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## BUSINESS

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### OVERVIEW

#### Who We Are

We are a provider of power semiconductor devices with an established market presence in China, focusing on the research and development, design and sales of high-performance power semiconductor devices, especially our WLCSP products, which represent a commonly adopted advanced packaging technology in the semiconductor industry, and one of our key products with advanced semiconductor packaging technology and known for their compact size, strong thermal performance and impact resistance. Our power semiconductor devices are components used to control, convert and manage electrical power, ensuring electricity is delivered at the right voltage and current for different devices, which are consisted of (i) medium-and-low-voltage products, which are further divided, in terms of packaging methods, into WLCSP and non-WLCSP products, and are widely used in consumer electronics, automotive electronics and industrial power supplies, and (ii) high-voltage products, which are designed to withstand higher voltages and operate reliably in more demanding environments, and are widely used in automotive electronics and industrial applications.

We focus on the design, R&D and sales of our products while outsourcing a majority of wafer manufacturing, packaging and testing processes to trusted third-party partners. Meanwhile, we retain in-house capabilities for certain critical wafer manufacturing and packaging and testing processes, which primarily includes (i) key back-end wafer processing steps, mainly including wafer plating, back grinding and backside metallization, that are critical to achieving low on-resistance, efficient heat dissipation and high current-carrying capacity of devices, and directly affect product yield and reliability, and (ii) WLCSP packaging and testing processes, that ensure the autonomy and control of advanced packaging technologies. Based on this model, we are able to identify and address technical issues at an earlier stage of development, implement design and process modifications more efficiently, and reduce reliance on third-party packaging and testing service providers, and therefore can shorten the turnaround time between product design, prototype validation and engineering iterations, thereby accelerating product development and product iteration. Such mixed business model combines the flexibility of outsourcing standardized manufacturing with in-house manufacturing capabilities, allowing us to maintain supply chain flexibility and achieve effective cost and quality control. For further information on our business model, see “Business — Our Business Model.”

Our in-house capabilities for certain critical wafer manufacturing and packaging and testing processes are maintained at our Zhuhai factory. The establishment of our Zhuhai factory in 2024 has contributed significantly to our financial performance and profit margins. Following the commencement of mass production at our Zhuhai factory by the end of 2024, we achieved reduced outsourcing costs and improved economies of scale. For example, the per-unit cost of our WLCSP products manufactured in-house was consistently lower than that of outsourced processing. As the proportion of WLCSP products manufactured in-house continuously increased, the overall per-unit cost of WLCSP products decreased by approximately 23.4% from 2024 to 2025, and by approximately 7.7% for the five months ended 31 May 2026 as compared to the corresponding period in 2025. Our gross profit margin of WLCSP products increased from 18.6% in 2024 to 31.7% in 2025. Our gross profit margin decreased from 28.8% in the five months ended May 31, 2025 to 23.9% in the five months ended May 31, 2026, with the improved cost efficiency partially offsetting industry-wide pricing pressure and mitigated the overall contraction in our gross margin. For a detailed discussion, please refer to “Financial Information — Review of Historical Results of Operations — Revenue,” “Cost of Sales,” and “Gross Profit and Gross Profit Margin.” According to CIC, we are one of the few power semiconductor device providers in China that have in-house capabilities for both critical wafer manufacturing processes and advanced packaging and testing. For further information on the typical challenges our business model faces compared with IDM and fabless models, see “Industry overview — Overview of the Power Semiconductor Device industry — Industry Chain of Power Semiconductor Device Industry” and “— Competitive Overview of China’s Power Semiconductor Device Industry — Competitive Landscape of China’s Power Semiconductor Device Industry.”

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### *Our Diversified Product Portfolio and Applications*

We have developed a comprehensive portfolio of power semiconductor devices tailored to diverse applications in consumer electronics, automotive electronics and industrial applications:

- ***Medium-and-low-voltage products:*** In terms of the power semiconductor device structure, our medium-and-low-voltage products mainly include Trench MOSFETs and SGT MOSFETs. These products are widely used in consumer electronics, automotive electronics and industrial applications. Among the medium-and-low-voltage products, our WLCSP products, known for their compact size, strong thermal performance and impact resistance, which represent a commonly adopted advanced packaging technology in the semiconductor industry, are key components in lithium battery protection for smartphones, tablets and wearables. Our non-WLCSP products are widely applied across consumer, industrial and automotive electronics, including but not limited to mobile phone power management and chargers, drones and automotive domain control systems. While WLCSP products are typically used in compact portable devices, our non-WLCSP products remain essential in high-current, high-power and high-reliability applications in industrial and automotive scenarios.
- ***High-voltage products:*** In terms of the power semiconductor device structure, our high-voltage products mainly include IGBT, SJ MOSFETs and Planar MOSFETs. Designed for the need of high-voltage, high-power density and reliability in demanding environments, these products are extensively used in application scenarios such as automotive electronics and industrial applications.

### *Our WLCSP Technology*

We have strategically invested in the WLCSP technology, recognizing its critical role in driving the performance of power semiconductor devices and enabling downstream applications. WLCSP is a packaging technique that uses advanced processes without resin or wire bonding. WLCSP offers several advantages, including compact size, outstanding electrical performance, and excellent heat dissipation capabilities, and is widely used in high performance applications such as intelligent cockpits and wearable devices. According to CIC, our WLCSP products (i) feature a package thickness of as low as 0.095mm, significantly thinner than traditional packaging; (ii) achieve a chip-to-package area ratio close to 1:1, larger than traditional packaging; and (iii) reduce package volume by approximately 66% compared to traditional BGA/QFN packaging.

### *Our In-house Manufacturing and Packaging Capabilities*

Our in-house capabilities for certain critical wafer manufacturing and packaging and testing processes are maintained at our Zhuhai factory, which commenced operations in 2024. Our Zhuhai factory specializes in wafer processing and advanced packaging and testing. Our Zhuhai factory is certified under IATF 16949 for automotive quality management. Equipped with state-of-the-art manufacturing equipment, the Zhuhai factory supports the commercialization of our proprietary technologies.

At our Zhuhai factory, we conduct (i) certain specific back-end wafer processing steps such as wafer plating, back grinding and backside metallization; and (ii) WLCSP packaging and testing processes to support efficient delivery while meeting stringent quality and customization demands.

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The factory also includes a high-standard reliability testing laboratory that is accredited by CNAS. Testing conducted at, and certifications issued by our laboratory is recognized by CNAS. According to CIC, this is one of the few most advanced laboratories and with the largest investment among power semiconductor device companies in Southern China. The laboratory primarily conducts long-term stability, environmental adaptability and lifespan testing for our power semiconductor devices to ensure their performance under complex operating conditions.

### **High-growth Market Opportunities**

Power semiconductor devices, as core components for power conversion and circuit control, are closely tied to downstream markets. The industry is experiencing robust growth driven by stable consumer electronics demand, the widespread adoption of new energy vehicles, accelerated deployment of renewable energy and the rise of AI technologies. According to CIC, the Chinese power semiconductor device market grew from RMB80.7 billion in 2021 to RMB109.0 billion in 2025, with a CAGR of 7.8%, and is projected to reach RMB180.4 billion by 2030, representing a CAGR of 10.4% from 2026 to 2030.

#### ***Opportunities from Advanced Packaging Technology***

The demand for smaller, lighter and higher-performing electronic products continues to drive advancements in packaging technologies, especially the WLCSP technology. With further technological maturity and cost optimization, WLCSP is expected to expand into a broader range of semiconductor products, driving innovation in the industry. According to CIC, the Chinese WLCSP MOSFET industry grew from RMB2.1 billion in 2021 to RMB3.1 billion in 2025, with a CAGR of 9.4%, and is projected to reach RMB5.5 billion by 2030, representing a CAGR of 14.3% from 2026 to 2030.

## **OUR STRENGTHS**

### **Our recognized Market Position and Track Record in China’s Power Semiconductor Industry**

We are a provider of power semiconductor devices with an established market presence in China with comprehensive capabilities and a strong market position. According to CIC:

- We ranked sixth among all power semiconductor device providers in China (excluding IDMs) in terms of revenue in 2025.
- We ranked fifth among domestic manufacturers in China’s medium-and-low-voltage MOSFET discrete device market and second among non-IDM companies in terms of revenue in 2025.
- We ranked first among Chinese Mainland WLCSP MOSFET product providers in terms of revenue in 2025.

Our leading position stems from our deep industry insight and forward-looking strategy. As both an active industry participant and a driver of innovation, we have a strong understanding of customer needs and future market trends, which guides our technology roadmap and product upgrade capabilities. We have developed an innovative technology framework that spans multiple types of power semiconductor devices and have established ourselves as an industry leader in the field of advanced WLCSP packaging. We also emphasize the deep integration of product design and manufacturing processes, incorporating advanced process technologies into our design planning from the initial product definition stage. This approach provides greater flexibility and innovation in our product designs, ensuring more stable performance and higher yields.

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Our products have gained significant customer recognition and brand influence. In the consumer electronics sector, our power semiconductor devices are widely adopted by several of China’s leading smartphone and wearable device manufacturers. In the automotive electronics sector, our products have also been integrated into the supply chains of several leading automotive OEMs. Our notable customers include a global leading provider of ICT infrastructure and smart devices, a global leading internet company centered on smart hardware and IoT and a global leading new energy technology company.

### **Strategic Focus on WLCSP Products to Capitalize on Key Industry Trends**

We have a strategic focus on WLCSP products. Our WLCSP technology is among the most advanced in the global power semiconductor packaging field.

WLCSP integrates wafer-level packaging and chip-scale packaging technologies. According to CIC, our WLCSP products (i) feature a package thickness of as low as 0.095mm, significantly thinner than traditional packaging; (ii) achieve a chip-to-package area ratio close to 1:1, larger than traditional packaging; and (iii) reduce package volume by approximately 66% compared to traditional BGA/QFN packaging. This enables higher functional integration, lower power consumption and better thermal management, significantly advancing the miniaturization and lightweighting of electronic devices. As a result, WLCSP products have become a critical component for lithium battery protection in smartphones and smart wearable devices.

### ***Our Strategic Deployment and Advantages in WLCSP Products***

We have established advantages in the WLCSP field:

- ***Continuously Enriched and Upgraded Product Portfolio:*** We were one of the first manufacturers in China to launch internationally competitive WLCSP MOSFET products. As of May 31, 2026, we had developed a WLCSP product portfolio of over 30 products, which were widely used in end products such as mobile phones, tablets, smart wearable devices, VR glasses and portable power banks. We continuously upgrade our products to enhance their performance. For example, compared to our first-generation WLCSP MOSFET products, our second-generation products have achieved a chip size reduction of approximately 27%, an Rsp reduction of approximately 27%, and significantly lower static device loss while maintaining consistent performance.
- ***Leading Product Design:*** Our WLCSP products are characterized by their miniaturized and integrated design, as well as their high reliability and eco-friendliness.
  - ***Miniaturized and Integrated Design:*** By using a high-density cell design, our WLCSP products can achieve a chip-to-package size ratio of up to 1:1, which effectively saves circuit board space and optimizes application efficiency.
  - ***High Reliability and Eco-Friendliness:*** Our WLCSP products can meet high industrial reliability and safety standards without additional plastic mold compound for protection. By eliminating the need for materials such as packaging frames, lead wires and molding resin, and avoiding the use of hazardous substances like lead, our products are more environmentally friendly.

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- ***In-house Control of Core Production Processes:*** We are one of the few power semiconductor device manufacturers in China with a WLCSP product packaging production line that meets international leading standards. Through investments in advanced production equipment and our in-house production line, we have overcome industry bottlenecks such as low standardization in packaging and reliance on a limited number of domestic suppliers. We maintain in-house control over key supply chain resources, ensuring supply stability and customization capabilities, which forms the foundation of our core competitiveness in the WLCSP field.

### ***Strong Performance of Our WLCSP Products***

Our WLCSP products have been successfully integrated into the supply chains of several leading Chinese smartphone and wearable device manufacturers and are widely used in areas such as consumer power applications, consistently enhancing our customers’ product value. Our WLCSP product sales increased year-on-year during the Track Record Period:

- Our WLCSP product sales volume increased from 255.9 million units in 2023 to 423.3 million units in 2024 and further increased to 604.9 million units in 2025. Our WLCSP product sales volume was 202.1 million units in the five months ended May 31, 2026.
- Our WLCSP product sales revenue grew from RMB161.3 million in 2023 to RMB243.9 million in 2024 and further increased to RMB321.0 million in 2025. We recorded RMB96.7 million of WLCSP product revenue in the five months ended May 31, 2026.

