacement, or compensation for abnormalities. Our agreements also stipulate quality abnormal management costs based on the severity of the issue.
Termination:	Agreements may be terminated by mutual written consent or by either party upon written notice for material breaches. We may terminate immediately without prior notice in events of insolvency, bankruptcy, or if a material breach remains unremedied for 15 days.

Procurement Process and Supply Chain Management

The following diagram illustrates our typical procurement process:



We generally formulate procurement plan based on existing orders and anticipated market demand, together with considerations of inventory levels, procurement cycles and changes in procurement costs. We place orders with wafer foundries. Once the production of wafers is completed, the foundry-manufactured wafer will be sent to third-party testing facilities for CP tests. After that such wafers will be delivered to our OSAT partners for assembly and testing. After assembly and testing, our OSAT partners will deliver the finished ICs to us for sales. Under limited special circumstances, at the customers' request and with our prior written notification, OSAT partners may also ship finished products directly to our customers.

For the purpose of standardizing the operation of the above procurement process, we have established a supplier management scheme and maintained a supplier resource pool. We have established a comprehensive management system covering the entire lifecycle of our suppliers, ranging from preliminary screening and qualification to continuous monitoring and dynamic evaluation, to ensure supply chain stability and high product quality. We implement admission inspections for suppliers, including wafer foundries and OSAT partners. We enter into detailed agreements and quality assurance agreements with our suppliers to clearly stipulate product yield targets, technical specifications, and quality responsibilities. According to product requirements, we identify and select suppliers with compatible process platforms, qualifications, sufficient production capacity and sound financial standing to build up our pool of qualified suppliers. At the production phase, we conduct ongoing assessments of qualified suppliers, including assigning resident engineers at wafer foundry partners, carrying out regular quality audits, and holding both annual and routine quality meetings to ensure effective quality control. For assembly and testing, we also conduct ad hoc on-site inspections to monitor the process. We conduct comprehensive assessments of our suppliers' quality, pricing, delivery, and service levels on a quarterly or annual basis. The evaluation results are directly linked to order allocations. high-performing suppliers receive increased order quotas, while suppliers with poor performance or those involved in fatal quality incidents face reduced production proportions or even disqualification. As of the Latest Practicable Date, there are 38 qualified suppliers ready to take up production of our products.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

We or wafer foundry partners are responsible to engage third-party couriers to deliver foundry-manufactured wafer to OSAT partners for assembly and testing. Upon completion of assembly and testing, the finished products are generally delivered to us for quality audit and final sale, unless

under urgent request by our customers and prior written consent is granted to OSAT partners for direct delivery. We primarily arrange the delivery of our products to distributors and direct customers through domestic and international logistics service providers. We also procure testing equipment shipped by couriers.

During the Track Record Period, we mainly engaged qualified logistics service providers in different countries and regions for logistics service. When selecting logistics service providers, we take into account their expertise, professional qualifications, pricing, reputation, transportation efficiency and capacity, as well as their performance track records. We require them to hold valid transportation permits and other qualifications mandated by law. In practice, we usually enter into long-term service agreements with the couriers and conduct annual performance evaluations to ensure service quality.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant delay in delivery or accidents that materially affected our business operations.

Inventory Management

We attach great importance to the health of our inventory and have designated dedicated staff to track and manage the inventory. We take inventory levels into account when formulating procurement plan.

Our inventories mainly comprise raw materials, work-in-progress and finished products, and consumables. We classify inventories by product category, and utilize our internal XMIS system and CRM 2.0 platform to track goods movement and inventory level. We manage our inventory in accordance with their aging profile and the applicable accounting standards. Specifically, for finished products and raw materials that are expected to be used for production but have been held for more than one year with a turnover rate below 30%, we make a 50% provision against their carrying cost. For inventory held for more than two years with a turnover rate below 30%, we make a 100% provision.

For details, please refer to "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Inventories."

QUALITY CONTROL

To ensure performance and reliability of our products across a wide range of application scenarios, we have implemented stringent quality control methods to ensure our products meet specific environmental and operational requirements and comply with commercial-grade and industrial-grade standards. Leveraging our automated test equipment lab, reliability lab and AE lab, all of which are equipped with tri-temperature testing systems that simulate high-, low- and room-temperature conditions, we are able to assess product performance and reliability during the whole lifecycle, including R&D, qualification, mass production, and after-sales.

Quality Control Workflow

We have introduced the IPD full-process control model, identifying and mitigating potential quality risks from product research, project proposal design to delivery and after sales service, and arrange targeted tests for products to be shipped.

At the stage of R&D, we launched the IPD scheme to ensure the reliability of our design. We have also established the comprehensive quality control system covering both the qualification and mass production stages.

During the qualification stage, we conduct digital and analog simulations, followed by wafer-level reliability. We also perform package-level reliability tests, as well as product-level reliability tests.

At the stage of mass production, all wafers are subject to multiple test steps, and a final test is conducted to detect if open, short and leakage issues exist. Before delivering the processed wafers to our AT partners, we conduct quality audit, and our AT partners also perform relevant tests on the wafers. Upon completion of assembly and testing, we carry out quality audits and sample testing on the finished products. Prior to shipment, we continuously monitor product quality through visual inspections. Only products that pass all tests are released for delivery.

In terms of supply chain quality control, we maintain a strict supplier admission and review mechanism. All foundry and AT partners are required to hold certifications under ISO 9001, IATF 16949, ISO 14001, ISO 45001 and QC 080000. Please refer to "Procurement Process and Supply Chain Management" for further details.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material penalties arising from product quality issues, nor had we experienced any material disputes related to product quality issues.

Certifications

Our products follow international JEDEC standards throughout design, production, and assembly and testing. To further enhance our product quality standards, we are in the process of establishing a laboratory in accordance with the ISO 17025 international standard and are progressing with the CNAS application. We are applying and introducing the ISO 26262 Functional Safety System Certification Program, in order to establish chip development and security analysis capabilities that meet automotive-grade requirements.

We follow standardized procedures to ensure consistent implementation of our quality control measures. Our quality management system is certified under ISO 9001:2015. In addition, the corporate management is in accordance with the IATF 16949 standard. To safeguard stable operations under complex conditions, we have also implemented a group-level business continuity management mechanism with reference to ISO 22301.

Warranty and After Sales Services

We provide warranty of our products in the sales agreement. We maintain close communication with our customers after sales and actively collaborate with them to address quality-related issues.

We have established a standardized return and exchange process. We only accept returns due to product quality defects. We have established procedures such as the Customer Complaint Management Procedure (《客戶投訴管理程序》) and the Return, Exchange, and Quality Compensation Procedure (《退換貨及品質賠償流程》) to conduct standardized analysis and handling of products with identified or potential defects when necessary. We believe that our return policy complies with the applicable laws and regulations relating to product quality in China.

During the Track Record Period and up to Latest Practicable Date, we did not receive any material complaints material administrative penalties or product liability claims in relation to the quality of products; and we did not experience any major product recalls or accidents due to product defects or safety and health-related issues.

MARKETING AND SALES

Our Sales Network

Revenue by Geographic Markets

We have established a comprehensive sales network across different regions and countries, with notable revenue contributions from Chinese Mainland, Hong Kong, and Asia-Pacific. The table below sets forth our revenue by geographic market based on the locations of our customers, during the Track Record Period:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(unaudited)			
Chinese Mainland	445,019	67.1	290,694	65.7	394,471	76.0	87,672	69.4	182,298	81.3
Overseas										
Hong Kong	157,930	23.8	91,995	20.8	59,000	11.4	22,883	18.1	13,948	6.2
Asia-Pacific	59,682	9.0	59,237	13.4	32,825	6.3	15,776	12.5	4,805	2.1
East Asia[1]	39,756	6.0	37,573	8.5	13,622	2.6	10,105	8.0	4,008	1.8
South-East Asia[2]	19,926	3.0	21,664	4.9	19,203	3.7	5,671	4.5	797	0.4
Others[3]	246	0.1	208	0.1	32,884	6.3	0	0.0	23,061	10.3
Subtotal	**217,858**	**32.9**	**151,440**	**34.3**	**124,709**	**24.0**	**38,659**	**30.6**	**41,814**	**18.7**
Total	**662,877**	**100.0**	**442,134**	**100.0**	**519,180**	**100.0**	**126,331**	**100.0**	**224,112**	**100.0**

(1) East Asia mainly include: Macau, Taiwan, Korea and Japan.

(2) South-East Asia mainly include: Singapore and Vietnam.

(3) Others mainly include: India, Italy, Germany, Turkey and Dubai.

Revenue by Geographic Markets

- *Chinese Mainland*

The Chinese Mainland market has consistently served as our core market and the primary engine of our growth. During the Track Record Period, the revenue generated from the Chinese Mainland market fluctuated from RMB445.0 million in 2023 to RMB290.7 million in 2024, before recovering to RMB394.5 million in 2025, with its contribution to our total revenue stood at 67.1%, 65.7%, 76.0% for 2023, 2024, and 2025, respectively. Revenue from Chinese Mainland further increased by 107.9% from RMB87.7 million in the three months ended March 31, 2025 to RMB182.3 million in the three months ended March 31, 2026, with its contribution to our total revenue expanding from 69.4% to 81.3%.

The decrease from 2023 to 2024 was primarily due to (i) the downward adjustments of ASPs of products to accelerate inventory depletion and the provision of competitive pricing support to key customers to maintain long-term collaboration; and (ii) decline in sales volume resulted from the

decreasing customer demand for our products, which was observed subsequent to market attention arising from our previous A-share listing application in early 2024. See "History, Development and Corporate Structure — Previous A-Share Listing Application" for further details.

In 2025, we experienced a rebound in revenue generated from the Chinese Mainland. Specifically, the revenue contribution from the Chinese Mainland demonstrated a steady upward trajectory, increasing from 67.1% in 2023 to 76.0% in 2025. This shift was primarily driven by (i) our strategic decision to prioritize opportunities within the domestic market to capitalize on the accelerating wave of domestic substitution; and (ii) the increasing demand for our products fueled by an expanding portfolio of collaboration projects with our domestic customers during the industry upturn cycle. In the three months ended March 31, 2026, the trend continued and therefore we further put our focus on the Chinese Mainland Market. This substantial growth was primarily attributable to the strong domestic demand for our SLC NAND products amid global supply shortages, as well as our successful penetration into the domestic consumer electronics market with our cost-effective NORD-based NOR flash products.