### **R&D Capabilities Driving Product Performance and Cost Competitiveness**

#### ***Our Mature R&D System***

Through a long-term focus on in-house R&D, we have developed a product-line-driven R&D system that integrates design, process and materials science. Our R&D capabilities are demonstrated in the following areas:

- ***Platform-Based Development:*** We focus on the development of power semiconductor process platforms including Trench MOSFET, SGT MOSFET, SJ MOSFET and IGBT platforms. This approach enables the reuse of core technologies, facilitates the implementation of new innovations and standardizes our technical frameworks across platforms, which shorten product development cycles and enhance R&D efficiency.
- ***Integration of Product Design and Process Technology:*** We emphasize on the deep integration of product design and manufacturing processes, from wafer fabrication to packaging and testing. We conduct in-depth research into advanced manufacturing processes and their application in specific scenarios. This allows us to integrate the advantages of different process platforms to achieve a comprehensive optimized product design.
- ***Multi-Dimensional Innovation:*** We drive innovation across multiple dimensions, including product architecture and application in diverse scenarios. For example, for certain specific SGT MOSFET product series, we can offer multiple packaging options and application-specific designs to meet the varied needs of different customers and use cases.

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### ***Product Competitiveness***

Our deep technological expertise translates into strong product competitiveness.

- *Specialty Processes Tailored to Customer Needs:* We focus on developing “specialty processes” which allows us to achieve breakthroughs in areas such as reducing device resistance, improving thermal efficiency, increasing switching speeds and lowering power loss. We apply these specialty technologies to our development process to create differentiated manufacturing flows tailored to our customers’ end-use applications.
- *Outstanding Product Performance:* According to CIC, the performance of our core products is comparable to international first-tier standards and surpasses major domestic competitors. For example:
  - *Medium-and-low-voltage power semiconductor devices:* Our 100V SGT MOSFET products achieve an on-resistance as low as 1.0 mΩ and an FOM of below 200 mΩ•nC.
  - *High-voltage power semiconductor devices:* Our IGBT products outperform the products of major competitors in several key aspects, including a 13% reduction in conduction voltage drop and a 3% reduction in switching losses.

Furthermore, we hold key patents related to SGT power semiconductor devices with high voltage stress immunity and shielded-gate MOSFET technology, which significantly enhance device reliability and resilience to voltage fluctuations, addressing the unmet demand for high-performance power semiconductor devices in the consumer electronics sector.

- *Proven Product Reliability:* We focus on product lifespan, functional stability throughout the product lifecycle and performance under various environmental conditions, especially in extreme situations. Our medium-and-low-voltage SGT MOSFET products, with voltage ratings from 30V to 200V, all comply with Joint Electron Device Engineering Council (“JEDEC”) reliability standards, and multiple products have passed the stringent qualification processes of leading downstream customers.
- *Strong Cost Competitiveness:* We embed cost control principles into the product design through innovative architectures and optimized technologies. We also control manufacturing costs through deep supply chain collaboration and our in-house Zhuhai factory. This allows us to launch high-performance and cost-effective products.

### **Customer-Centric Approach Driving Long-Term Partnerships with Leading Customers**

While the power semiconductor market, according to CIC, has historically been dominated by general-purpose products, we adopt a differentiated strategy focused on customization. Our design teams engage directly with customers to fully understand their end-product performance requirements and to co-define products with customers. We also assist customers in efficiently integrating and testing our devices within their end products, which shortens their validation cycles and help us earn their trust.

Our ability to create value for customer has enabled us to pass the stringent certification requirements typical in the power semiconductor industry and establish long-term partnerships with leading customers, averaging seven years in duration. Our customer base includes top-tier Chinese manufacturers of smartphones, wearable devices, automobiles and industrial equipment.

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Leveraging our strong reputation in the consumer electronics sector, we have successfully expanded into high-barrier markets, including automotive electronics and industrial applications, continuously broadening our business scope.

In automotive electronics, several of our self-developed products, including SGT MOSFETs, Trench MOSFETs and IGBTs, have been successfully integrated into the supply chains of several leading domestic automotive OEMs. These products are primarily used in applications such as the intelligent cockpit, powertrain control, body control and chassis control.

In industrial applications, (i) we have successfully become the supplier of a leading manufacturer, supplying products for core components such as the electronic control systems of their small, medium and large electric tools. Furthermore, we supply to several industrial power supply brand customers, and several of our IGBT and SJ MOSFET products for applications such as photovoltaic inverters, energy storage systems and uninterruptible power supplies have achieved mass production and shipment; (ii) we have become the supplier to a leading drone manufacturer, with our products used for the electronic speed controllers, batteries and energy storage applications for their drones; and (iii) we supply a range of power semiconductor device products to customers that are leading companies in the server industry for use in high-performance computing and data center applications.

### **Our Mixed Business Model Combining Supply Chain Flexibility with In-house Control of Core Manufacturing Processes**

Leveraging China’s well-established semiconductor supply chain, our mixed business model significantly enhances our product upgrade speed, quality stability and delivery efficiency. It also reduces investment risk, optimizes our cost structure and enables us to respond agilely to market dynamics.

We have established deep and stable cooperative relationships with leading wafer manufacturers in China and also partner with leading overseas wafer manufacturers. Through strategic agreements with our foundry partners, we secure dedicated production capacity for our proprietary process technologies. These arrangements ensure a stable supply of our products.

Our Zhuhai factory includes a high-standard reliability testing laboratory that is accredited by CNAS. It is equipped with advanced reliability testing and failure analysis equipment and is staffed by a highly qualified professional team. According to CIC, this is one of the few most advanced laboratories among power semiconductor device companies and with the largest investment among power semiconductor device companies in Southern China. The laboratory primarily conducts long-term stability, environmental adaptability and lifespan testing for our power semiconductor devices to ensure their performance under complex operating conditions. It also ensures product reliability through failure analysis, which allows us to detect and pinpoint the source of product defects and implement targeted process improvements to reduce the defect rate.

We strategically established our Zhuhai factory, which commenced operations in 2024. The Zhuhai factory is equipped with domestically leading advanced manufacturing equipment, and has the capacity for certain specific wafer manufacturing processes and advanced packaging and testing. Our Zhuhai factory manufactured 634.0 million units of WLCSP products in 2025, and 358.8 million units of WLCSP products in the five months ended May 31, 2026. It also provides integrated processing services, including wafer plating, chip probing, back grinding, backside metallization and dicing, which ensures efficient delivery. By strengthening our in-house production capabilities, we not only meet the demand for precise quality and flexible customization but also further enhance the profitability of our core products.

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### **Seasoned Management Team Building a Smart and Digitalized Business and a Team of Strong Execution Capability**

Mr. Li Weicon, our chairman of the Board, possesses the resilience and open-minded vision of a new generation of entrepreneurs. He is driven by a strong commitment to contributing to the Chinese industry, which fuels our continuous advancement in China’s domestic power semiconductor sector. With 15 years of experience in the semiconductor industry, Mr. Li has developed deep insights and a unique perspective on the development trends of the power semiconductor industry, leading us to make forward-looking strategic plannings and accurately seize industry opportunities at each stage of our development. Under his guidance, we have established a mature business model built on “differentiated technological advantages, value enhancement for customers, and supply chain autonomy” and validated by the market.

Our management team has extensive experience in the semiconductor industry, with our core members possessing an average of over 15 years of industry experience. They have previously held positions at leading industry companies and have deep expertise across product R&D, design, manufacturing and sales. They have also demonstrated strong loyalty, with our core management team having an average tenure of over 10 years with our Company. Their experience positions them well to lead our stable, long-term development and continuous innovation.

We emphasize the building of a smart and digitalized business, and have established a comprehensive smart and digitalized system covering various aspects of business operations, including product R&D, design, manufacturing, procurement, sales, inventory management and mid-to-back-end management. Our system connects every step of our business operations to achieve quick exchange of data and enhance the efficiency of management and operation.

We have established a sound management system and an effective incentive mechanism, driven by a corporate culture of integrity, diligence, collaboration and innovation. This has allowed us to foster a disciplined business team with strong execution capabilities and a high sense of belonging. This allows us to react swiftly in the fast-paced power semiconductor market and remain at the forefront of the industry.

### **OUR STRATEGIES**

#### **Continue to Invest in the Development and Application of Advanced Packaging Technologies, including WLCSP**

As a pioneer in the WLCSP field, we aim to solidify our leadership in this technology and to continuously innovate by exploring further miniaturization applications for our WLCSP products. We intend to use our WLCSP technology as an anchor to establish an integrated manufacturing flow for our WLCSP protection devices, covering key stages from wafer design to packaging, testing and material and equipment. We believe this will allow us to build an end-to-end competitive advantage in this market segment.

At the same time, with the quick development of application scenarios such as 5G communications, the Internet of Things, AI, visual recognition and autonomous driving, the core features of WLCSP products — including miniaturization, high performance, and high integration — will have broader application opportunities and larger market demand. We plan to further expand our product applications into new sectors, including drones, automotive and industrial applications, to create a more diverse WLCSP product portfolio.

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Furthermore, we intend to continue exploring advanced packaging technologies and actively push the boundaries of WLCSP and other advanced packaging products. Our plans include exploring the transition from planar WLCSP to 3D WLCSP, as well as new paradigms such as heterogeneous integration and solutions discrete digital logic.

### **Maintain Our R&D-Driven Strategy and Increase R&D Investment**

Our R&D capabilities are fundamental to our ability to consistently meet customer needs. We plan to maintain this strategy by increasing our investment in product platforms and underlying technologies to enhance our product portfolio.

We also aim to continue our investment in manufacturing process R&D. We plan to strengthen our integrated process capabilities, from process technology and packaging and testing to reliability testing, leveraging our process expertise to drive improvements in our product design capabilities and achieve more efficient product development and upgrade cycles.

We also plan to explore the R&D and application of third-generation semiconductor materials. We intend to integrate these materials with our advanced packaging technologies to deliver high-quality products with high frequency, compact size, high reliability and high energy efficiency.

### **Focus on Core Application Scenarios and Continuously Explore New Application Scenarios**

We value our partnerships with customers across diverse downstream sectors. We plan to identify the potential needs of our existing key customers for high-performance, cost-effective and high-value-added products from multiple perspectives, including technology alignment and new application scenarios. This will allow us to deepen and solidify our close and long-term business partnerships.

At the same time, we intend to leverage our strong reputation and technical capabilities in the power semiconductor device market to continually expand our customer base in key industries such as consumer electronics, automotive electronics and industrial applications. We intend to strategically expand our presence in high-voltage, high-power applications and establish competitive barriers. Our focus is intended to include (i) renewable energy generation, high-voltage power transmission and distribution systems and next-generation solid-state transformers; (ii) critical systems of NEVs such as main traction inverters; (iii) advanced industrial systems such as high-power motor drives, rail transit, servo drives, elevator controllers and specialized industrial power supplies and (iv) other applications such as AI servers.

### **Enhance Our Supply Chain Resilience and Quality through both In-house Development and External Collaboration**

We plan to establish a new advanced facility to enhance the depth and breadth of our in-house manufacturing capabilities, optimize our production processes and maximize our in-house capacity for core products to meet growing downstream customer demand.

We also aim to continue deepening our collaboration with wafer foundries and packaging and testing partners. We plan to continue utilizing mechanisms such as dedicated capacity and process exclusivity to strengthen our relationships with supply chain partners. At the same time, we intend to maintain our focus on leading the R&D and design of differentiated products, which not only enhances our market competitiveness but also positions us to more precisely address future trends in the semiconductor supply chain.

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We also plan to increase our resource investment in critical stages such as sample testing, product design and product delivery to systematically ensure the reliability and stability of our final products and enhance our quality control capabilities across the entire supply chain.