- *Hongkong and Others*

The revenue generated from Hong Kong experienced fluctuations during the Track Record Period. Our revenue from the Hong Kong market amounted to RMB157.9 million, RMB92.0 million, and RMB59.0 million, in 2023, 2024, and 2025, respectively, with its revenue contribution at 23.8%, 20.8% and 11.4% for the respective years. Revenue from Hong Kong decreased from RMB22.9 million in the three months ended March 31, 2025 to RMB13.9 million in the three months ended March 31, 2026, with its contribution to our total revenue decreasing from 18.1% to 6.2%.

The decrease in revenue in 2024 was primarily attributable to factors similar to those affecting the Chinese Mainland market, including strategic pricing adjustments to accelerate inventory depletion and a transient decline in sales volume observed subsequent to market attention arising from our previous A-share listing application in early 2024. The further decrease in revenue generated from Hong Kong in 2025 and the three months ended March 31, 2026, coupled with the surge in revenue from Others, was primarily due to our strategic optimization of the distribution network in response to the customers' requirements for supply chain management. In 2025, we engaged a distributor group with operational capabilities in both Hong Kong and Dubai, UAE. Leveraging their cross-regional service capabilities, a portion of the customer demand previously fulfilled through Hong Kong sales channels was transitioned to and served by the entity of such distributor in Dubai, UAE. Consequently, the decrease in Hong Kong revenue was offset by a corresponding increase in revenue from Dubai, with the aggregate revenue from these two regional markets in 2025 remaining relatively stable compared to the revenue from the two regions in 2024. The trend continued in the first three months ended March 31, 2026.

- *Asia-Pacific Region*

The revenue generated from the Asia-Pacific region was RMB59.7 million, RMB59.2 million, and RMB32.8 million in 2023, 2024, and 2025, respectively, with its revenue contribution at 9.0%, 13.4%, and 6.3% for the respective years. For the three months ended March 31, 2025 and 2026, revenue from the Asia-Pacific region was RMB15.8 million and RMB4.8 million, representing 12.5% and 2.1% of the total revenue for the respective period.

The fluctuation was primarily driven by the performance of the East Asian market. Revenue contribution from East Asia (mainly including Macau, Taiwan, Korea, and Japan) increased to 8.5% in 2024 before decreasing to 2.6% in 2025 and 1.8% in the three months ended March 31, 2026, which

was primarily attributable to the specific procurement cycles of major end-customers in South Korea, where the product migration and conclusion of such cycles led to subsequent downward order adjustments in 2025 and the three months ended March 31, 2026.

Conversely, South-East Asia (mainly including Singapore and Vietnam) remained a resilient pillar of our overseas operations. The relative stability of our South-East Asian operations partially mitigated the impact of the cyclical adjustments observed in the East Asia market.

Revenue, Gross Profit and Gross Profit Margin by Sales Channels

We sell our products mainly through distributors, while we also make direct sales to certain customers at their requests. The table below sets forth the revenue contribution by sales channels during the Track Record Period:

	Year ended December 31,												Three months ended March 31,							
	2023				2024				2025				2025				2026			
	Amount	*%*	*Gross Profit*	*Gross Profit Margin (%)*	*Amount*	*%*	*Gross Profit*	*Gross Profit Margin (%)*	*Amount*	*%*	*Gross Profit*	*Gross Profit Margin (%)*	*Amount*	*%*	*Gross Profit*	*Gross Profit Margin (%)*	*Amount*	*%*	*Gross Profit*	*Gross Profit Margin (%)*
	(RMB in thousands, except for percentage)																			
													(unaudited)							
Distributor sales	561,775	84.7	78,562	14.0	314,811	71.2	40,864	13.0	432,830	83.4	99,499	23.0	85,886	68.0	10,932	12.7	197,413	88.1	110,921	56.2
Direct sales	101,102	15.3	24,104	23.8	127,323	28.8	20,998	16.5	86,350	16.6	18,734	21.7	40,445	32.0	7,226	17.9	26,699	11.9	13,752	51.5
Total	**662,877**	**100.0**	**102,667**	**15.5**	**442,134**	**100.0**	**61,862**	**14.0**	**519,180**	**100.0**	**118,232**	**22.8**	**126,331**	**100.0%**	**18,158**	**14.4**	**224,112**	**100.0**	**124,674**	**55.6**

- *Distributor sales*

Our revenue from distributor sales was RMB561.8 million, RMB314.8 million, and RMB432.8 million in 2023, 2024, and 2025, respectively, representing 84.7%, 71.2%, and 83.4% of our total revenue for the same periods. Gross profit from the distribution channel was RMB78.6 million, RMB40.9 million, and RMB99.5 million, with gross profit margins of 14.0%, 13.0%, and 23.0% in 2023, 2024 and 2025, respectively. Our revenue from distributor sales further increased from RMB85.9 million, representing 68% of our total revenue, in the three months ended March 31, 2025 to RMB197.4 million, representing 88.1% of our total revenue, in the three months ended March 31, 2026. The gross profit from this channel surged from RMB10.9 million to RMB110.9 million, with the gross profit margin expanding significantly from 12.7% to 56.2% for the same periods.

In 2024, the decrease in revenue and the slight contraction in gross profit margin were primarily driven by (i) pricing adjustment to our ASPs to accelerate inventory depletion and the promotion of our analog IC products at a competitive price to ascertain market share. Additionally, a decline in sales volume was observed subsequent to market attention arising from our previous A-share listing application in early 2024. See "History, Development and Corporate Structure — Previous A-Share Listing Application" for further details; and (ii) the elevated average procurement price per wafer compared with 2023, which exerted pressure on our gross profit margin. Despite the downward trend, we strategically scaled back on orders from markets with relatively low profit margins, and therefore, our gross profit margin remained manageable and relatively stable at 13.0%, representing only a marginal decrease of 1.0% compared to 2023.

In 2025, the revenue generated from distribution rebounded to RMB432.8 million, while the gross profit margin surged to 23.0% in 2025. In the three months ended March 31, 2026, the gross profit margin of distribution sales further expanded to 56.2%. This recovery was primarily due to (i) the

accelerating wave of domestic substitution and the increase in customer demand within our distributor network; (ii) our ability to secure stable supply to customers through our cost-effective raw material reserves established during the industry downturn, which granted us bargaining power to facilitate a recovery in ASPs during the market rebound and the late stage of market consolidation following intense competition; and (iii) the inherent nature of distributor orders which are generally standardized and large in scale and allowed us to achieve economies of scale. When coupled with optimized unit costs, this led to the substantial increase in our gross profit margin.

- *Direct Sales*

Our revenue from direct sales was RMB101.1 million, RMB127.3 million, and RMB86.4 million in 2023, 2024, and 2025, respectively. The revenue contribution from direct sales increased significantly to 28.8% in 2024, reflecting steady performance amidst the industry downturn. Gross profit from this channel was RMB24.1 million, RMB21.0 million, and RMB18.7 million, with gross profit margins of 23.8%, 16.5%, and 21.7%, for the same periods, respectively. Our revenue from direct sales decreased from RMB40.4 million in the three months ended March 31, 2025 to RMB26.7 million in the three months ended March 31, 2026, with its contribution to our total revenue decreasing from 32.0% to 11.9%. The gross profit from this channel surged from RMB7.2 million to RMB13.8 million, with the gross profit margin expanding significantly from 17.9% to 51.5%.

In 2024, unlike the distribution channel, we maintained growth in our direct sales channel regarding revenue in 2024, primarily due to the profile of our direct customers, which consist primarily of major end-product manufacturers. The deep-rooted collaboration projects with these customers are characterized by high stickiness and long lead times, making them less susceptible to short-term market fluctuation. The gross profit margin for direct sales narrowed from 23.8% in 2023 to 16.5% in 2024 due to our competitive pricing support for key customers.

In 2025, our revenue and revenue contribution from direct sales experienced a decrease compared to 2024 and the trend continued in the three months ended March 31, 2026. This was primarily due to the shift of certain major customers from a direct sales model to a distributor sales model. Despite the lower revenue and gross profit from this channel, the gross profit margin experienced a significant surge in 2025 and the three months ended March 31, 2026. This enhancement in profitability was primarily driven by (i) the recovery in market demand, which allowed for an upward adjustment in ASPs and an increase in sales volume for our products; and; and (ii) our consistent sales strategy of targeting high-value application scenarios and our refined customer structure.

Our direct sales customer base includes global ICT enterprises, leading cellular communication module providers, IoT module manufacturers, IC design companies and companies operating within the electronics supply chain. These segments demand high technical specifications and offer great value-added potential, thereby commanding better profit margins. Under the distributor sales model, we sell our products to distributors on an outright basis who then resell the products to end-customers. The distribution model allows for rapid market penetration and broader reach of different customers, and it is our main sales model.

Distribution

We primarily sell our products through distributors. In the IC industry, distributors serve as an important link connecting the upstream and downstream of the value chain. Our distributors provide useful and timely market demand information, expand our sales network and enhance our market penetration; and the distribution mode is beneficial to our financial flexibility and efficiency. With distribution channels, we are able to maintain good relationships with the large number of end-customers and focus on the R&D to cater for customers' diverse requirements on products. According to CIC, selling products through distributors is a common industry practice in semiconductor industry.

Under our distribution model, distributors place orders with us based on end-user's demand as well as their own inventory and sales plans. The relationships between distributors and us are categorized as "seller-buyer" relationships, where the distributors purchase products from us on a "buy-out" basis, assuming relevant risks after purchase, and resell to the end-customers. Revenue is recognized upon delivery of products to distributors, and a credit period is granted to distributors for settlement. During the Track Record Period, to the best knowledge of our Directors, save for one distributor which is controlled by a former employee of our Company, all of our distributors were Independent Third Parties. In respect of this specific distributor, we have implemented stringent internal control measures to ensure transactional compliance. The pricing of our products sold to this distributor was determined on an arm's length basis and was consistent in all material respects with the pricing terms offered to our other independent distributors. To the best knowledge of our Directors, we did not have any sub-distributor during the Track Record Period.

The following table sets forth the total number of our distributors as of the dates indicated and the movements during the Track Record Period:

	For the year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Distributors as of the beginning of the period	49	81	91	85
— Addition of new distributors	36	19	11	1
— Terminated distributors	4	9	17	3
Distributors as of the end of the period	81	91	85	83

The changes in the number of our distributors during the Track Record Period primarily reflected our strategic adjustments in product focus and market penetration strategies.

The number of our distributors grew from 49 as of January 1, 2023, to 91 as of December 31, 2024. This 85.7% increase was primarily due to our strategic expansion into analog IC product lines. During this period, we onboarded a total of 55 new distributors, including 36 in 2023 and 19 in 2024, who possessed specialized expertise and established customer bases in power supply and conversion sectors.

As of December 31, 2025, while we added 11 new distributors, we ceased our cooperation with 17 distributors, resulting in a slight net decrease in the total number to 85. This movement was a result of steering our focus towards high-growth niche markets and channel refinement. We strategically engaged 11 new distributors with strong "design-in" capabilities in high-growth vertical segments, including stage lighting and security systems. To enhance operational efficiency, we consolidated our overseas presence by eliminating several overseas distributors whose performance or regional focus no longer aligned with our long-term strategy. To the best of our knowledge, there is no concentration risk on any single distributor.

As of March 31, 2026, we newly engaged 1 distributor with robust channel resources in our target vertical market, specifically to promote our flash memory and motor driver products within the unmanned aerial vehicle sector. Concurrently, we terminated our cooperation with 3 distributors whose sales performance and promotional efficacy fell short of our expectations without demonstrating subsequent improvement. As a result, the total number of our distributors slightly adjusted to 83.

To mitigate the risks of market cannibalization and channel stuffing, we have established a customer reporting system. To the best of our knowledge and as a matter of our internal policy, our distributors are expected to primarily serve customers who have been pre-registered and reported

through our system. We maintain close communication with our distributors regularly to reiterate our operational requirements and compliance policies. This mechanism allows us to gain better visibility into the end-customer base and helps minimize overlapping sales efforts among different distributors.

Well-established Distributors Selection and Management Scheme

- *Selection mechanism*: we have established and maintain a process for selection of our distributors to ensure they meet our standards and align with our strategic goals. We consider factors including market share and reputation, industry specialization, agency resources, regional coverage, and possibility of long-term cooperation.

- *Reporting mechanism*: our distributors are generally required, at the time of placing purchase orders, to provide us with information of the sales plan, the intended end-customers and the corresponding projects, which will be collected and managed through our internal information system and regular communications.

- *Sales performance review*: We do not impose mandatory sales target on our distributors in the agreements. During the Track Record Period, no distributorship agreement was terminated due to any material breach of contract or failure to meet sales targets. We generally review our distributors' sales performance. Instead, we continuously monitor key aspects of the distributors. Sales performance are assessed through our channel-management scoring mechanism, which take into account the metrics such as revenue, the number and growth of design-in customers, and the number of active customers. Distributors are assessed according to the scoring mechanism on a monthly, quarterly and annual basis and are subject to incentives or elimination based on their performance. We will issue a notice at least 30 days prior to the termination of distribution agreements in the case that certain distributors are eliminated.

- *Inventory Management*: our sales team maintains close communication with distributors to understand their inventory levels and sales status to minimize inventory risks. Distributors are required to and typically will report their inventory levels through our information system. We also communicate directly with major end-customers to understand their expected demand, which allows us to verify the accuracy of inventory data reported by distributors. The distributors generally maintain safety inventory levels according to the demand of their downstream customers, which reduces inventory risks and improves turnover. In the event of any potential excess inventory, we will collaborate with distributors to optimize inventory planning. Up to the Latest Practicable Date, the amount of unsold inventories by distributors amounted to approximately 56.4 million units. To the best knowledge of our Directors and based on the inventory information provided by the distributors which was not verified or audited by us, our Directors believe that there was no material amounts of unsold inventories of our products held by distributors for each period during the Track Record Period.

- *Replace policy:* after delivery, we do not accept product returns or replacements except for quality-related issues. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disputes arising from product returns or replacements.

Arrangement with Our Distributors

Our distributors distribute our products non-exclusively in the distribution area according to the distributorship agreements. We generally enter into framework agreements with our distributors, while the specific purchase price, quantity, product models and other terms are confirmed through purchase orders. The key terms of the aforesaid agreement document are as follows:

Term of Distribution Authorization:	The distribution agreement shall take effect upon execution and remain in full force and effect until termination upon the occurrence of any events specified in the agreement.
Pricing:	Determined through negotiation based on market-oriented principles, and is subject to the purchase orders confirmed by the Company through CRM system. The Company does not stipulate price adjustment mechanism in the agreement.
Transfer of Risk:	Buyout. Cross-border transactions: where Incoterms 2020 (EXW/FCA, etc.) is adopted, the transfer of risk and allocation of costs shall be governed by PRC law and the provisions of Incoterms 2020; where other arrangements are adopted, ownership/risk/costs shall be agreed separately in writing; in the absence of such agreement, it is assumed that the risks shall transfer to the customer upon receipt of the goods. Domestic transactions: The risk of the products shall transfer to the distributor upon the Company completing delivery in accordance with the agreed arrangements and the products being acknowledged and received by the distributor or its designated party.
Payment and Credit Terms:	The Company shall adopt cash-on-delivery or credit settlement based on the transaction arrangements, and will periodically assess the creditworthiness of distributors. Company reserves the right to adjust credit limits and payment terms.
Quality Assurance:	The warranty period is one year from the date of product delivery. The Company provides quality warranty in accordance with the product specifications and agreed standards, which does not cover product issues arising from improper use, storage or other causes not attributable to the Company.
Product Return:	Except for quality issues, the Company does not accept returns or exchanges.
Termination:	The agreement may be terminated for reasons specified in the agreement or upon prior notice. After termination, the distributor shall still fulfill payment and goods collection obligations arising prior to the termination date.

Direct Sales

We also make direct sales to certain customers at their requests, and revenue generated from direct sales accounted for a small portion of our total revenue during the Track Record Period. Our direct sales customers primarily include electronic component and equipment manufacturers, IC design companies, and companies operating within the electronics supply chain.

Arrangement with Our Direct Sales Customers

We generally enter into individual sales agreement with our direct sales customers, with actual price and volume specified in the orders. The terms of agreements vary depending on the specific product and the result of our negotiation with each customer, but these generally contain the following terms:

Procurement Authorization:	Customers place purchase orders with the Company through authorized personnel, which become effective upon confirmation by the Company.
Pricing:	Subject to purchase orders confirmed by the Company through CRM system.
Product Delivery:	Delivery schedule shall be based on the shipment date confirmed by the Company. Delivery dates for standard products may be adjusted through mutual agreement under certain conditions, whereas the customized products are, in principle, non-cancellable and non-changeable. Customers are required to complete inspection of quantity, model and external appearance upon delivery, and failure to raise any objection in a timely manner shall be deemed acceptance of the products.
Transfer of Risk:	Cross-border transactions: where Incoterms 2020 (EXW/FCA, etc.) is adopted, the transfer of risk and allocation of costs shall be governed by PRC law and the provisions of Incoterms 2020; where other arrangements are adopted, ownership/risk/costs shall be agreed separately in writing; in the absence of such agreement, it is assumed that risks transfer to the customer upon receipt of the goods. Domestic transactions: (1) Ex works: upon pickup by the customer; (2) door-to-door delivery: upon delivery by the Company.
Payment and Credit Terms:	Cash-on-delivery or approved credit settlement. The Company reserves the right to adjust payment terms based on customers' credit status.
Minimum Purchase Commitment:	The only requirement is that a single order must not be less than the minimum packaging quantity of the Company's product, with no explicit annual/quarterly minimum purchase or monetary commitment.
Warranty and Product Return:	The warranty period is one year from the date of product delivery and applies only under normal usage conditions. The Company shall not be liable for quality issues arising from improper storage, misuse, or external factors attributable to the customer. Except for returns under the warranty, no returns shall be accepted.

Termination:	The agreement may be terminated for reasons specified therein or upon prior notice. After termination, the customer shall still fulfill payment and goods collection obligations arising prior to the termination date.

Seasonality

Due to our products being widely used in consumer electronics, smart-home appliances and fields with pronounced launch and shopping cycles, demand for and sales of our products generally follow the seasonality of the end-products in which they are embedded. Our sales volumes are typically higher in the second and third quarters, driven by end-customers' inventory build-up for new product launches and increased consumer spending during holiday seasons.

Pricing

We price our products depending on factors such as region, application field, product line profitability strategy and competitors' pricing. We adopt a combination of market-based and cost-based pricing approaches and regularly review our prices, taking into account prevailing market conditions and production costs to ensure that our product prices remain market-oriented and competitive.

Marketing Strategies

We formulate the marketing strategy for each product line with reference to product launch schedules, market supply and demand dynamics, competitive landscape and our inventory position. Our sales team works in close coordination with operation team to align promotional initiatives, define target application markets and customer groups, and drive customer acquisition and market share expansion to support sales and profitability growth. Our regional sales teams make regular visits to key accounts and work side-by-side with distributors to serve end-customers, with our field application engineers (FAE) team provide hands-on technical support. To expand our customer base, we participate in major semiconductor exhibitions and set region-specific outreach targets tied to new product launches and priority application markets.

In addition, new product launches are planned with a focus on high-growth and high-value markets, such as AIoT, AI servers and new energy vehicles.

OUR CUSTOMERS

Our customers are distributors and direct sales customers.

Our Major Customers

In 2023, 2024, 2025 and the three months ended March 31, 2026, revenue generated from our five largest customers in each period amounted to RMB310.3 million, RMB194.9 million, RMB206.0 million and RMB118.4 million, respectively, accounting for 46.8%, 44.1%, 39.7% and 52.8% of our total revenue, respectively. In the same years/periods, revenue generated from our largest customer in each year/period amounted to RMB69.0 million, RMB65.5 million, RMB79.4 million and RMB47.8 million, accounting for 10.4%, 14.8%, 15.3% and 21.3% of our total revenue, respectively.