### Prudently Pursue Strategic Partnerships and Investment Opportunities

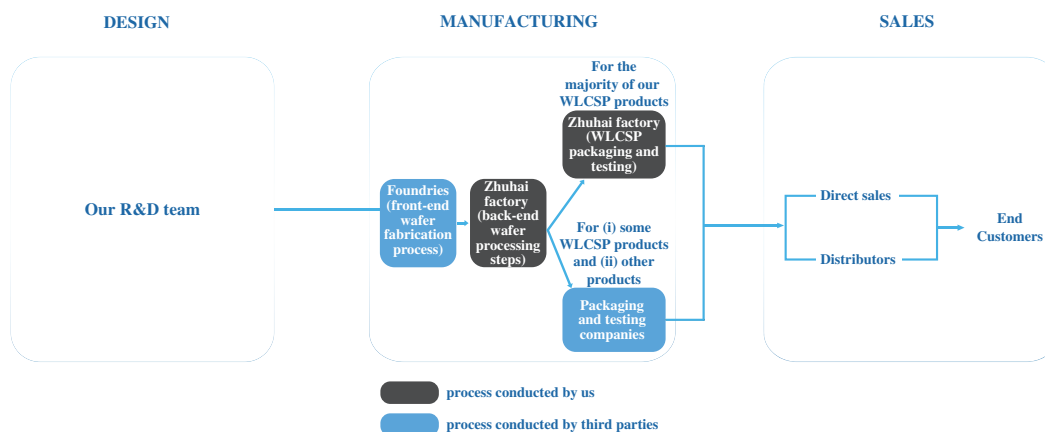
We may seek to enhance our capabilities through strategic partnerships and acquisitions. We intend to seek strategic partnerships with, or make strategic investments in or acquisitions of, target companies or teams that are complementary to our product portfolio and technologies and that can enhance our overall competitive strengths, with the aim to expand our addressable downstream markets and continue our evolution toward becoming a comprehensive semiconductor solution provider with integrated technologies and knowhow in analog, mixed-signal and microcontroller fields to help customers optimize electric energy control and conversion applications.

As of the Latest Practicable Date, we had not identified any specific investment or acquisition targets, nor had we entered into any definitive agreements for such transactions.

### OUR BUSINESS MODEL

We focus on the design, R&D and sales of our products while outsourcing a majority of wafer manufacturing, packaging and testing processes to trusted third-party partners. Meanwhile, we retain in-house capabilities for certain critical wafer manufacturing and packaging and testing processes, which primarily includes (i) key back-end wafer processing steps, mainly including wafer plating, back grinding and backside metallization, that are critical to achieving low on-resistance, efficient heat dissipation and high current-carrying capacity of devices, and directly affect product yield and reliability, and (ii) WLCSP packaging and testing processes, that ensure the autonomy and control of advanced packaging technologies. Based on this model, we are able to identify and address technical issues at an earlier stage of development, implement design and process modifications more efficiently, and reduce reliance on third-party packaging and testing service providers, and therefore can shorten the turnaround time between product design, prototype validation and engineering iterations, thereby accelerating product development and product iteration.

Our mixed business model provides the flexibility to balance internal and external manufacturing resources, ensuring that we optimize operational efficiency while maintaining control over critical manufacturing processes. Please refer to the following diagram which illustrates our mixed business model as of the Latest Practicable Date, which demonstrates that we operate under a manufacturing model combining in-house and outsourced production:



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*Note:*

- (1) Prior to the commencement of operation of our Zhuhai factory, our WLCSP products were manufactured in an outsourced manner. Since its operation in 2024 and the ramp up of the production capacity, an increasing portion of the packaging of our WLCSP products were conducted at our Zhuhai factory. As of the Latest Practicable Date, the packaging of majority of our WLCSP products were conducted at our Zhuhai factory. In addition, as of the Latest Practicable Date, the back-end wafer processing steps for all of our products were carried out at our Zhuhai facility. We retain the flexibility to outsource the critical process inspection process during periods when our inhouse capacity is at peak utilization.

According to CIC, our business model is consistent with the increasing trend of specialized division of labor within the power semiconductor device industry, allowing companies to maintain more control over operational costs, production capacity and product quality, while fostering competitive advantages by maintaining proprietary knowhow and capability on certain specific manufacturing processes. By concentrating our resources on product design and R&D process, we can swiftly respond to evolving market demands and continuously innovate our product offerings. Such business model allows us to remain agile and adaptable in the rapidly changing semiconductor industry, adjusting our strategies to address emerging trends without the burden of managing capital-intensive manufacturing facilities.

Collaborating with established wafer foundries grants us access to cutting-edge manufacturing technologies and economies of scale, ensuring our products are fabricated using state-of-the-art processes and materials. Additionally, collaborating with packaging and testing companies enhances product performance and reliability while maintaining a lean and agile operational structure and allocating our resources efficiently.

Our mixed business model provides two core differentiators that set us apart from conventional fabless and IDM companies:

- **In-House Packaging and Testing:** We have developed and commercialized advanced packaging and testing technologies for WLCSP products, which had become the strategic core of our product offering as of the Latest Practicable Date. Unlike fabless companies that typically outsource all packaging and testing processes, we possess in-house packaging and testing capabilities for our WLCSP products, allowing us to achieve cost optimization and performance improvement. As of the Latest Practicable Date, the majority of our WLCSP products were packaged and tested in-house at our Zhuhai factory.
- **Control Over Critical Wafer Manufacturing Processes:** Unlike IDM companies that typically operate in an asset-heavy manner to conduct all wafer manufacturing processes on their own, we outsource front-end wafer fabrication processes, which are relatively standardized, to trusted third-party partners to reduce operating costs and selectively retain in-house control over specific, high-value-added back-end wafer processing steps such as wafer plating, back grinding thinning and backside metallization, thereby achieving a balance between the asset-light agility and direct control over these critical wafer manufacturing processes. For the production process of our power semiconductor devices, see “Business — Manufacturing — Our Production Process.”

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The chart below sets forth the in-house capabilities of business models in the power semiconductor industry:

| Model             | Design | Fabrication         |           |            |
|-------------------|--------|---------------------|-----------|------------|
|                   |        | Wafer Manufacturing | Packaging | Final Test |
| IDM .....         | ✓      | ✓                   | ✓         | ✓          |
| Our Company ..... | ✓      | ○                   | ✓         | ✓          |
| Fabless .....     | ✓      | ×                   | ×         | ×          |

*Note:* ○ indicates that, under such a model, the company maintains in-house capabilities to independently carry out certain portions of the relevant process.

Our business model represents a strategically optimized approach that balances the operational control of the IDM model with the capital efficiency of the fabless model. We maintain in-house production capacity for back-end wafer processing steps, primarily including wafer plating, critical process inspection, backside gridding, wet etching, backside metallization and dicing. We also have in-house packaging and testing capabilities for WLCSP products. As such, we are able to secure supply chain stability, achieve rigorous quality control and higher product yields, protect proprietary technology know-how from disclosure to external parties, and respond to customers’ rapid product refresh requirements with greater agility and faster time-to-market. Our in-house capabilities for critical manufacturing processes are maintained at our Zhuhai factory. For production processes that we possess the capability to conduct in-house for WLCSP products, we have achieved a self-manufacturing rate of over 90% in the five months ended May 31, 2026, which enables us to better manage external supply fluctuations. In addition, the product failure rate at our Zhuhai factory is approximately 11% lower than that of third-party manufacturers in the five months ended May 31, 2026, indicating stable product quality performance. At the same time, by outsourcing standard and mature processes to third-party manufacturers, we are able to leverage their economies of scale and focus our capital expenditure on critical manufacturing equipment and technologies that directly support our product development and competitive positioning. As semiconductor manufacturing technologies continue to evolve, equipment used for certain mature processes may require substantial upgrades or replacement to meet changing technical specifications and production requirements. By outsourcing processes to external manufacturing partners for such processes, we reduce our exposure to the risk that related equipment becomes technologically outdated or economically inefficient before achieving an adequate return on investment, thereby improving overall capital efficiency and asset utilization.

Despite the flexibility comparing to the IDM model and better yield comparing to the fabless model, our mixed business model presents unique operational challenges. Companies adopting such business model generally face complex supply chain management, requiring seamless coordination between in-house facilities and external foundries. Additionally, they remain partially exposed to global foundry capacity constraints during industry cycles and must meticulously manage technology transfers and intellectual property protection.

Nevertheless, the establishment of the Zhuhai factory has contributed significantly to our financial performance and profit margins. Following the mass production of our Zhuhai factory by the end of 2024, we achieved reduced outsourcing costs and improved economies of scale. For example, the per-unit cost of our WLCSP products manufactured in-house was consistently lower than that of outsourced processing. As the proportion of WLCSP products manufactured in-house continuously increased, the overall per-unit cost of WLCSP products decreased by approximately 23.4% from 2024 to 2025, and by approximately 7.7% for the five months ended

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31 May 2026 as compared to the corresponding period in 2025. Our gross profit margin of WLCSP products increased from 18.6% in 2024 to 31.7% in 2025. Our gross profit margin decreased from 28.8% in the five months ended May 31, 2025 to 23.9% in the five months ended May 31, 2026, with the improved cost efficiency partially offsetting industry-wide pricing pressure and mitigated the overall contraction in our gross margin. For a detailed discussion, please refer to “Financial Information — Review of Historical Results of Operations — Revenue,” “Cost of Sales,” and “Gross Profit and Gross Profit Margin.” According to CIC, we are one of the few power semiconductor device providers in China that have in-house capabilities for both critical wafer manufacturing processes and advanced packaging and testing. For further information on the typical challenges our mixed business model faces compared with IDM and fabless models, see “Industry overview – Overview of the Power Semiconductor Device industry — Industry Chain of Power Semiconductor Device Industry” and “— Competitive Overview of China’s Power Semiconductor Device Industry — Competitive Landscape of China’s Power Semiconductor Device Industry.”

The power semiconductor device industry value chain spans: (i) upstream (raw materials such as wafers and wide bandgap materials, plus manufacturing equipment), (ii) midstream (chip design, wafer manufacturing, packaging and testing), and (iii) downstream (end-market applications such as automotive, industrial, and renewable energy). Key stakeholders in this value chain include substrate and other raw material suppliers, equipment manufacturers, chip designers, foundries, packaging and test houses and downstream clients. We operate in the midstream segment, along with the fabless and IDM manufacturers. Our mixed business model allows us to achieve a balance between asset-light operations and technological autonomy of the IDM companies by retaining core processes and outsourcing standard manufacturing. See “Industry Overview — Overview of the Power Semiconductor Device Industry — Industry Chain of Power Semiconductor Device Industry.”

In addition, we typically carry out product customization through application-driven adaptations rather than fundamental redesigns to satisfy the evolving demands of our customers, with a focus on aligning device characteristics with specific end-use requirements. Our customization typically includes: (i) fine-tuning of electrical performance parameters, such as on-resistance, gate charge, threshold voltage, breakdown voltage and rated current, to match customer system topologies, operating frequencies and efficiency targets; (ii) optimization of dynamic characteristics, including switching speed, switching losses and reverse recovery behavior, to enhance overall system performance; (iii) adjustments to packaging and structural configurations, such as package type, pin layout, thermal pads and dimensions, to accommodate customer PCB layouts, thermal management requirements and space constraints; and (iv) customization of reliability and testing standards, including extended operating temperature ranges, enhanced ESD protection levels and additional screening or testing procedures, to improve product consistency and reliability under specific application conditions.

## OUR PRODUCTS

### Overview

We offer a comprehensive portfolio of power semiconductor devices, which are categorized into (i) medium-and-low-voltage power semiconductor devices and (ii) high-voltage power semiconductor devices based on a voltage rating of 600V as a general threshold. Our medium-and-low-voltage power semiconductor devices are further divided, in terms of packaging methods, into (i) WLCSP products using advanced WLCSP packaging processing techniques and (ii) non-WLCSP products, which are packaged using other methods, such as PFN, DFN, TOLL and SOP methods.

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The following table provides a comparison of our main product categories:

| Product                                                                                                                                                                                | General Voltage Rating | Key features                                                                                                                                                                                                                                                                                                                  | Primary Applications                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><i>Medium-and-low-voltage power semiconductor devices . . . . .</i></b><br><br><i>Including:</i><br><i>(i) WLCSP products . . . . .</i><br><br><i>(ii) non-WLCSP products . . .</i> | Below 600V             | <p>Efficient switching and low conduction loss</p> <p>WLCSP products have compact packaging with the advanced WLCSP technique to enhance performance and size reduction</p> <p>Packaged through traditional techniques such as PDFN, DFN, TOLL and SOP packaging, which are mature packaging processes and cost-effective</p> | <ul style="list-style-type: none"> <li>Consumer electronics, including chargers, white goods, battery management systems and drones</li> <li>Automotive electronics, including cockpit entertainment, power control, chassis control and assisted driving</li> <li>Industrial applications such as industrial lighting, drones, robots and new energy storage</li> </ul> |
| <b><i>High-voltage power semiconductor devices . . . . .</i></b>                                                                                                                       | Above 600V             | <p>With voltage ratings typically from 600V to 1,700V, designed for high power density and reliability in demanding, high-voltage environments. Designed with an optimal level of conduction and switching losses, tailored to the performance requirements of specific applications.</p>                                     | <ul style="list-style-type: none"> <li>Automotive electronics</li> <li>Renewable energy infrastructure such as solar inverters, energy storage systems and EV charging</li> <li>Industrial systems such as industrial power supplies and servo drives</li> <li>Variable-frequency home appliances</li> </ul>                                                             |

For our revenue generated during the Track Record Period in terms of the products we offered, see “Financial Information — Review of Historical Results of Operations — Revenue.”

## BUSINESS

### Our Products

#### *Medium-and-low-voltage Power Semiconductor Devices*

Our medium-and-low-voltage power semiconductor devices are primarily used medium-to-low-voltage scenarios in consumer electronics, automotive electronics and industrial applications. Our medium-and-low-voltage power semiconductor devices feature high cell density, low conduction loss and high switching efficiency. As of May 31, 2026, we had 966 medium-and-low-voltage power semiconductor device models for sale.

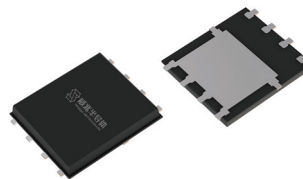
In terms of the power semiconductor device structure, our medium-and-low-voltage power semiconductor devices mainly include Trench MOSFETs and SGT MOSFETs:

- *Trench MOSFETs*: Our Trench MOSFETs feature a gate structure designed through trench processes, which enables high cell density to achieve low conduction loss. The production process of Trench MOSFETs is relatively simple and cost-efficient, making them competitive in low-voltage and low-frequency applications.
- *SGT MOSFETs*: Our SGT MOSFETs incorporate an additional shielded gate electrode for electric field modulation, compared to the Trench MOSFETs. This design improves the voltage withstand capability and achieve relatively lower on-resistance and lower conduction loss than Trench MOSFETs. These make our SGT MOSFETs more suitable than Trench MOSFETs for a wide range of medium-and low-voltage applications that require relatively higher voltage and switching frequency, such as power supply for CPU and GPU in laptops.

In terms of packaging methods, our medium-to-low-voltage products can be further categorized into (i) WLCSP products and (ii) non-WLCSP products, as further illustrated below:



**WLCSP Products**



**Non-WLCSP Products**

#### *WLCSP Products*

Our WLCSP products features high-density cell structures and packaging sizes that can achieve a chip-to-package size ratio of up to 1:1, which effectively saves circuit board space and optimizes application efficiency. For certain WLCSP products, we incorporate a back-to-back dual-die structure design, enabling ultra-compact packaging that significantly reduces its size. This design is particularly suitable in applications requiring smaller footprints and high performance.

Our WLCSP products serve as key components in applications such as lithium battery protection for devices such as smartphones, tablets, and wearable electronics.

## BUSINESS

Prior to the commencement of our Zhuhai factory, the packaging of our WLCSP products was outsourced. Since the Zhuhai factory commenced production in 2024, an increasing portion of the packaging of our WLCSP products had been undertaken in-house as its production capacity ramped up. As of the Latest Practicable Date, the packaging of majority of our WLCSP products were conducted at our Zhuhai factory. Please see “— Manufacturing” in this section for details of the packaging processes conducted by our Zhuhai factory.

The following table presents a comparison of key technical specifications for our WLCSP MOSFET products against industry average:

| Metrics                                            | Our Group                                                          | Industry Average <sup>(1)</sup>                                    | Explanation                                                                                                                                                                                                                                        |
|----------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Package Size (mm<sup>2</sup>)</i> . . . . .     | 1.21 – 9.00                                                        | approx. 1.00 – 10.00                                               | Smaller package sizes are critical for enabling more compact product designs                                                                                                                                                                       |
| <i>On-resistance (mΩ)</i> . . . . .                | minimum 1.0                                                        | approx. 1.2 – 150                                                  | Key indicator of a MOSFET’s energy efficiency. A lower value signifies less power is lost as heat, leading to improved energy efficiency                                                                                                           |
| <i>Thermal resistance (°C/W)<sup>(2)</sup></i> . . | 36 – 347                                                           | 50 – 400                                                           | Key indicator of how effectively the device dissipates heat into the surrounding environment. A lower value is better, as it means the chip runs at lower temperature, which enhances its reliability, longevity and performance under heavy loads |
| <i>ESD protection level</i> . . . . .              | ESD protection features incorporated, up to 2kV (human body model) | ESD protection features incorporated, up to 2kV (human body model) | The indicator measures the device’s resilience against damage from static electricity. A higher rating is better, indicating a more robust and reliable component                                                                                  |
| <i>Environmental-friendliness</i> . . . .          | halogen-free; RoHS Compliant                                       | Generally halogen-free                                             | Adherence to key environmental and safety standards                                                                                                                                                                                                |

*Notes:*

- (1) According to CIC.
- (2) Under common gate-drive conditions ( $V_{GS} = 2.5\text{--}4.5\text{V}$ )

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## BUSINESS

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### *Non-WLCSP Products*

In addition to WLCSP products, we also offer products packaged using other processes, including some mature and widely adopted packaging processes, such as PDFN, DFN, TOLL and SOP packaging, enabling us to cover a broad spectrum of power levels and downstream application requirements:

- *Power Dual Flat No-lead (“PDFN”) packaging:* PDFN is an enhanced version of DFN packaging designed for higher power applications, typically incorporating an exposed thermal pad at the bottom to improve heat dissipation and current carrying capability. It is mainly used in medium- to high-voltage and medium-power applications, and is widely applied in industrial power supplies, fast-charging devices and automotive auxiliary power systems.
- *Dual Flat No-lead (“DFN”) packaging:* DFN is a widely adopted, miniaturized leadless surface-mount packaging technology featuring a compact and low-profile structure, low parasitic parameters and a high level of integration. It is primarily used in power semiconductor devices for consumer electronics, small home appliances and low-voltage control applications, and is well suited for space-constrained and lightweight end-use scenarios.
- *TO-Leadless (“TOLL”) packaging:* TOLL is a high-performance packaging technology for high-power semiconductor devices with relatively high technical barriers. It offers low on-resistance, low parasitic inductance, high current carrying capability and excellent thermal performance, enabling it to meet stringent automotive-grade and industrial-grade requirements. TOLL-packaged devices are primarily used in high-value, high-power applications, such as electric control systems in new energy vehicles, energy storage systems, high-power industrial drives and server power supplies.
- *Small Outline Package (“SOP”):* SOP is a mainstream surface-mount plastic packaging technology characterized by its compact size, compatibility with automated assembly and stable electrical performance. It is widely used in consumer electronics, industrial control and new energy applications.

These processes are characterized by their proven reliability, streamlined manufacturing and cost-effectiveness. Traditional packaging methods are well-suited for applications where cost efficiency and standard packaging specifications are key considerations, providing a competitive solution for a wide range of customer needs. Our non-WLCSP products are widely applied across consumer, industrial and automotive electronics, including but not limited to mobile phone power management and chargers, drones and automotive domain control systems. While WLCSP products are typically used in compact portable devices, our non-WLCSP products remain essential across a broader range of application scenarios.

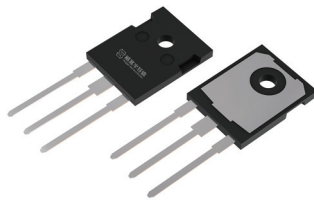
### *High-voltage Power Semiconductor Devices*

Our high-voltage power semiconductor devices are designed for demanding applications requiring high voltage withstand capability, high current density and reliable performance. As of May 31, 2026, we had 125 high-voltage power semiconductor device models for sale.

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### *High-voltage Power Semiconductor Devices*

In terms of the power semiconductor device structure, our high-voltage power semiconductor devices mainly include IGBT, SJ MOSFET and Planar MOSFET models:

- *IGBTs*: Our IGBTs are power semiconductor devices combining the advantages of bipolar transistors and MOSFETs. This design provides a high input impedance for efficient voltage-driven control while also delivering high current density. These attributes make our IGBTs particularly well-suited for high-voltage, high-current applications where performance and power efficiency are critical. Our IGBTs are integrated into a variety of end-markets, including EVs, renewable energy infrastructure such as solar inverters and energy storage systems, industrial servo drives and high-efficiency home appliances.
- *SJ MOSFETs*: The key goals to enhance the performance of SJ MOSFETs are the reduction of on-resistance and achievement of fast recovery feature. As a result, our SJ MOSFETs are developed using two different processes: (i) the multi-layer epitaxy process or (ii) the deep trench process to achieve these goals. Furthermore, we design these devices with characteristics tailored for specific applications, such as enhanced pulse avalanche energy tolerance and improved reverse recovery performance of the parasitic diode, to improve the overall performance of our SJ MOSFETs. Our SJ MOSFET product portfolio covers a voltage range from 600V to 800V and is designed for use in a wide array of power systems.
- *Planar MOSFETs*: Our Planar MOSFETs have a planar structure where the source and gate are located on the surface of the silicon body to improve high voltage and high current withstand capability. They are mainly used in high-voltage applications. They have a voltage range of 500V to 1,500V, which can be applied to consumer electronics and industrial power supply.

### *Others*

During the Track Record Period, revenue from others primarily included revenue from

- sales of wafers, the revenue from which occurs where we sold our processed wafers directly to certain customers, rather than providing fully packaged devices. These sales were typically made at the request of customers who required our power semiconductor products in wafer form to facilitate their own packaging processes. This is common in applications where our customers integrate power semiconductor wafers provided by us with their own components, such as driver ICs, into a single module to achieve combined functionalities;
- provision of (i) processing services, and (ii) reliability testing services, which include long-term stability, environmental adaptability and lifespan testing designed to evaluate the performance, durability and stability of semiconductor devices under complex operating conditions, for certain customers.