To our knowledge and the knowledge of our Directors, none of our Directors and senior managements and their respective associates, or Shareholders who own 5% or more of the total issued Shares had any interest in our five largest customers in each period of the Track Record Period. During the Track Period and up to the Latest Practicable Dates, we did not involve in material disputes with our five largest customers in each period of the Track Record Period.

The following table sets forth the details of our five largest customers in each year/period during the Track Record Period:

For the year ended December 31, 2023

Ranking	Customer	Type of Customer	Type of Product Purchased	Sales Amount (RMB in thousands)	Percentage of Total Revenue	Credit Period	Year of Commencement of Business Relationship with Us
1	*Customer A[1]	Distributor	NOR, SLC NAND, Others	69,042	10.4%	0–45 days	2021
2	*Customer B[2]	Distributor	NOR, SLC NAND, MCP, Others	68,005	10.3%	15 days	2016
3	*Customer C[3]	Distributor	NOR, SLC NAND, MCP	67,136	10.1%	46–60 days	2020
4	*Customer D[4]	Distributor	NOR, SLC NAND, MCP	65,142	9.8%	30–60 days	2021
5	Customer E[5]	Direct sales	SLC NAND	41,015	6.2%	0–90 days	2023

* The customer represents a group consolidating the transaction amounts of entities within such group.

For the year ended December 31, 2024

Ranking	Customer	Type of Customer	Type of Product Purchased	Sales Amount (RMB in thousands)	Percentage of Total Revenue	Credit Period	Year of Commencement of Business Relationship with Us
1	Customer E	Direct sales	NOR, SLC NAND	65,484	14.8%	45–90 days	2023
2	*Customer D	Distributor	NOR, SLC NAND, MCP, Others	45,215	10.2%	45–60 days	2021
3	*Customer C	Distributor	NOR, SLC NAND, MCP, Analog IC, Others	33,733	7.6%	30–60 days	2020
4	*Customer A	Distributor	NOR, SLC NAND	25,376	5.7%	30–45 days	2021
5	*Customer F[6]	Distributor	NOR, SLC NAND, Analog IC	25,090	5.7%	30–60 days	2018

* The customer represents a group consolidating the transaction amounts of entities within such group.

For the year ended December 31, 2025

Ranking	Customer	Type of Customer	Type of Product Purchased	Sales Amount (RMB in thousands)	Percentage of Total Revenue	Credit Period	Year of Commencement of Business Relationship with Us
1	Customer E	Distributor	NOR, NAND	79,443	15.3%	45 days	2023
2	*Customer G[7]	Distributor	NOR, NAND, MCP, Analog IC, Others	40,503	7.8%	120 days	2025
3	Customer H[8]	Direct sales	NAND	31,212	6.0%	150 days	2016
4	*Customer D	Distributor	NOR, NAND, MCP, Others	30,155	5.8%	15 days	2021

Ranking	Customer	Type of Customer	Type of Product Purchased	Sales Amount (RMB in thousands)	Percentage of Total Revenue	Credit Period	Year of Commencement of Business Relationship with Us
5	*Customer I[9] . .	Distributor	NOR, NAND, Others	24,704	4.8%	0 days	2017

For the three months ended March 31, 2026

Ranking	Customer	Type of Customer	Type of product purchased	Sales amount (RMB in thousands)	Percentage of Total Revenue	Credit Period	Year of Commencement of Business Relationship with Us
1	Customer J . . .	Distributor	NOR, SLC NAND	47,811	21.3%	45 days	2025
2	*Customer G . .	Distributor	NOR, SLC NAND, MCP, Analog IC, Others	23,406	10.4%	90–120 days	2025
3	*Customer H . .	Direct sales	NAND	20,686	9.2%	150 days	2016
4	*Customer C . .	Distributor	NOR, SLC NAND, MCP, Analog IC, Others	15,004	6.7%	30 days	2020
5	*Customer K . .	Distributor	NOR, SLC NAND, Analog IC	11,501	5.1%	30 days	2021

* The customer represents a group consolidating the transaction amounts of entities within such group.

1 Customer A is an information technology solutions and services provider located in Guangzhou, China. It is a wholly-owned subsidiary of a public company headquartered in Shenzhen, China and listed on Shenzhen Stock Exchange.

2 Customer B is a electronics company located in Xiamen, China. It specializes in distribution of high-quality IC from different countries and regions. the R&D and sales of electronic components and integrated circuits and has stable market channels in the fields of industrial control and consumer electronics.

3 Customer C is a leading electronics company headquartered in Hong Kong, China. It engages in distribution of high-quality electronic components, catering to a diverse range of industries including network communications, consumer electronics and industrial automation.

4 Customer D is a company primarily engages in the distribution of electronic components located in Hong Kong, China. It is a subsidiary of a public company headquartered in Shenzhen, China and listed on Shenzhen Stock Exchange.

5 Customer E is a smart supply-chain service company in electronic information industry, located in Shenzhen, China. It is a wholly-owned subsidiary of a public company headquartered in Shenzhen, China and listed on Shenzhen Stock Exchange. Customer E was our direct sales customer in 2023 and 2024, and became our distributor in 2025 according to the contractual arrangement.

6 Customer F is a company specialized in the distribution and technical service of of electronic components headquartered in Shenzhen, China. It maintains an extensive customer base in consumer electronics market.

7 Customer G is a semiconductor company located in Dubai, UAE. It mainly engages in the R&D and sales of IC products and it is an active participant in the international semiconductor market.

8 Customer H is a a company in the industry of telecommunications equipment manufacturing and trading located in Shenzhen, specialized in technical development and sales of electronic components and modules.

9 Company I is a company specialized in wholesale business of electronic components located in Shanghai.

10 Customer J is a limited liability company located in the Chinese Mainland. It is principally engaged in the trading of telecommunications and electronic equipment.

11 Customer K is a limited liability company located in the Chinese Mainland and is a wholly-owned subsidiary of a company listed on the Shenzhen Stock Exchange. Its business focuses on the distribution of chips and electronic components.

Arrangement with Major Customers

During the Track Record Period, the credit period granted to our five largest customers was 0 day to 120 days. For details of the key terms of the agreements we have entered into with the aforementioned entities, see "— Marketing and Sales — Our Sales Network — Distribution." and "— Marketing and Sales — Our Sales Network — Direct Sales."

During the Track Record Period and up to the Latest Practicable Date, we maintained stable partnerships with our five largest customers in each period of the Track Record Period and did not have material disputes with any of the aforementioned customers. To the knowledge of our Directors, there are currently no indications that the aforementioned customers will change their existing partnerships with us in the near term.

OUR SUPPLIERS

During the Track Record Period, our suppliers primarily consisted of (i) wafer foundries, (ii) OSAT service providers, and (iii) raw material providers.

Our Major Suppliers

In 2023, 2024, 2025 and the three months ended March 31, 2026, purchase from our five largest suppliers in each year/period amounted to RMB509.7 million, RMB284.2 million, RMB323.6 million and RMB212.9 million, respectively, accounting for 75.4%, 82.1%, 81.6% and 86.8% of our total purchase, respectively. In the same years/periods, our purchase from the largest supplier in each period amounted to RMB184.7 million, RMB131.0 million, RMB116.0 million and RMB127.3 million, accounting for 27.3%, 37.8%, 29.2% and 51.9% of our total purchase, respectively. According to CIC, the concentration on a limited number of suppliers is common within the flash memory industry, and it primarily stems from below reasons: (i) wafer fabrication, assembly, and testing represent essential, outsourced production segments for fabless companies, yet the number of suppliers offering such services are rather limited; and (ii) fabless companies tend to engage with a select group of qualified and proven suppliers to ensure consistent, reliable manufacturing and product performance. See "Risk Factor — Risk Related to Our Business and Industry — We Rely on External Suppliers for Raw Materials and Certain Components and Parts Used in Our IC Products, and We Depend Heavily on These Suppliers to Control the Quality of Such Items."

All of our five largest suppliers in each period during the Track Record Period were Independent Third Parties. To our knowledge and the knowledge of our Directors, none of our Directors and senior managements and their respective associates, or Shareholders who own 5% or more of the total issued Shares had any interest in any of our five largest suppliers in each period during the Track Record Period. During the Track Record Period and up to the Latest Practicable Date, we did not have material disputes with our five largest suppliers.

During the Track Record Period and up to the Latest Practicable Date, none of the five largest suppliers in each year/period of the Track Record Period was a customer of us and none of our top five customers in each period during the Track Record Period and up to the Latest Practicable Date was a supplier.

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

For the year ended December 31, 2023

Ranking	Supplier	Type of Product/Service Provided	Purchase Amount (RMB in thousands)	Percentage of Total Purchase	Credit Period	Year of Commencement of Business Relationship with Us
1	Supplier A[1]	Wafer	184,728	27.3%	T/T in advance	2021
2	*Supplier B[2]	Wafer	157,236	23.3%	T/T in advance, T/T 30 days	2019
3	*Supplier C[3]	Assembly and Test	69,587	10.3%	60 days	2019
4	*Supplier D[4]	Wafer	61,644	9.1%	Pre 30%, T/T 30 days	2018
5	Supplier E[5]	Wafer	36,535	5.4%	T/T in advance	2020

* The supplier represents a group consolidating the transaction amounts of entities within such group.

For the year ended December 31, 2024

Ranking	Supplier	Type of Product /Service Provided	Purchase Amount (RMB in thousands)	Percentage of Total Purchase	Credit Period	Year of Commencement of Business Relationship with Us
1	Supplier A	Wafer	130,954	37.8%	T/T in advance	2021
2	*Supplier C	Assembly and Test	52,686	15.2%	60 days	2019
3	*Supplier B	Wafer	50,720	14.7%	T/T in advance, T/T 30 days	2019
4	*Supplier D	Wafer	33,075	9.6%	Pre 30%, T/T 30 days	2018
5	Supplier E	Wafer	16,771	4.8%	T/T in advance	2020

* The supplier represents a group consolidating the transaction amounts of entities within such group.