## BUSINESS

### Key Operating Data

The table below sets forth the sales volume and average selling price of our power semiconductor devices during the Track Record Period:

|                                                           | For the year ended December 31, |                       |                  |                       |                  |                       | For the five months ended May 31, |                       |                |                       |
|-----------------------------------------------------------|---------------------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|-----------------------------------|-----------------------|----------------|-----------------------|
|                                                           | 2023                            |                       | 2024             |                       | 2025             |                       | 2025                              |                       | 2026           |                       |
|                                                           | Sales volume                    | Average selling price | Sales volume     | Average selling price | Sales volume     | Average selling price | Sales volume                      | Average selling price | Sales volume   | Average selling price |
|                                                           | items'000                       | RMB                   | items'000        | RMB                   | items'000        | RMB                   | items'000                         | RMB                   | items'000      | RMB                   |
| <b>Medium-and-low-voltage power semiconductor devices</b> |                                 |                       |                  |                       |                  |                       |                                   |                       |                |                       |
| devices . . . . .                                         | 860,947                         | 0.62                  | 1,046,388        | 0.54                  | 1,457,627        | 0.53                  | 570,153                           | 0.56                  | 714,762        | 0.48                  |
| WLCSP products . . . . .                                  | 255,853                         | 0.63                  | 423,331          | 0.58                  | 604,864          | 0.53                  | 289,729                           | 0.55                  | 202,132        | 0.48                  |
| Non-WLCSP products . . . . .                              | 605,094                         | 0.62                  | 623,057          | 0.51                  | 852,763          | 0.52                  | 280,424                           | 0.58                  | 512,630        | 0.48                  |
| <b>High-voltage power semiconductor devices</b>           |                                 |                       |                  |                       |                  |                       |                                   |                       |                |                       |
| devices . . . . .                                         | 1,282                           | 5.31                  | 3,155            | 3.19                  | 5,752            | 2.28                  | 3,122                             | 2.12                  | 2,660          | 1.60                  |
| Others <sup>(1)</sup> . . . . .                           | 138,311                         | 0.24                  | 265,591          | 0.20                  | 235,461          | 0.15                  | 107,624                           | 0.17                  | 61,139         | 0.10                  |
| <b>Total</b> . . . . .                                    | <u>1,000,540</u>                | <u>0.58</u>           | <u>1,315,134</u> | <u>0.47</u>           | <u>1,698,840</u> | <u>0.48</u>           | <u>680,899</u>                    | <u>0.51</u>           | <u>778,561</u> | <u>0.45</u>           |

*Note:*

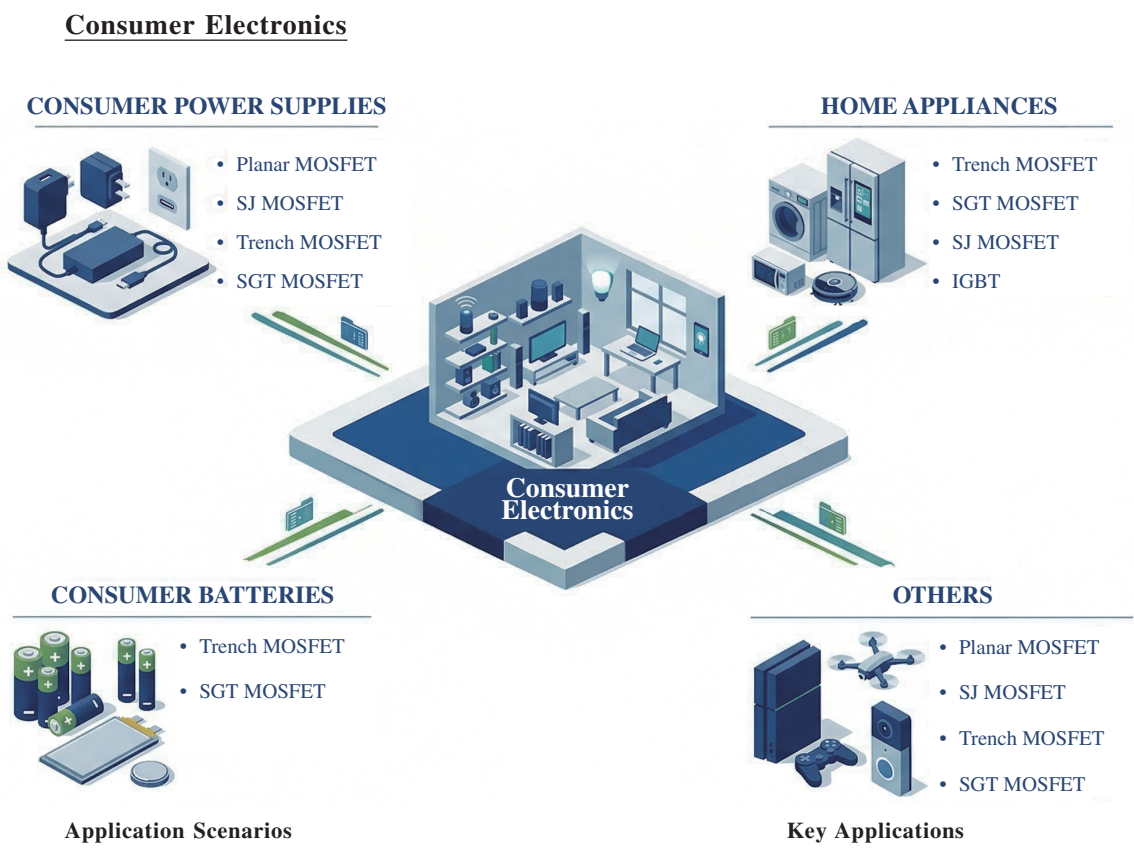
- (1) Others primarily include sales of wafers and provision of processing services and reliability testing services. The majority of the wafers sold are based on our own designs, which are processed by our foundry partners under our supervision and delivered to customers in wafer form for their own packaging and module integration. A small portion of the wafers are procured from external third-party suppliers and resold to customers to supplement our product portfolio.

We price our products considering a variety of factors, including costs, gross margin and market conditions. We adjust the final pricing based on the specific client on a case-by-case basis. The average selling prices of our products during the Track Record Period could span a wide range as a result of various factors, such as their technical specifications, packaging formats and materials and sizes. For instance, products with more complex manufacturing processes, smaller on-resistance or higher applicable voltage tend to be more expensive. During the Track Record Period, the average selling prices for the year/period of medium-and-low-voltage power semiconductor devices ranged between approximately RMB0.48 and RMB0.62, and that for high-voltage power semiconductor devices ranged between approximately RMB1.60 and RMB5.31.

BUSINESS

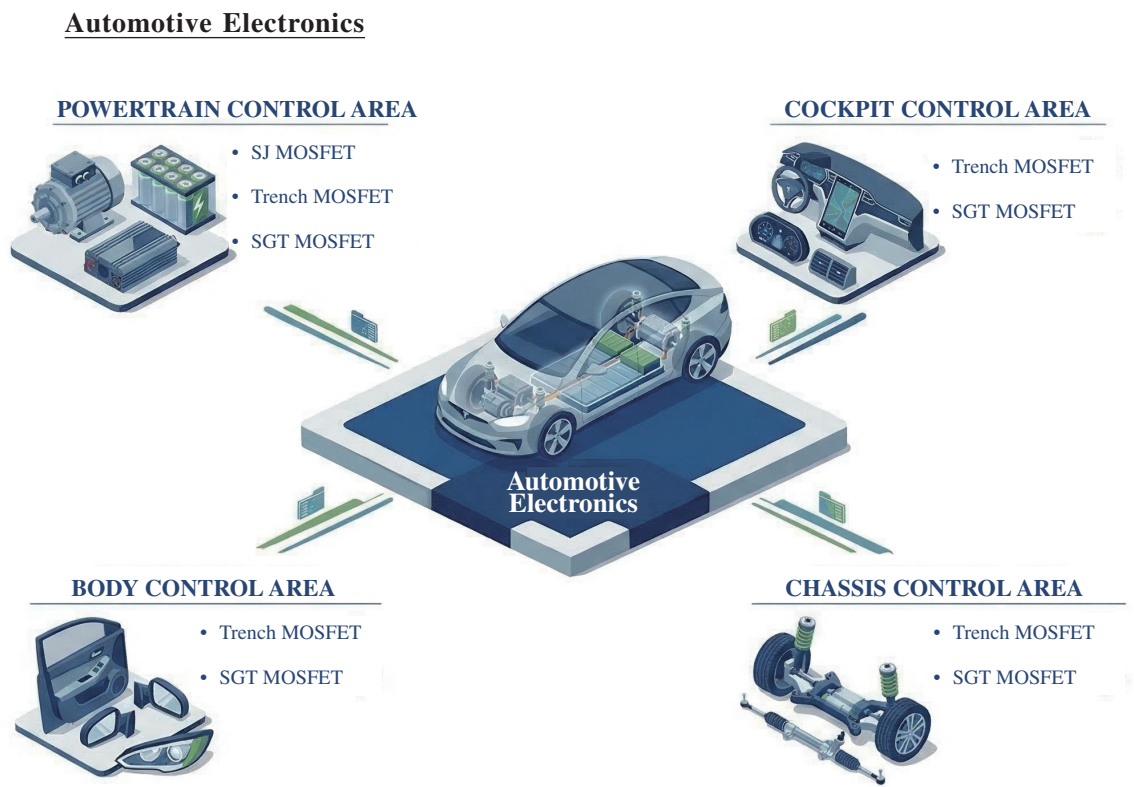
APPLICATIONS OF OUR PRODUCTS

Our products find widespread application across a diverse range of scenarios, catering to the needs of multiple industries and end customers. Our product offerings are extensively utilized in consumer electronics, automotive electronics and industrial applications, as further illustrated in the table below:



BUSINESS

| Application Scenarios           | Key Applications                                                                                                                                                                                                                                                 |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Laptop Power Supply Systems     | Our products support efficient voltage conversion and power delivery on the mainboards of laptop computers, enabling stable power delivery under heavy workloads and contributing to extended battery life.                                                      |
| Smart Wearable Devices          | We provide low-power conversion solutions for compact devices such as smartwatches and wireless earphones.                                                                                                                                                       |
| White Goods and Home Appliances | Our products are integrated into the power modules for compressors and motors, as well as for control boards, in home appliances and white goods like air conditioners, refrigerators and washing machines to enhance overall system efficiency and reliability. |



| Application Scenarios  | Key Applications                                                                                                                                                                           |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| On-Board Power Systems | In On-Board Chargers (OBCs) and DC-DC converters, our products perform high-voltage to low-voltage DC-DC conversion to power systems such as vehicle lighting, infotainment and dashboard. |

## BUSINESS

### Application Scenarios

Battery Management Systems (BMS) and Protection

Automotive Body Control Modules

Electric Auxiliary Systems

ADAS and Infotainment Systems

### Key Applications

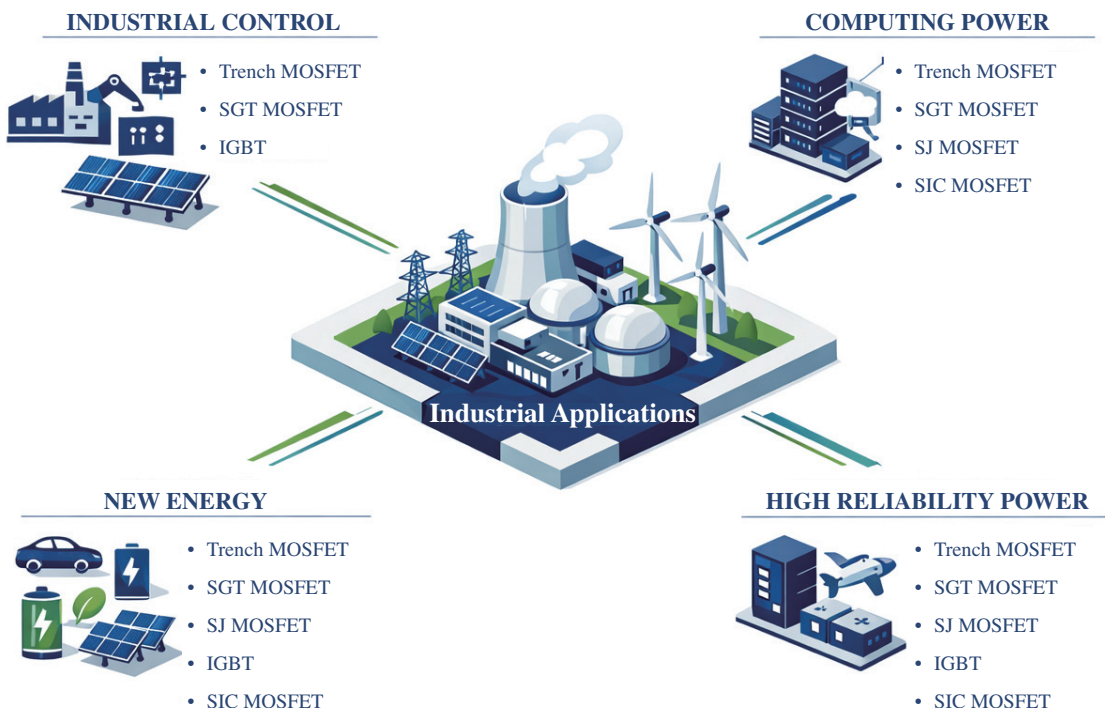
Our products are used for critical functions such as current control within the BMS of EVs, enabling electronic relay replacement, cell balancing and overall battery pack protection.

Our products are integrated into body comfort control modules, including those for electronic rear-view mirrors, power seats, windows and tailgates.

Our products are used to drive low-power motors in applications such as electric water pumps, cooling fans and electric oil pumps, thereby improving energy efficiency and operational lifespan.

Our products provide stable power delivery and support EMI mitigation for critical systems such as ADAS and central infotainment consoles.