For the year ended December 31, 2025

Ranking	Supplier	Type of Product/Service Provided	Purchase Amount (RMB in thousands)	Percentage of Total Purchase	Credit Period	Year of Commencement of Business Relationship with Us
1	*Supplier A	Wafer	115,989	29.2%	T/T in advance	2021
2	*Supplier B	Wafer	66,169	16.7%	T/T in advance, T/T 30 days	2019
3	*Supplier C	Assembly and Test	62,900	15.9%	60 days	2019
4	*Supplier D	Wafer	61,674	15.5%	Pre 30%, T/T 30 days	2018

Ranking	Supplier	Type of Product/Service Provided	Purchase Amount (RMB in thousands)	Percentage of Total Purchase	Credit Period	Year of Commencement of Business Relationship with Us
5	Supplier E	Wafer	16,854	4.2%	T/T in advance	2020

For the three months ended March 31, 2026

Ranking	Supplier	Type of product/service provided	Purchase amount (RMB in thousands)	Percentage of Total purchase	Credit Period	Year of Commencement of Business Relationship with Us
1	*Supplier A. . . .	Wafer	127,338	51.9%	T/T in advance	2021
2	*Supplier B. . . .	Wafer	29,470	12.0%	T/T in advance, T/T 30 days	2019
3	*Supplier D. . . .	Wafer	22,133	9.0%	Pre 30%, T/T 30 days	2018
4	Supplier F	Wafer	17,462	7.1%	60 days	2020
5	Supplier C	Assembly and Test	16,518	6.7%	30 days/60 days	2019

* The supplier represents a group consolidating the transaction amounts of entities within such group.

1 Supplier A is a subsidiary of a global leader in Flash memory headquartered in Japan. It specializes in design and manufacturing of NAND Flash.

2 Supplier B is a leading IC fabrication company headquartered in Shanghai, China that controls multiple core subsidiaries specializing in advanced wafer foundry.

3 Supplier C is a public company headquartered in Gansu, China and listed on the Shenzhen Stock Exchange. It specializes in providing advanced assembly and testing services for a wide range of semiconductor products, with customers across multiple industries globally.

4 Supplier D is an IC fabrication company located in Beijing, China. It is a wholly-owned subsidiary of a public company headquartered in Shanghai, China, and listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange. It specializes in the manufacturing and sales of wafers, providing advanced process technologies and solutions for a wide range of applications and sectors.

5 Supplier E is a wafer foundry company, headquartered in Taiwan, China. Its shares are listed on the Taiwan Stock Exchange. It provides high quality IC fabrication services.

6 Supplier F is a joint stock company located in Taiwan, with its shares listed on the Taiwan Stock Exchange. It is a company specialized in the wholesale and distribution of electronic components, with its products widely utilized in automotive electronics, communications, data centers, industrial control, and consumer electronics.

Arrangement with Major Suppliers

During the Track Record Period, we entered into procurement agreements and placed purchase orders with suppliers based on our procurement and production plans as well as sales plans. The principal terms of the procurement agreements and purchase orders we entered into with our major suppliers generally include the following:

Placement of purchase orders: We generally place separate purchase orders pursuant to the procurement agreements for the specific types and quantities of materials and services to be purchased.

Minimum purchase requirement:	There is no minimum purchase requirement.
Pricing:	Pricing is determined on a purchase order basis and primarily depends on prevailing market prices, and may also be influenced by our purchase volumes.
Specifications:	We typically specify the required specifications for the materials or services to be purchased, and suppliers are responsible for ensuring that the materials or services meet such specifications. For wafer foundry and assembly and testing services, we generally also enter into quality agreements with the relevant suppliers.
Payment and credit terms:	The payment and credit terms granted by our suppliers are determined based on factors such as our business relationship and transaction size, and typically include prepayment terms, T/T or settlement on a 30-day or 60-day basis.
Quality assurance:	Our suppliers are generally responsible for replacement or other remedies for non-conforming products during the warranty period, which is typically 12 months.
Termination:	Our procurement agreements may be terminated by mutual agreement of the parties, or by either party upon prior written notice in the event of a material breach by the other party.

During the Track Record Period and up to the Latest Practicable Date, we maintained stable partnerships with our five largest suppliers in each period. To the knowledge of our Directors, there are currently no indications that the aforementioned customers will change their existing partnerships with us in the near term.

Supplier Concentration

During the Track Record Period, we primarily procured NAND wafers from Supplier A. Supplier A is a subsidiary of a global leader in flash memory headquartered in Japan, specializing in the design and manufacturing of NAND Flash. Our business collaboration with Supplier A commenced in 2021.

In 2023, 2024, 2025 and the three months ended March 31, 2026, our total purchases from Supplier A amounted to RMB184.7 million, RMB130.9 million, RMB116.0 million and RMB127.3 million, respectively, representing 27.3%, 37.8%, 29.2% and 51.9% of our total purchases for the same periods. The increase in procurement percentage in 2024 was primarily attributable to a shift in our product structure and procurement strategy. We procure different types of wafers from various suppliers, and as the proportion of our NOR Flash wafer purchases decreased in 2024, and therefore the relative percentage of NAND wafer purchases increased accordingly. The increase in the three months ended March 31, 2026 was primarily due to our strategic procurement to align with the upward trend of the industry and the increasing customer demands.

Since we source a significant portion of wafers from Supplier A, and expect to continue our cooperation with Supplier A, any termination, interruption, or adverse modification of this relationship could impact our operations. However, we have expanded our procurement network to include additional wafer suppliers and enhanced our relationships with existing suppliers. We understand that

alternative suppliers with the technical know-how exist in the market place and can provide the products of similar nature on reasonable commercial terms. Our Directors believe that our relationship with Supplier A is unlikely to deteriorate or terminate, given that (i) we have maintained a stable and mutually beneficial collaboration; and (ii) we did not have material disputes with Supplier A during the Track Record Period and up to the Latest Practicable Date.

COMPETITION

We are in a highly competitive market with increasing demand for highly reliable products. We primarily compete with fabless companies that engage in flash memory design and with certain suppliers of analog IC and MCU. The competitive landscape is affected by multiple factors, including industry growth, the emergence of new materials or technologies, technological advancements, shifts in production capacity, product adaptability for emerging applications, customer demand for products, regulatory environment, and overall economic conditions. We enhance our overall competitiveness by continuously improving R&D capabilities, strengthening product reliability, optimizing supply chain management, and expanding collaboration with existing customers to uncover additional demand.

EMPLOYEES

We continue to attract, retain and motivate highly qualified technical and management personnel. As of March 31, 2026, we had a total of 165 full-time employees. The following is a breakdown of our employees by function as of the dates indicated:

	As of March 31, 2026
R&D	74
Sales and Marketing	44
Administration and Operation	47
Total	**165**

We typically enter into standard employment contract with our employees. We believe that we have good employment relationships with our employees. None of our employees is represented by a union or collective bargaining agreement. During the Track Record Period, we did not experience any strikes, work stoppages, labor disputes or other action which had a material adverse effect on our business and operations.

Social Insurance and Housing Provident Funds

Our employees are primarily based in Chinese Mainland. As required by PRC laws and regulations, we participate in various employee social security plans that are organized by municipal and provincial governments, including, among other things, pension, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance and housing provident fund plans through mandated benefit contribution plan. See "Regulatory Overview — Laws and Regulations on Labor — Social Insurance and Housing Provident Funds".

During the Track Record Period and up to the Latest Practicable Date, we had not made social insurance and housing provident funds for some of our employees in full in accordance with the applicable laws and regulations. We estimate that the aggregate shortfall of the social insurance and

housing provident funds contribution in 2023, 2024, 2025 and the three months ended March 31, 2026 amounted to approximately RMB5.8 million, RMB5.5 million, RMB5.4 million and RMB1.4 million respectively.

As advised by our PRC Legal Advisor, pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of social insurance contributions as required, we may be ordered to pay the outstanding social insurance premiums within a prescribed time limit and may be subject to an overdue fine of 0.05% of the delayed payment per day from the date on which the payment is payable. If such payment is not made within the stipulated period, the competent authority may further impose a fine from one to three times the amount of the overdue payment. If we fail to pay the full amount of housing provident fund as required, the housing provident fund management center may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

As of March 31, 2026, the potential late payments that we may face for underpayment of social insurance contributions and housing provident funds during the Track Record Period amounted to approximately RMB4.5 million. If we receive the notice from competent authorities and are required to pay the shortfall of social insurance contributions and housing provident funds and such payment is not made within the stipulated period, we may be subject to administrative penalties. In such case, the maximum potential penalty for our underpayment of social insurance contributions and housing provident funds during the Track Record Period and failure to make payment after being ordered to pay within a prescribed time limit is approximately RMB47.0 million.

As of the Latest Practicable Date, no competent governmental authorities had imposed administrative action, fine or penalty to us nor had any competent governmental authorities required us to settle the outstanding amount of social insurance payments and housing provident fund contributions. Our PRC Legal Advisor is of the opinion that, provided that there are no significant changes in the current policies, regulations, the interpretation of Supreme People's Court and local government enforcement and supervision requirements related to social insurance and housing provident fund, and no employee complaints, reports or related lawsuits/arbitrations are filed, the risk of being subject to centralized collection of underpaid contributions or significant administrative penalties for above issues by the authorities overseeing social insurance and housing provident fund is remote. In addition, the controlling shareholder of the Company Mr. Long have undertaken to assume the responsibility for any required supplementary contributions or compensation. Accordingly, our PRC Legal Advisor and our Directors are of the view that the abovementioned issue is not expected to have a material adverse impact on the operations of the Company. In consideration of the above, during the Track Record Period, no provision had been made to such non-compliance.

Furthermore, on July 31, 2025, the PRC Supreme People's Court promulgated the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), (the "**New Judicial Interpretation**"), which took effect on September 1, 2025. According to the Article 19(1) of the New Judicial Interpretation, if an employer and an employee agree or the employee undertakes that social insurance contributions need not to be paid, the court shall deem such agreement or undertaking invalid. Where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38(3) of the PRC Labor Contract Law, the court shall support such claims, in which case, the employer remains liable for paying economic compensation (calculated based on the number of years of employment multiplied by the monthly salary) to the employee, notwithstanding any prior agreement to waive social insurance contributions.