### Industrial Applications



## BUSINESS

| Application Scenarios                       | Key Applications                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Industrial Automation                       | Our products perform power switching, motor drive and power inversion functions in core modules such as servo drives and other industrial controllers.                                                                                                                                                                                                                                         |
| Renewable Energy and Energy Storage Systems | Our high-voltage products such as IGBT and SJ MOSFET products enable high-voltage power conversion and DC-AC inversion in solar inverters, portable power stations, and large-scale energy storage systems to improve overall system conversion efficiency.                                                                                                                                    |
| Drones                                      | Our products are used to control the start/stop, speed and directional functions of motors in drones. We have become the supplier to a leading drone manufacturer, with our products used for the electronic speed controllers, batteries and energy storage applications for their drones.                                                                                                    |
| Electric Tools                              | Our products manage power conversion and thermal performance in the control modules of lithium-ion battery-powered tools like electric drills and saws. We have become a key supplier to several leading brands in the electric tool industry, providing support for the electronic control systems of their products.                                                                         |
| High-Performance Power Supplies             | Our products enable high-efficiency, low-loss power rectification in demanding applications such as server power supplies, data centers and 5G telecommunication base stations.                                                                                                                                                                                                                |
| Server Power and Computing Infrastructure   | We supply a range of power semiconductor device products to customers that are leading companies in the server industry for use in high-performance computing and data center applications. Our products, with low on-resistance and outstanding high-frequency performance, are used in core components such as server power management modules, DC-DC converters, and cooling system drives. |
| Battery Formation and Testing               | We provide high-current drive and precise switching control for industrial systems used in the manufacturing process of battery cell formation and testing, helping to ensure process accuracy and safety.                                                                                                                                                                                     |

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The table below sets forth the sales volume and average selling price of our power semiconductor devices during the Track Record Period in terms of the downstream application sectors:

|                       | For the year ended December 31, |                       |              |                       |              |                       | For the five months ended May 31, |                       |              |                       |
|-----------------------|---------------------------------|-----------------------|--------------|-----------------------|--------------|-----------------------|-----------------------------------|-----------------------|--------------|-----------------------|
|                       | 2023                            |                       | 2024         |                       | 2025         |                       | 2025                              |                       | 2026         |                       |
|                       | Sales volume                    | Average selling price | Sales volume | Average selling price | Sales volume | Average selling price | Sales volume                      | Average selling price | Sales volume | Average selling price |
|                       | items'000                       | RMB'000               | items'000    | RMB'000               | items'000    | RMB'000               | items'000                         | RMB'000               | items'000    | RMB'000               |
| Consumer Electronics  | 700,930                         | 0.60                  | 883,638      | 0.46                  | 1,166,390    | 0.42                  | 472,304                           | 0.46                  | 593,253      | 0.37                  |
| Automotive            |                                 |                       |              |                       |              |                       |                                   |                       |              |                       |
| Electronics           | 45,591                          | 1.22                  | 66,781       | 1.00                  | 49,213       | 1.00                  | 22,514                            | 1.03                  | 24,350       | 0.70                  |
| Industrial            |                                 |                       |              |                       |              |                       |                                   |                       |              |                       |
| Applications          | 115,708                         | 0.60                  | 99,124       | 0.98                  | 248,048      | 0.96                  | 78,457                            | 1.10                  | 100,698      | 1.11                  |
| Others <sup>(1)</sup> | 138,311                         | 0.24                  | 265,591      | 0.20                  | 235,189      | 0.15                  | 107,624                           | 0.17                  | 60,260       | 0.10                  |
| Total                 | 1,000,540                       | 0.58                  | 1,315,134    | 0.47                  | 1,698,840    | 0.48                  | 680,899                           | 0.51                  | 778,561      | 0.45                  |

*Note:*

- (1) Others primarily include sales of wafers and provision of processing services and reliability testing services.

For a breakdown of our revenue during the Track Record Period in terms of the downstream application sectors, see “Financial Information — Review of Historical Results of Operations — Revenue.”

## RESEARCH AND DEVELOPMENT

For the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026, our R&D expenses amounted to RMB37.9 million, RMB47.2 million, RMB59.7 million and RMB28.8 million, respectively, accounting for 6.6%, 7.6%, 7.3% and 8.2% of our total revenue for the respective periods.

As of May 31, 2026, our R&D team consisted of 93 dedicated talents, accounting for 34.2% of our total workforce.

### Our Core Technologies

Through years of R&D efforts, we have formed core technologies in power semiconductor devices. As of the Latest Practicable Date, we developed certain core technologies, as further elaborated below.

#### WLCSP processes

We have developed WLCSP processes that integrate several proprietary design and engineering technologies to deliver high-performance and reliable power semiconductor device products tailored for demanding applications. Key features of our WLCSP processes include:

- *High-Density Chip Design:* in mass production, we are able to achieve a high-density cell layout with cell size as low as 0.5μm to enable a high level of integration and efficiency.

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## BUSINESS

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- *Optimized Structural Designs:* we have incorporated our proprietary integrated gate resistance and electrostatic discharge (“**ESD**”) structures. These designs enable ultra-low specific on-resistance and high reliability even without external protective molding resin.
- *Advanced Chip Termination Technology:* Our proprietary trench termination design enhances the robustness of the power semiconductor devices under challenging conditions such as industrial environment.
- *Compact Packaging:* By adopting a back-to-back dual-die structure and ultra-compact packaging, we help customers save PCB space, which is particularly suitable for application scenarios such as lithium battery protection circuits which have challenging space constraints.
- *Enhanced performance:* The low on-resistance and enhanced thermal dissipation performance contribute to the overall performance of the system that incorporates our WLCSP products, such as longer battery life and faster charging.

### ***SJ MOSFET design and process***

Our SJ MOSFETs are designed and manufactured through either the multi-layer epitaxy process or the deep trench process.

- *Multi-layer Epitaxy Process:* Some of our SJ MOSFETs adopt a 13-layer epitaxial process with graded doping to achieve outstanding charge balance and withstand voltages from 600V to 800V. Some of our products manufactured under the second-generation SJ MOSFET design and process integrate optimized body diodes with fast recovery diode characteristics so as to improve efficiency and heat generation, making them suitable for demanding applications such as high-density chargers, power adapters, and high-power EV charging stations.
- *Deep Trench process:* Some SJ MOSFETs are produced through deep trench process using a high aspect-ratio trench and epitaxial fill process, which is intended to reduce manufacturing complexity. Architecturally, our deep trench SJ MOSFETs incorporate a trench gate structure. This design feature eliminates the JFET resistance effect that can be present in planar gate structures, thereby contributing to a lower Rsp. To optimize performance in switching applications, we have also improved the reverse recovery speed of the parasitic diode. Our technology is engineered to further enhance device reliability by substantially reducing high-temperature leakage current while maintaining fast switching characteristics.

### ***Medium-and-low-voltage SGT MOSFET design and process***

Our medium-and-low-voltage SGT MOSFET design and process can deliver high reliability, efficiency and performance for applications requiring ranging from 30V to 250V, meet JEDEC (a globally recognized standard-setting body for the microelectronics industry) reliability standards.

- *Specialized Mask Design:* We have implemented specialized mask design to improve avalanche tolerance and ESD protection through improved device design. SGT MOSFETs produced under our design and process can achieve optimized figure of merit and Rsp performance.
- *Innovative Manufacturing Solution:* Our manufacturing process can minimize wafer warpage and deformation caused by deep trench etching and backside thinning, improving overall manufacturing yield and device stability.

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## BUSINESS

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### ***High power density IGBT technology and process***

Our trench-type IGBTs adopt carrier-enhancement techniques to improve internal carrier distribution, reduce forward voltage drop, and increase current-carrying capacity. Optimized cell layout expands the reverse and short-circuit safe operating areas. Backside process improvements reduce turn-off losses and switching spikes during high-frequency operation. Enhanced termination designs increase reliability, supporting junction temperatures up to 175°C. These advancements allow our IGBTs to achieve higher power density, better dynamic switching characteristics, and improved thermal stability.

### ***Low-voltage Trench MOSFET devices design and process***

We have developed low-voltage Trench MOSFETs using high-density stripe cell designs and a proprietary trench field ring termination to simplify photolithography steps and reduce production cost. This enhances reliability and manufacturing efficiency. We also apply aluminum ribbon bonding or copper clip bonding to improve thermal performance and resistance to electrical stress. These technologies enable devices with extremely low conduction losses and excellent surge endurance.

### ***High-reliability SiC MOSFET technology and process***

We have developed a self-aligned planar gate design for SiC MOSFETs, offering low R<sub>sp</sub>, strong reliability, and tight parameter consistency. The unique gate oxide nitridation processes reduce interface trap density and improve channel mobility, resulting in lower conduction losses. The layout and process optimization enhance unclamped inductive switching performance, while new termination structures support junction temperatures up to 175°C. This technology facilitates device performance in demanding power applications requiring high efficiency and reliability.

## **R&D Process**

We have established a comprehensive process to ensure strict control and oversight of our R&D activities. This process encompasses four key stages, namely (i) project initiation, (ii) design, (iii) verification and (iv) mass production, and represents collective efforts from various internal departments and teams.

- In the project initiation stage, we engage in continuous communication with customers to accurately understand their needs and requirements for product specifications and applications and then refine these needs and requirements and determine the necessary technologies and solutions. Our R&D team then conducts a technical feasibility analysis, and jointly prepare a project initiation report with our production team. If the project is deemed feasible and approved, our project management team issue a R&D plan to clarify tasks and responsibilities, finalizing the product development plan and specifications;
- In the design stage, we proceed with product design based on the approved specifications and establish testing standards based on the technical architecture. Upon passing design review, the product layout is sent to the wafer foundry;
- In the verification stage, we coordinate with the wafer foundry and packaging service providers to produce samples. Once the samples are produced, we conduct system testing, parameter testing and reliability testing to ensure the samples meet design requirements and perform as intended in specific motor solutions. Upon successful validation, the samples progress to engineering batch trial production. Once the engineering samples pass parameter verification, system verification and reliability verification, a committee consisting of representatives from our R&D, product manufacture, quality control departments conducts a mass production review and approval;

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- Upon approval, the product enters the mass production stage, where we provide technical support and optimization, manage quality control, and develop specific application solutions based on product characteristics and customer requirements. When the product meets customer needs and the application solutions are approved by customers, the product transitions to full-scale mass production.

### Key Research Projects

During the Track Record Period and up to the Latest Practicable Date, our key research projects included:

| Project Name                                             | Project Summary                                                                                                                                                                                                                                                                                                                                                                                                                           | Target Outcome                                                                                                                                                                                        |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Next-Generation SJ MOSFET Technology . . . . .           | Developing a new-generation SJ MOSFET based on a deep-trench epitaxial process. This includes addressing technical challenges associated with pitch reduction and trench-gate structures, improving specific on-resistance (“R <sub>sp</sub> ”) and achieving high performance metrics. The project also aims to complete the development of voltage ratings of 600V and 650V and new product series with different on-resistance ranges. | Establish a next-generation SJ MOSFET process platform with 600V-650V voltage ratings, on-resistance ranges from 30mΩ to 300mΩ, and new products featuring FRD and EMI improvement functions.         |
| High-Density Low-Voltage SGT MOSFET Technology . . . . . | Developing ultra-high-density SGT MOSFETs for low-voltage applications with optimized designs to reduce chip size, improve R <sub>sp</sub> and ensure consistent threshold voltage (“V <sub>th</sub> ”). The project also focuses on reducing conduction losses and creating simplified mask designs for efficient and compact manufacturing.                                                                                             | Deliver a low-voltage SGT MOSFET platform with low R <sub>sp</sub> and small die size, meeting the demands for both cost efficiency and improved energy performance in power management applications. |
| Trench MOSFET Technology . . . .                         | Improving Trench MOSFET design and manufacturing processes to achieve high reliability, reduced R <sub>sp</sub> and enhanced FOM. This project includes optimizing cell structures and process parameters to reduce costs while maintaining outstanding performance for 20V to 60V voltage ranges.                                                                                                                                        | Develop high-reliability Trench MOSFETs that meet market demands for high avalanche tolerance, high performance and high stability and reliability in motor and battery applications.                 |

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| Project Name                                                            | Project Summary                                                                                                                                                                                                                                                                                                        | Target Outcome                                                                                                                                                                              |
|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WLCSP MOSFET Technology . . .                                           | Developing WLCSP MOSFETs with advanced structural design and process optimization. This includes integrating proprietary gate resistance (“Rg”) and electrostatic discharge (“ESD”) protection structures, as well as addressing challenges in conduction performance and packaging reliability.                       | Create a reliable WLCSP MOSFET platform with enhanced conduction operation and compact packaging for reliability in challenging application scenarios.                                      |
| High-Power-Density IGBT Technology . . . . .                            | Developing a new-generation IGBTs with a trench structure and carrier enhancement technology. The focus includes reducing forward voltage drops, increasing current conduction capacity, addressing challenges in wafer thinning and trench density and improving switching waveforms under high-frequency conditions. | Deliver new-generation IGBT products with improvement in current density, reduced forward voltage drops and optimized switching performance.                                                |
| Automotive-Grade High-Reliability N-Channel MOSFET Technology . . . . . | Developing automotive-grade N-channel MOSFETs to meet stringent reliability standards for vehicle applications, including optimizing chip terminal structures, passivation layers and interconnect processes. This project also focuses on meeting AEC-Q101 certification and ensuring long-term durability.           | Deliver high-reliability automotive-grade MOSFETs designed for harsh operating conditions, meeting AEC-Q101 standards and competitive performance requirements for automotive applications. |

MANUFACTURING

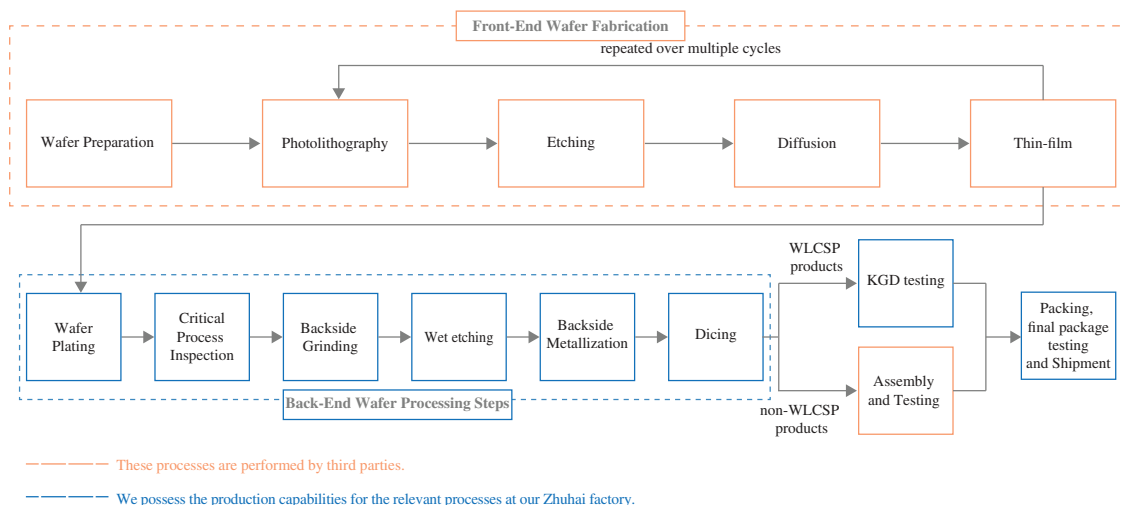
As of the Latest Practicable Date, we primarily adopted two types of manufacturing models with respect to (i) majority of our WLCSP products and (ii) some WLCSP products, and other products, respectively.

- **For majority of our WLCSP products:** except the front-end wafer fabrication processes that are conducted by third-party wafer foundries, the remaining back-end wafer processing steps, such as back-end wafer processing steps wafer plating, backside grinding and backside metallization, as well as the packaging and testing of our WLCSP products, are conducted in-house at our Zhuhai factory, which started operation in 2024. In addition, we have a laboratory at our Zhuhai factory that is certified by China National Accreditation Service for Conformity Assessment to conduct product testing and analysis.
- **For some WLCSP products, as well as other products:** the front-end wafer fabrication processes are conducted by third-party wafer foundries, the remaining back-end wafer processing steps are conducted in-house at our Zhuhai factory, and the packaging and testing processes are conducted by third parties.

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### Our Production Process

The following chart illustrates the typical production process of our power semiconductor devices:



- Front-end Wafer Fabrication.** This process comprises the core front-end manufacturing processes performed on wafers to form integrated circuits and device structures. Through repeated patterning, material modification and layer formation, this process enables the creation of transistors, interconnect features and other functional structures on the wafer, thereby laying the foundation for subsequent wafer testing, assembly and packaging.
- Wafer Plating.** This process encompasses various metallization processes, including electroplating, electroless plating and sputtering, and is primarily used to deposit functional metal layers on the wafer surface. It helps ensure strong adhesion, uniform film thickness and excellent electrical performance, thereby providing a reliable metal interface for subsequent interconnection, bump formation and advanced packaging applications.
- Critical Process Inspection.** We conduct electrical testing procedures to ensure wafer quality and process integrity at critical stages, helping to identify and address potential defects early in the flow.
- Backside Grinding.** The wafer is grounded and polished to achieve the desired thickness, which is essential for advanced packaging and thermal performance.
- Wet Etching.** The wafer undergoes a wet etching process to roughen the wafer surface to enhance adhesion during subsequent metallization and bonding processes. On the other hand, it enables controlled chemical thinning of the wafer to achieve the desired thickness.
- Backside Metallization.** A conductive metal layer (typically titanium (Ti), nickel (Ni) or silver (Ag)) is deposited on the backside of the wafer to improve electrical connectivity, reduce thermal resistance, and prepare the wafer for die attach and packaging.

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- *Dicing.* The wafer is diced into individual dies using a combination of mechanical blade cutting and laser cutting techniques, which typically vary between WLCSP and non-WLCSP products.
- *Known Good Die (“KGD”) testing.* Each die is electrically tested to ensure full functionality before packaging.
- *Assembly and Testing.* Each die is packaged into semiconductor products and subjected to electrical, functional and reliability tests to ensure compliance with performance and quality standards.
- *Packing, final package testing and Shipment.* The finished products are packaged and tested and prepared for delivery to customers.

### Production Base in Operation

The table below sets forth details of our Zhuhai factory:

| Production Base          | Location      | Gross Floor Area     | Time of Commencing Production | Key Functions                                                                    |
|--------------------------|---------------|----------------------|-------------------------------|----------------------------------------------------------------------------------|
| Zhuhai factory . . . . . | Zhuhai, China | 33,670 square meters | September, 2024               | (i) back-end wafer processing steps<br>(ii) WLCSP<br>(iii) packaging and testing |

Set forth below are the production capacity, production volume and utilization rates (based on the volume of packaging) of our Zhuhai factory for the periods indicated since it commenced operation in 2024:

|                  | Year ended December 31,            |                                  |                                 |                                    |                                  |                                 | Five months ended May 31,          |                                  |                                 |                                    |                                  |                                 |
|------------------|------------------------------------|----------------------------------|---------------------------------|------------------------------------|----------------------------------|---------------------------------|------------------------------------|----------------------------------|---------------------------------|------------------------------------|----------------------------------|---------------------------------|
|                  | 2024                               |                                  |                                 | 2025                               |                                  |                                 | 2025                               |                                  |                                 | 2026                               |                                  |                                 |
|                  | Production Capacity <sup>(1)</sup> | Production Volume <sup>(2)</sup> | Utilization Rate <sup>(3)</sup> | Production Capacity <sup>(1)</sup> | Production Volume <sup>(2)</sup> | Utilization Rate <sup>(3)</sup> | Production Capacity <sup>(1)</sup> | Production Volume <sup>(2)</sup> | Utilization Rate <sup>(3)</sup> | Production Capacity <sup>(1)</sup> | Production Volume <sup>(2)</sup> | Utilization Rate <sup>(3)</sup> |
|                  | (million)                          | (million)                        | (%)                             | (million)                          | (million)                        | (%)                             | (million)                          | (million)                        | (%)                             | (million)                          | (million)                        | (%)                             |
| Zhuhai factory . | 96.6                               | 23.3                             | 24.2 <sup>(4)</sup>             | 634.0                              | 545.0                            | 86.0                            | 186.1                              | 178.6                            | 96.0                            | 358.8                              | 194.9                            | 54.3                            |

*Notes:*

- (1) The production capacity for each period is calculated based on (i) regular operational days in a period, and (ii) 24 operating hours per day. The production capacity for the five months ended May 31, 2025 was relatively low, primarily because we were still in the production capacity ramp-up phase.
- (2) The production volume refers to actual production of the products for the relevant periods.
- (3) The utilization rate during the period is calculated by dividing production volume by the production capacity for the same periods.
- (4) The low capacity utilization rate in 2024 was primarily attributable to the ramp-up stage of the factory, during which only small-scale trial production was conducted and the production lines were mainly used for equipment calibration, process optimization and product yield verification. As the production lines became fully operational, the capacity utilization rate increased significantly from 24.2% in 2024 to 86.0% in 2025. Our capacity utilization rate was relatively low in the five months ended May 31, 2026, primarily due to weaker downstream demand from smartphone manufacturers.

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The establishment of the Zhuhai factory has contributed significantly to our financial performance and profit margins. For a detailed discussion, please refer to “Financial Information — Review of Historical Results of Operations — Revenue,” “Cost of Sales,” and “Gross Profit and Gross Profit Margin.”

Besides our Zhuhai factory, we plan to set up a new production base in Zhoushan with a site area of 74,801 square meters, as compared to the site area of 9,490 square meters of our Zhuhai factory. The products to be manufactured at the Zhoushan facility represent an extension of our existing product portfolio, which primarily include power modules and automotive-grade components to meet the increasing demand for power devices, bundled solution offerings and higher-reliability automotive applications. See “Future Plans and Use of [REDACTED].”

The establishment of the Zhoushan production base represents a vertical extension of our existing offerings to further provide integrated, system-level power semiconductor solutions, and is aligned with our overall long-term business strategy. Specifically,

- The products to be manufactured at the Zhoushan production base, in particular the power modules and automotive-grade components, are complementary to our existing power semiconductor product portfolio and enable us to evolve from a discrete device supplier to a subsystem solution provider. By integrating power semiconductor devices with power modules and automotive-grade components into bundled solutions, we enhance performance optimization at the system level, deepen vertical integration and increase customer stickiness and value contribution per customer. This represents a natural extension of our existing product strategy rather than a change in business direction.
- We continue to focus on power semiconductor design and R&D, maintain in-house packaging and testing capabilities aligned with market demand, and outsource wafer fabrication to third-party foundries. The Zhoushan facility serves as dedicated packaging and testing capacity for power modules and automotive-grade components and does not alter our core operating framework.
- The new products are developed based on the same core technology platform and system-level application expertise as our existing power semiconductor devices. Their target applications and customer base substantially overlap with our existing markets, allowing us to leverage established customer relationships, sales channels and supply chain infrastructure.

### **Production Equipment and Machinery**

The material equipment and machinery used in our production processes include (i) electroless plating machines for surface metallization, (ii) wafer testing machines for inline inspection, (iii) tape laminators and wafer thinning machines for backside grinding, (iv) cleaning and evaporation tools for backside metallization, (v) blade dicing machines, laser dicing systems, and automated optical inspection tools for die separation and inspection and (vi) automated die sorters and high-precision visual inspection systems for KGD processes.

We regularly inspect and maintain the material equipment and machinery used in our production processes and replace worn consumable parts and components. Our major production equipment and machinery have an estimated average useful life of three to ten years. We also regularly inspect and maintain the production environment.

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### SUPPLY CHAIN

During the Track Record Period, we primarily procured (i) foundry-manufactured wafers, (ii) packaging and testing services, and (iii) raw materials and equipment for packaging and testing.