As advised by our PRC Legal Advisor, considering that: (i) during the Track Record Period and up to the Latest Practicable Date, our employees have not initiated any lawsuits or arbitrations regarding social insurance contributions, nor have there been any material labor disputes related to social insurance; (ii) as of the Latest Practicable Date, we have purchased social insurance for all employees, and have not entered into any arrangements with employees stipulating that social insurance contributions need not be paid; and (iii) the aforementioned judicial interpretation has not repealed or amended the currently effective PRC laws and regulations regarding social insurance, and has not altered the legal and regulatory framework of labor and employment that we must comply with, nor has it expanded the scope of our liabilities or created new mandatory legal obligations. Therefore, the implementation of the New Judicial Interpretation will not have a material adverse effect on our business, financial performance and condition, operations, and compliance status.

INSURANCE

We maintain insurance policies that are required under the laws and administrative regulations of the jurisdiction where we operate as well as based on our assessment of our operational needs and industry practice. According to the requirements of applicable PRC laws and regulations, we provide social security insurance including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees. We also maintain cargo insurance. We do not have insurance for business interruptions, nor do we maintain product liability insurance or have key person insurance.

We believe that our existing insurance coverage is adequate for our business operations and is in line with industry standards in the countries and regions in which we operate. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See "Risk Factors — Risks Relating to our Business and Industry — Our Insurance Coverage May Not Completely Cover the Risks Related to Our Business and Operations."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

To enhance our overall management capabilities in environmental, social, and governance matters, we formulate the Environmental, Social, and Governance (ESG) Management Measures (《環境、社會及管治(ESG)管理辦法》) and implement an ESG governance framework spanning from the decision-making level to the operational level.

The Strategy Committee under the Board oversees the company's overall ESG performance and related risks, reporting to the Board as appropriate. The ESG Management Committee under the Strategy Committee coordinates ESG-related matters and implements sustainable development strategies, supported by the ESG Office responsible for functional coordination. Meanwhile, ESG working groups, including the Environment and Sustainability Working Group and the Social Responsibility and Integrated Governance Working Group, operate as mechanisms interfacing with various departments to drive the implementation of ESG initiatives at the business level.

Pursuant to the above policies, the ESG Office will identify ESG risks for the reporting year by comprehensively considering factors that may introduce external uncertainties to our operations, including shifts in industry sustainability priorities, adjustments in the sustainability strategies of peer companies, and updates to relevant laws and regulations.

On this basis, taking into account the results of ESG risk identification, we will conduct management assessments and stakeholder surveys through questionnaires and other means, to prioritise material ESG issues. The prioritised results will then be submitted to the Strategy Committee under the Board for review.

For material ESG issues, we have established a series of quantifiable metrics including Hazardous waste produced, Electricity consumption, water consumption and Greenhouse gas emissions to assess the materiality of related ESG risks over the short, medium and long term, as well as their potential impacts on our business, strategy and financial planning.

For the identified material ESG risks, we will, under the coordination of the ESG Office, designate responsible departments for each issue to formulate and implement corresponding management measures, with the ESG Office responsible for the final acceptance and review of relevant initiatives. Details of the actions taken are set out below.

We are progressively refining our ESG management system and have established a three-phase work plan: Phase I (2026), Phase II (2027–2028), and Phase III (2029–2030). Recognizing that data capabilities are a prerequisite for setting meaningful targets and expanding to broader scopes such as Scope 3, we are adopting a gradual approach. Accordingly, we expect to further strengthen the statistical data foundation in Phase I, while measurable targets will be established and Scope 3 data collection undertaken in Phase II. These targets will be formulated with reference to relevant international standards and regulatory requirements.

Environmental

Environmental Management

We regard environmental management as a vital foundation for corporate sustainability and strictly comply with applicable laws and regulations, including the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》). Given that our business does not involve manufacturing, we do not generate any significant emissions or production-related waste, nor do we cause substantial environmental pollution. Our domestic and office waste is uniformly collected and processed by the property management. Additionally, the domestic sewage we produce is discharged into the municipal sewage system through the property management's pipelines, with all discharges strictly adhering to applicable standards.

The following table sets out our hazardous and non-hazardous waste generated during the Track Record Period:

		For the year ended December 31,			For the three months ended March 31,
	Unit	2023	2024	2025	2026
Hazardous and non-hazardous waste					
Hazardous waste produced	kg	43.8	23.6	27.0	8.2
Non-hazardous waste produced	kg	49,741.6	38,334.4	30,829.6	8,184.0

Energy and Resource Management

We prioritize energy and resource management, implementing energy-saving measures while continuously exploring energy-efficient and emission-reducing technologies. We possess the technical capability to develop low-power, high-performance product solutions and have already incorporated such designs into certain product lines. For instance, our SPI NOR Flash products under the XTX NORD series operate stably in high-temperature environments while maintaining active data refresh capabilities. They are suitable for high-temperature applications such as energy monitoring, and could effectively extend equipment lifespan and reduce energy consumption.

In our daily operations, we continuously monitor energy consumption and implement measures to conserve electricity and water. Regarding electricity usage, we strengthen management of office equipment power consumption and promote the principle of "turn off lights upon departure". For water usage, we guide employees to develop water-saving habits through daily reminders and awareness campaigns.

The following table sets out our energy, resources and packaging material consumption during the Track Record Period[1]:

		For the year ended December 31,			For the three months ended March 31,
	Unit	2023	2024	2025	2026
Energy consumption					
Electricity consumption	MWh	804.7	1,886.4	1,004.8	224.9
Electricity consumption intensity	MWh/RMB million in revenue	1.2	4.3	1.9	1.0
Resource consumption					
Water consumption	tons	178.0	2,237.0	2,543.0	686.0
Water consumption intensity	tons/RMB million in revenue	0.3	5.1	4.9	3.1
Packaging material consumption					
Paper	kg	2,527.0	2,279.0	2,325.0	1,360.0
Plastic	kg	607.2	547.2	577.2	436.0

Climate Change

We fully recognize the adverse impacts of climate change on economic and social development. Moving forward, we will progressively identify and assess potential climate-related risks that might affect us. Our operations do not involve fossil fuel combustion activities. Our greenhouse gas emissions only consist of Scope 2 emissions, generated exclusively from the use of purchased electricity at our offices and R&D facilities. The following table sets out our greenhouse gas emissions during the Track Record Period:

[1] Starting from 2024, the office space was expanded, leading to an increase in electricity and water consumption compared to the previous reporting period. In 2025, due to a reduction in staff numbers, electricity and water usage decreased compared to 2024.

		For the year ended December 31,			For the three months ended March 31,
	Unit	2023	2024	2025	2026
Total greenhouse gas emissions	tCO_2e	431.8	1,012.3	533.2	119.3
Greenhouse gas emissions intensity	tCO_2e/RMB million in revenue	0.7	2.3	1.0	0.5

Note:

(1) The electricity emission factor used in greenhouse gas calculations for 2022 and 2023 made reference to the 2022 national average carbon dioxide emission factor for electricity (0.5366 kgCO2/kWh) as set out in the Announcement on the Release of the 2022 Electricity Carbon Dioxide Emission Factors (《關於發佈2022年電力二氧化碳排放因子的公告》) issued by the Ministry of Ecology and Environment of the People's Republic of China. For the calculation for 2025, the 2023 national average carbon dioxide emission factor for electricity (0.5306 $kgCO_2$/kWh), as set out in the Announcement on the Release of the 2023 Electricity Carbon Dioxide Emission Factors (《關於發佈2023年電力二氧化碳排放因子的公告》), has been adopted.

Social Responsibility

Labor and Benefits

We are committed to fostering a working environment that values respect, inclusivity, equality and growth. We champion and uphold principles such as gender equality and workforce diversity, and firmly oppose any form of unfair discrimination based on ethnicity, race, gender, religious beliefs or other factors. We are committed to safeguarding equal rights for female employees. Pursuant to our employee handbook (《員工手冊》), we prohibit any form of gender discrimination or workplace harassment in recruitment, promotion and daily management, and offer flexible work arrangements such as statutory maternity leave and nursing leave. We prioritize our employees' physical and mental well-being alongside their work experience. We have established leave and bonus benefit systems, and enhance employees' sense of belonging through open communication channels and diverse incentive mechanisms. We also organize team-building activities and extend care and support during traditional festivals to strengthen team cohesion.

The following table sets out the number of our employees by gender and age during the Track Record Period:

			For the year ended December 31,			For the three months ended March 31,
Indicator	Employee Category	Unit	2023	2024	2025	2026
Total number of employees		persons	227	157	157	165
By gender	Male	%	68.7	66.9	67.5	66.7
	Female	%	31.3	33.1	32.5	33.3
By age	30 or below	%	35.2	23.6	15.9	15.8
	31–49	%	61.7	72.6	80.3	80.0
	50 or above	%	3.1	3.8	3.8	4.2

Employment Standards and Career Development

We strictly adhere to applicable laws and regulations such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》). We have established internal systems including the Employee Handbook (《員工手冊》) and Human Resources Management System (《人力資源管理制度》), and legally enter into labor contracts with employees to ensure compliance in our employment processes. During the recruitment process, we verify employee identity information and strictly prohibit the use of child labor, forced labor, or any form of involuntary labor, thereby effectively safeguarding the lawful rights and interests of our employees.

We place emphasis on the career development of our employees and continuously provide training to support our employees' growth and advancement. Our employee training management is divided into two main categories: onboarding training and professional skills training. Training covers multiple aspects, including company culture, professional skills, management competencies and personal effectiveness. Through a combination of internal training, outsourced internal training and external learning opportunities, we address employees' individual development needs and help them enhance their professional capabilities. Additionally, we provide internal job rotation and promotion pathways, in order to motivate employees to realize their potential and support their career advancement.

Occupational Health and Safety

We prioritize the occupational health and safety of our employees and are committed to providing a secure, healthy and protected work environment. We strictly adhere to applicable labor safety and health laws and regulations. We periodically organize or participate in fire drills and safety training activities conducted within the industrial park to enhance employees' safety awareness and protective capabilities. Given that we operate under a fabless business model and do not maintain our own manufacturing facilities, its primary operations do not involve high-risk manufacturing processes. As of the Latest Practicable Date, we did not experience any significant occupational health and safety incidents.

Supply Chain Management

We fully recognize the critical importance of supply chain performance to product quality, operational stability and sustainable development. We require suppliers to comply with applicable laws and regulations and to effectively fulfill their environmental and social responsibilities. We are committed to strengthening ESG management at the source of our supply chain. By establishing the XTX Supplier ESG Questionnaire (《芯天下供應商ESG調查問卷》), the Supplier Development Management Procedure (《供應商開發管理程序》) and the Outsourced Supplier Quality Management Procedure (《委外供應商品管理程序》), we have established a series of supplier onboarding and evaluation mechanisms, with sustainability requirements embedded into the relevant procedures.

During the supplier onboarding phase, we require suppliers to complete the XTX Supplier ESG Questionnaire, under which a total of 13 specific requirements across environmental, social and governance dimensions are incorporated into our comprehensive evaluation framework. Such assessment covers suppliers providing packaging and delivery through third-party carriers, outsourced manufacturing, as well as those offering environmentally preferable products and/or services. Additionally, we publish a Conflict Minerals Statement (《衝突礦產聲明》) and require suppliers to conduct due diligence on metal sourcing, with ongoing monitoring through audits. Following

onboarding, supplier performance is assessed through annual audits and quarterly performance evaluations. For those underperforming suppliers, we will determine whether to terminate cooperation based on specific circumstances to mitigate supply chain risks.

Charity

On 26 November 2025, a fire broke out in multiple residential buildings at Hung Fuk Court in Tai Po, Hong Kong, resulting in significant casualties and drawing widespread public concern. Following the incident, we promptly activated our emergency donation mechanism, donating HK$1 million to the Tai Po Wang Fuk Court Relief Fund to support emergency rescue efforts and post-disaster reconstruction.

Corporate Governance

Business Integrity

We uphold the principle of "integrity creates value and compliance safeguards development", strictly regulating employee conduct and business dealings. Our Employee Handbook (《員工手冊》) clearly outlines anti-fraud and anti-corruption policies, while internal systems such as the Integrity and Anti-Corruption Management Procedures (《誠信廉潔管理程序》) and the Conflict of Interest Management System (《利益衝突管理制度》) have been established to progressively enhance our anti-corruption and integrity compliance framework.

Our general manager is the ultimate responsible person for our integrity. He communicates our commitment to compliance to all employees, business partners, relevant government agencies and other stakeholders, emphasizing our zero-tolerance stance toward unethical and corrupt practices.

Additionally, we have established a whistleblowing policy to clarify the scope of accepted reports, reporting channels and protections for whistleblowers. We have established a dedicated hotline and email address to receive reports from employees and external stakeholders, whether submitted under real names or anonymously. We pledge to maintain strict confidentiality regarding whistleblower information, limiting access solely to personnel necessary for investigations and prohibiting the disclosure of whistleblower identities. Should a whistleblower suffer harm to their lawful rights and interests as a result of their reporting, they may apply to the Audit Committee for assistance in safeguarding those rights.

As of the Latest Practical Date, The Group did not have any cases of fraud, bribery or other misconduct involving employees, distributors, suppliers or other third parties.

RISK MANAGEMENT AND INTERNAL CONTROLS

We have established and continuously maintained a risk management and internal control system, which includes relevant policies and procedures developed at the corporate level and tailored to the characteristics of our business operations. The Board and its Risk Management Committee are responsible for establishing, periodically reviewing, and updating the internal control system, as well as overseeing the effective implementation of internal control measures. The Board has authorized the Intellectual Property and Legal Department to handle the day-to-day operations of our risk management, and to organize, coordinate, guide and supervise other functional departments and subsidiaries in carrying out relevant risk management work. This department also regularly reports the results of our risk management efforts to the Board to ensure the system operates effectively and remains aligned with our overall strategic objectives.

This risk management system covers key areas such as financial reporting, compliance management, information security and human resources management.

Financial Reporting and Risk Management

To effectively manage financial reporting risks, we have established the Accounting Policies and Accounting Estimates Management Regulations (《會計政策及會計估計管理規定》), which clarify the basis for preparing our financial statements, significant accounting policies and accounting estimates. Our finance department regularly reviews relevant accounts in accordance with established procedures. Our chief financial officer is responsible for issuing financial reports and managing related tasks, while the general manager, as the executive overseeing the finance center, supervises activities related to financial reporting. The Audit Committee of the Board leads internal audit work pertaining to financial reporting.

Compliance Risk Management

We have established and implemented compliance risk management procedures that effectively identify and manage compliance risks, proactively prevent risk incidents, and ensure our business operations would not violate applicable laws and regulations, thereby avoiding situations that could result in compliance risks.

To the best knowledge of our senior management, we have obtained all necessary licenses, permits and qualifications required for our business operations. During our business operation, we perform compliance assessments on suppliers and customers, and our legal department reviews contracts and related documents. Concurrently, we continuously monitor changes in relevant laws, regulations and the regulatory environment to ensure our business operations remain compliant.

Intellectual Property Risk Management

We are a knowledge- and technology-intensive company. To properly manage intellectual property and mitigate risks associated with intellectual property disputes and claims, we have established an intellectual property management system.

To standardize the entire process of intellectual property registration and maintenance, we have established a comprehensive system of regulations, formulating and establishing a series of institutional documents, including the Intellectual Property Compliance Management Procedure (《知識產權合規管理程序》), the Intellectual Property Management Control Procedure (《知識產權管理控制程序》) and the Intellectual Property Manual (《知識產權手冊》). These provide clear guidelines and regulatory frameworks for the compliant execution of intellectual property-related tasks. The actual intellectual property registration is conducted by the Legal Affairs Department: for design protection, the Legal Department would establish specific intellectual property objectives related to design protection for each individual R&D project. This will be done in close consultation with the R&D Department, taking into account the actual circumstances of the R&D project. Regarding trademarks, the Legal Department must communicate with the general manager and heads of each business division to confirm trademark requirements. Based on this, it will formulate intellectual property objectives and plans related to trademarks. In the management of patent and trademark renewals, the partner agency is responsible for daily monitoring of renewal deadlines. The legal affairs manager tracks renewal progress through online document control to ensure the renewal process proceeds in an orderly manner. At the same time, to safeguard technological secrets, we require employees to comply with confidentiality obligations. All employees have signed the Confidentiality, Intellectual Property and Non-Compete Agreement (《保密、知識產權與不競爭協議》) with us.

We have established a comprehensive management system for intellectual property risk prevention and control, encompassing pre-launch reviews, process monitoring and litigation response. Prior to external promotion and sales, we conduct pre-launch reviews of the intellectual property status of products and their underlying technical solutions, submitting promotional materials to the legal manager for review. During the product initiation phase, we perform patent infringement risk analysis. During the process, functional departments such as the Sales Center regularly monitor and report potential infringement risks encountered by products in the market, reporting any identified leads. We also mitigate intellectual property infringement risks through supply chain management. Should a third-party intellectual property infringement claim arise, the Legal Manager analyzes the litigation information and selects the dispute resolution approach based on internal assessment outcomes.

Human Resources Risk Management

We have established comprehensive internal control and risk management policies for human resources, standardizing practices in workforce planning, recruitment, probationary period management for new hires, training and development, performance management, compensation and benefits, employee deployment and promotion, employee relations, corporate culture and exit management. Concurrently, we closely monitor human resources management activities, with a particular focus on preventing integrity and corruption risks in the aforementioned critical areas.

Information System Risk Management

To prevent data breaches and loss, we implement strict internal control procedures. Our data protection policy is designed to prevent unauthorized data access and data leaks, and ensure the security of sensitive information. For more details, please refer to "Data Privacy and Cybersecurity" in this section.

Anti-Bribery Risk Management

For further details, please refer to "Environmental, Social and Governance Matters — Corporate Governance — Business Integrity" in this section.

INFORMATION TECHNOLOGY

Our information technology systems are crucial to our business operation. We have self-developed internal information system — XMIS and CRM 2.0 platform.

Our internal information system, XMIS, integrates multiple business modules including OA, quality management, and supply chain management and etc., and is interconnected with our CRM 2.0 platform. Through this integrated system, we have established a digitalized operation framework that connects front-end sales and customer management with mid- and back-end functions such as procurement, production, and quality control, thereby improving operational efficiency and data transparency across the value chain.

Especially, the CRM 2.0 platform enables the real-time management across the entire lifecycle of our product sales, covering the management of distributors, end-customers and sales data, and supports sales forecasting, order tracking and after-sales services.

Our CRM 2.0 platform allows the distributors to synchronize downstream customer information and projects with us. Firstly, our distributors are required to register the customers and submit relevant requests on the system for our approval. Upon approval of customer registration, distributors are

required to record the projects in which our products are intended to be deployed. From registration to our product delivery, we set out a series of predefined milestones, requiring distributors to complete specified actions within the prescribed timeframe for each milestone. If a distributor fails to complete the relevant actions within the timeframe, we may, after assessment, release the associated customer back to the central customer pool on the platform. All authorized distributors are open to such customer opportunities and may apply for customer registration. Through our internal system, information flows seamlessly among internal departments and external partners, strengthening our collaborative capabilities and responsiveness to customers.

In the meantime, we are able to monitor the distributors' inventory by requiring them to report the inventory data regularly, which enables us to coordinate accordingly and respond to market demand. We also leverage our platform to review the distributors' performance across the entire sales cycle. Dynamic performance scores and rankings may be generated based on real-time data, and these insights underpin our incentive arrangements as well as the phasing out of underperforming distributors.

We also procure systems from third parties, including the financial management system, product lifecycle management system, operating system and office applications. These systems are supplied by reputable and stable vendors, and we have dedicated internal personnel responsible for system maintenance and regular inspection to ensure their effective implementation and utilization.

During the Track Record Period and up to the Latest Practicable Date, we received several communications and complaints from software companies and their legal counsels, alleging unauthorized use of their software and requesting that we regularize the usage by purchasing their software products. We immediately conducted internal investigations, and confirmed that we did not utilize such software, nor do we engage in any unauthorized use thereof. As advised by our PRC Legal Advisors, we did not have any material liabilities arising from intellectual property infringement and administrative penalties that would have a material adverse effect on our business, financial condition, or results of operations during the Track Record Periods and up to the Latest Practicable Date.

DATA PRIVACY AND CYBERSECURITY

The categories of data we process are as follows: (i) daily operational and management data, which mainly include R&D design data, IT system data, and the corporate internal information; (ii) personal information of our employees; (iii) personal information of contact persons of our suppliers and customers, primarily including names, gender, and contact information (excluding sensitive personal information); and (iv) personal information of users on our official online mall, primarily including names, contact information, entity names, and delivery addresses (excluding sensitive personal information).

We have established encryption measures to protect stored data and internal control measures to prevent unauthorized access. At the technical protection level, we have implemented the secure isolation of storage: personal information and business data are deployed via a private cloud drive (non-shared cloud storage space), stored on local hardware servers in Shenzhen and Huawei Cloud South China region servers, with access restricted to the internal network. All original personal information obtained is encrypted, including data transmission and storage encryption. Only authorized accounts are permitted to operate and view personal information. Any addition or modification of permissions requires formal approval. We also monitor the running status of networks and servers in real-time and deploy hardware firewalls, anti-virus systems, and intrusion detection functions to block unauthorized network access and malicious attacks.

We continuously enhance our management of personal information and privacy protection. We have established internal systems such as the Information Security Management System (《信息安全管理制度》), Information Security Incident and Emergency Response Plan (《信息安全事件應急處理預案》), Information Security and Internal Audit Management Guidelines (《信息安全內部審計管理規範》) and Personal Information Management Procedures (《個人信息管理程序》). These systems. These compliance scheme specify operational standards for every stage of personal information management, including collection, storage, use, transmission, and destruction, standardizing the entire information security management process, emergency response, internal auditing and the collection and use of customer information.

We have established stringent internal protocols to securitize authorization for data collection, access, and usage. Our core IT systems are accessible only through our internal network, supported by comprehensive access control and password management policies. In addition, a real-time monitoring and alert system has been implemented to track the health status of servers and identify potential risks.

We have also established a data backup and recovery mechanism, under which incremental backups are performed on a daily basis and full backups on a weekly basis. Critical data are backed up both on cloud and on-premises servers. The cloud-based database enables rapid data restoration to any point in time within approximately two hours. Except for temporary files, all R&D data are subject to regular backup in accordance with the above schedule.

Our business operations involve cross-border transmission of data, primarily arising from (i) the exchange of commercial information — including corporate profiles, project progress, product specifications, contact details, and financial data with customers and suppliers via email and instant messaging during business negotiations; and (ii) the collection and retention of personal data from domestic and overseas employees for administrative purposes. To ensure the protection of our data, materials, and trade secrets, we typically incorporate stringent confidentiality obligations into our agreements and contracts with these stakeholders.

As of the Latest Practical Date, we have not experienced any major information security incidents resulting from information security breaches or customer data leaks. As of the Latest Practicable Date, as advised by our PRC Legal Advisor, Hong Kong legal advisor and Korean legal advisor, we have not been in violation of any applicable laws and regulations relating to data privacy and security in Chinese Mainland, Hong Kong and Korea in all material respects.

PROPERTIES

Owned Property

As of the Latest Practicable Date, we did not have owned properties, land use rights or construction-in-progress in China.

Leased Property

As of the Latest Practicable Date, we leased 6 properties with an aggregate gross floor area of approximately 6,168.3 sq.m. in Chinese Mainland, mainly as our office premises and warehouses. As of the Latest Practicable Date, 5 of our leased properties in Chinese Mainland have not completed the lease registration and filing procedures. Under the applicable PRC laws and regulations, failure to complete the lease registration and filing procedures for the leased properties does not affect the legal validity of the lease contracts. As advised by our PRC Legal Advisor, pursuant to applicable laws and regulations, if the competent authorities order us to rectify the non-compliance within a prescribed time

limit and we fail to do so, we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each instance. The aggregate maximum statutory fine we may face in relation to the aforementioned matters is RMB50,000. As of the Latest Practicable Date, we had not been subject to any rectification order and administrative penalties by the competent authorities for failing to complete such registration and filing procedures, and the actual use of these properties has not been affected.

Meanwhile, given that these leased properties are mainly used for office and warehouse, in the event that we are required to relocate due to the inability to continue the lease as a result of the lack of registration and filing, we would be able to secure alternative premises in the relevant area in around three to four months. Based on preliminary inquiries, the monthly rental for alternative office premises in comparable locations is approximately RMB500,000, with one-off relocation and renovation costs estimated at approximately RMB4.0 million. Our subsidiaries and branch offices currently utilize flexible workspaces, which can be readily replaced and incur annual costs of less than RMB10,000 respectively. We believe that such expenses will not have a material adverse effect on our financial condition or results of operations. Therefore, our PRC legal advisor is of the opinion that the ongoing use of these properties will not have a material adverse effect on our business, financial condition and result of operation.

As of the Latest Practicable Date, we occupy one leased property in Hong Kong, which is primarily used as office premises. During the Track Record Period and up to the Latest Practicable Date, the lease agreement in respect of such property was legal and valid, and we had complied with all applicable laws and regulations relating to the leasing of such property.

AWARDS AND RECOGNITIONS

The following table sets forth major awards and recognitions we received as of the Latest Practicable Date:

Year	Award/Recognition	Issuing authority/organization
2026	2026 China IC Design Awards	AspenCore
2025	Champion Enterprise in Shenzhen Manufacturing Individual Project	Shenzhen Municipal Bureau of Industry and Information Technology
2025	The Seventh Made-In-China Hidden Champions "Craftsman of the Era" Enterprise	Sino-Foreign Management
2024/2021	Specialised, Refined, Distinctive and Innovative "Small Giant" Enterprise	Ministry of Industry and Information Technology
2024	IC Design Innovation Award	SEMiBAY
2023/2024	China IC Design Award	AspenCore
2023/2020/ 2017	Certificate of National High-tech Enterprise	State Administration of Taxation, Ministry of Science and Technology, Ministry of Finance

Year	Award/Recognition	Issuing authority/organization
2022	Certificate of Guangdong Specialized and Innovative SME	Department of Science and Technology of Guangdong Province
2022/2021/2020	EE Times Silicon 100	AspenCore
2021	Guangdong Provincial Engineering Technology Research Center for High-performance Flash Memory Chips	Department of Science and Technology of Guangdong Province
2020	AEO Advanced Certification	Shenzhen Customs

LICENSES, PERMITS AND CERTIFICATES

During the Track Record Period and up to the Latest Practicable Date, we had obtained all material and necessary licenses, approvals, permits, and certificates required for our business operations in the jurisdictions where we operate, and all such licenses, permits, approvals, and certificates remain valid and in effect.

We did not experience any material difficulties in renewing material licenses, permits or approvals during the Track Record Period and up to the Latest Practicable Date and do not expect there to be any material difficulties in renewing them upon their expiry.

LEGAL PROCEEDINGS AND COMPLIANCE

We may become a party to various litigations, arbitrations or administrative proceedings arising in the ordinary course of our business. See "Risk Factors — Risks Related to Our Business and Industry — We May Be Involved in Legal Proceedings and Commercial Disputes, Which Could Have a Material Adverse Effect on Our Business, Financial Condition and Results of Operations." As of the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings pending or threatened against us or any of our Directors that could have a material and adverse effect on our financial condition or results of operations.

During the Track Record Period and up to the Latest Practicable Date, there had been no material violations of laws or regulations which are expected to have a material adverse effect on our business, financial condition or results of operations.

TARIFFS AND TRADE RESTRICTIONS

Tariffs

During the Track Record Period, the majority of our Group's revenue was derived from sales to customers located in China. These domestic sales were not subject to tariffs. A small portion of our Group's products were exported to overseas countries and regions such as Hong Kong, South Korea, Vietnam, Taiwan, Singapore, Japan, Germany, India, Turkey and Italy during the Track Record Period. We have not directly sold any of our products to the U.S., nor do we have any plan to do so after **[REDACTED]**. All of the overseas jurisdictions in which we had sales apply a most-favored nation tariff rate of 0% with respect to all of the Group's products.

While the Group's core supply chain is located in China, we made small overseas procurements during the Track Record Period, part of which were subject to Chinese tariffs. Currently, only the procurement of Micron NAND FLASH in 2025 is subject to a 10% Chinese tariff, and the total amount of procurement of this material was merely approximately RMB1.65 million. Due to the low volume of procurement, we do not consider such Chinese tariff to have any material impact on the Group's business.

On the basis of the foregoing, our Directors and the Sponsors are of the view that the international tariff fluctuations have not had any material impact on the Group's operations and financial performance. The Group has not experienced order cancellation or re-negotiation of order.

Export Controls

During the Track Record Period, our Group procured certain U.S.-origin electronics, principally NAND flash wafers and MCU wafers. The total procurement costs incurred in respect of such U.S.-origin wafers were approximately RMB56.8 million, RMB7.0 million, RMB10.5 million and RMB17.5 million for 2023, 2024, 2025 and the first quarter of 2026, respectively. We understand from our suppliers and/or the manufacturers that these wafers are subject to the EAR and classified as ECCN 3A991 or EAR99 under U.S. export controls. Our Directors believe that applicable U.S. export controls have limited impact on the Group's operations and financial performance, mainly for the following reasons:

1. The NAND flash wafers and MCU wafers sourced from the U.S. are only used in a small portion of the Group's products during the Track Record Period.

2. Both of these U.S.-origin wafers are mature products with numerous readily available non-U.S.-origin alternatives globally, such as those produced by Japanese, Taiwanese, Korean and Chinese manufacturers. The Group has also developed its own NAND flash and MCU products, with the self-developed NAND flash already in mass production phase.

3. We used certain U.S.-origin software for developing our products. Such software is readily replaceable with domestic alternatives.