Our typical procurement process primarily include:

- *Procurement planning.* Our procurement team is primarily responsible for formulating procurement plans based on the anticipated sales amount provided by our sales and marketing team, the manufacturing lead time and production schedules.
- *Outsourced manufacturing.* Pursuant the procurement plans, our procurement team places purchase orders to our foundry suppliers. The foundry suppliers then manufacture wafers and deliver the wafers to our warehouses.
- *Packaging and testing.* We arrange subsequent packaging and testing with our packaging and testing partners. Upon completion, the finished products are delivered to us for sales.
- *One-stop procurement:* We may arrange one-stop procurement with our foundry suppliers with both wafer manufacturing and packaging and testing services. Upon completion of packaging and testing, the finished products are directly delivered to us.

### OUR SUPPLIERS

#### Supplier Selection and Management

During the Track Record Period, our suppliers primarily consisted of (i) foundries, (ii) companies that provide packaging and testing services, and (iii) companies that provide raw materials and equipment for packaging and testing. We typically engage reputable suppliers to ensure the quality of our products. We consider a comprehensive set of factors when selecting suppliers, which mainly include technological expertise, product quality, responsiveness and delivery speed. We also conduct periodic supplier review to assess their performance. In addition, we also implement measures to continuously monitor the final product quality. See “— Quality Control” for further details.

Following the establishment of our Zhuhai factory and the establishment of our in-house wafer fabrication, WLCSP and testing capabilities, we reduced our reliance and cooperation with third-party packaging and testing providers. In addition, we procured an increased proportion of wafers in our total procurement, and cooperated with a broader range of wafer suppliers so as to ensure stable supply.

We generally enter into framework agreements with our suppliers, which set forth the general terms and conditions of purchase. Set forth below are salient terms of our framework agreements:

- *Term and termination.* We generally enter into framework agreements with our suppliers with a fixed term (generally one to three years), which may be automatically renewed upon expiration.

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- **Product specifications.** We generally specify quantity, price, specification, delivery timeline and other detailed contractual terms in the purchase orders we send to our suppliers.
- **Pricing and Payment.** We generally provide payments based on mutually agreed prices and terms specified in the purchase order.
- **Delivery and logistics.** Product delivery and logistics terms are generally specified in the purchase orders, typically including picking up at the supplier’s facility or delivery to our designated locations.
- **Risk transfer.** The risk transfers to us upon delivery to us. Suppliers shall indemnify us for direct losses arising from quality defects attributable to them, including costs of replacement or recall.
- **Product warranty and returns.** We are generally granted a warranty period of one year. We are entitled to reject, replace or return products which fail to conform to the quantity, quality or specifications as provided in the purchase order.

### Our Major Suppliers

For the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026, purchases from our five largest suppliers amounted to RMB359.8 million, RMB397.3 million, RMB493.3 million and RMB218.8 million, respectively, representing 80.5%, 81.1%, 71.3% and 70.1% of our total purchases, respectively. In addition, purchases from our largest supplier in each year accounted for 29.5%, 47.7%, 21.7% and 19.9% of our total purchases for the years ended December 31, 2023, 2024, 2025 and five months ended May 31, 2026, respectively. All of our five largest suppliers during each year of the Track Record Period were Independent Third Parties. None of our Directors and their respective associates or our Shareholders who hold more than 5% of our total issued Shares had any interest in our five largest suppliers during each year of the Track Record Period. Additionally, we did not experience any material disputes with our suppliers during the Track Record Period.

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

| Rank                                    | Supplier                  | Purchase Amount | Percentage of total purchase | Type of product/ services provided | Credit terms                                                 | Year of commencement of business relationship | Location |
|-----------------------------------------|---------------------------|-----------------|------------------------------|------------------------------------|--------------------------------------------------------------|-----------------------------------------------|----------|
|                                         |                           | (RMB'000)       | (%)                          |                                    |                                                              |                                               |          |
| <i>For year ended December 31, 2023</i> |                           |                 |                              |                                    |                                                              |                                               |          |
| 1 . . .                                 | Supplier A <sup>(1)</sup> | 131,943         | 29.5                         | wafers, photomasks and packaging   | 100% prepayment                                              | 2019                                          | China    |
| 2 . . .                                 | Supplier B <sup>(2)</sup> | 104,814         | 23.5                         | wafers and photomasks              | 100% prepayment                                              | 2020                                          | China    |
| 3 . . .                                 | Supplier C <sup>(3)</sup> | 51,885          | 11.6                         | packaging                          | 60 days                                                      | 2016                                          | China    |
| 4 . . .                                 | Supplier D <sup>(4)</sup> | 50,491          | 11.3                         | wafers and photomasks              | 30 days                                                      | 2020                                          | China    |
| 5 . . .                                 | Supplier E <sup>(5)</sup> | 20,641          | 4.6                          | wafers and photomasks              | 30% prepayment and credit terms of 30 days for the remaining | 2022                                          | China    |

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*Notes:*

- (1) Supplier A is a public semiconductor company headquartered in Shaoxing, Zhejiang, China and listed on the Shanghai Stock Exchange, that primarily engages in wafer fabrication and packaging services.
- (2) Supplier B is a public semiconductor company headquartered in Taiwan, China and listed on the Taiwan Stock Exchange, that primarily engages in wafer fabrication services.
- (3) Supplier C is a private semiconductor company headquartered in Shanghai, China with a registered capital of US\$69.0 million, that primarily engages in semiconductor packaging and testing services. It is the subsidiary of a public company in Taiwan, China.
- (4) Supplier D is a private semiconductor company headquartered in Guangzhou, Guangdong, China with a registered capital of approximately RMB2.4 billion, that primarily engages in wafer fabrication services.
- (5) Supplier E is a private semiconductor company headquartered in Qingdao, Shandong, China with a registered capital of approximately RMB10.1 billion, that primarily engages in wafer fabrication services.

| Rank                                    | Supplier                  | Purchase Amount<br>(RMB'000) | Percentage of total purchase<br>(%) | Type of product/<br>services provided | Credit terms                                                 | Year of commencement<br>of business relationship | Location |
|-----------------------------------------|---------------------------|------------------------------|-------------------------------------|---------------------------------------|--------------------------------------------------------------|--------------------------------------------------|----------|
| <i>For year ended December 31, 2024</i> |                           |                              |                                     |                                       |                                                              |                                                  |          |
| 1 . . .                                 | Supplier A                | 233,565                      | 47.7                                | wafers, photomasks and packaging      | 100% prepayment                                              | 2019                                             | China    |
| 2 . . .                                 | Supplier B                | 52,899                       | 10.8                                | wafers and photomasks                 | 100% prepayment                                              | 2020                                             | China    |
| 3 . . .                                 | Supplier C                | 48,102                       | 9.8                                 | packaging                             | 60 days                                                      | 2016                                             | China    |
| 4 . . .                                 | Supplier D                | 43,340                       | 8.8                                 | wafers and photomasks                 | 30 days                                                      | 2020                                             | China    |
| 5 . . .                                 | Supplier F <sup>(1)</sup> | 19,421                       | 4.0                                 | wafers and photomasks                 | 30% prepayment and credit terms of 30 days for the remaining | 2023                                             | China    |

*Note:*

- (1) Supplier F is a public semiconductor company headquartered in Shanghai, China with a registered capital of US\$1,290.0 million, that primarily engages in wafer fabrication services. It is the subsidiary of a public company headquartered in Shanghai, China.

| Rank                                    | Supplier   | Purchase Amount<br>(RMB'000) | Percentage of total purchase<br>(%) | Type of product/<br>services provided | Credit terms                                                 | Year of commencement<br>of business relationship | Location |
|-----------------------------------------|------------|------------------------------|-------------------------------------|---------------------------------------|--------------------------------------------------------------|--------------------------------------------------|----------|
| <i>For year ended December 31, 2025</i> |            |                              |                                     |                                       |                                                              |                                                  |          |
| 1 . . .                                 | Supplier F | 150,320                      | 21.7                                | wafers and photomasks                 | 30% prepayment and credit terms of 30 days for the remaining | 2023                                             | China    |
| 2 . . .                                 | Supplier C | 88,913                       | 12.9                                | packaging                             | 60 days                                                      | 2016                                             | China    |
| 3 . . .                                 | Supplier D | 86,887                       | 12.6                                | wafers and photomasks                 | 30 days                                                      | 2020                                             | China    |
| 4 . . .                                 | Supplier B | 84,512                       | 12.2                                | wafers                                | 100% prepayment                                              | 2020                                             | China    |
| 5 . . .                                 | Supplier A | 82,714                       | 12.0                                | wafers, photomasks and packaging      | 100% prepayment                                              | 2019                                             | China    |

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| Rank                                      | Supplier                  | Purchase Amount<br>(RMB'000) | Percentage of total purchase<br>(%) | Type of product/<br>services provided | Credit terms                                                                             | Year of commencement of business relationship | Location |
|-------------------------------------------|---------------------------|------------------------------|-------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------|----------|
| <i>For five months ended May 31, 2026</i> |                           |                              |                                     |                                       |                                                                                          |                                               |          |
| 1 . . .                                   | Supplier F                | 62,241                       | 19.9                                | wafers                                | 30% prepayment, 70% T/T<br>30 Days against billing date                                  | 2023                                          | China    |
| 2 . . .                                   | Supplier D                | 53,492                       | 17.1                                | wafers and photomasks                 | 30 days                                                                                  | 2020                                          | China    |
| 3 . . .                                   | Supplier C                | 49,053                       | 15.7                                | packaging                             | 60 days                                                                                  | 2016                                          | China    |
| 4 . . .                                   | Supplier G <sup>(1)</sup> | 34,044                       | 10.9                                | wafers                                | 50% advance payment upon order placement, with the balance of 50% due prior to delivery. | 2022                                          | China    |
| 5 . . .                                   | Supplier B                | 19,960                       | 6.4                                 | wafers and photomasks                 | 100% prepayment                                                                          | 2020                                          | China    |

*Note:*

- (1) Supplier G is a private semiconductor company headquartered in Shanghai, China with a registered capital of RMB20,460.9 million, that primarily engages in wafer fabrication services. It is the subsidiary of a public company headquartered in Shanghai, China.

### Reliance on Certain Suppliers

#### *Overview of Relationship with Major Suppliers*

During the Track Record Period, we primarily procured foundry-manufactured wafers from Supplier A, Supplier B and Supplier F. We generally issue purchase orders to these suppliers based on our demand forecast, and the supplier confirms and signs the order upon receipt.

In 2023, 2024, 2025 and the five months ended May 31, 2026, our purchases from Supplier A were RMB131.9 million, RMB233.6 million, RMB82.7 million and RMB2.6 million, respectively, representing 29.5%, 47.7%, 12.0% and 0.8%, respectively, of our total purchases for the same periods. The percentage of our purchases from Supplier A increased from 29.5% in 2023 to 47.7% in 2024, primarily because Supplier A has been our major supplier for wafers, photomasks and packaging since 2023, and as the sales volume of our WLCSP products increased significantly from 2023 to 2024, our purchases from Supplier A increased correspondingly. The percentage of our purchases from Supplier A further decreased from 47.7% in 2024 to 0.8% in the five months ended May 31, 2026, primarily due to (i) the commencement of mass production at our Zhuhai factory by the end of 2024, which reduced our procurement demand from third-party suppliers, and (ii) our efforts to diversify our supply chain by increasing procurement from Supplier F, taking into account its sufficient production capacity and stable delivery performance. Our purchases from Supplier B were RMB104.8 million, RMB52.9 million, RMB84.5 million and RMB20.0 million, respectively, representing 23.5%, 10.8%, 12.2% and 6.4%, respectively, of our total purchases for the same periods. The percentage of our purchases from Supplier B decreased from 23.5% in 2023 to 10.8% in 2024, primarily due to increased procurement from domestic wafer foundries for supply chain diversification and cost optimization. Our purchases from Supplier F were RMB0.2 million, RMB19.4 million, RMB150.3 million and RMB62.2 million, respectively, representing nil, 4.0%, 21.7% and 19.9%, respectively, of our total purchases for the same periods.

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According to CIC, Supplier A, Supplier B and Supplier F are leading wafer foundries in China. In addition, to ensure consistently quality products and centralized management of manufacturing demands, it is commonly seen and in line with industry practice for semiconductor design companies to rely on a limited number of foundry partners for procurement of most of the wafers to ensure product quality consistency. As we source a significant portion of foundry-manufactured wafers from these suppliers, if our relationship with any of these suppliers is terminated, interrupted, or modified in any way adverse to us, there may be material interruptions to our operations and business.

Please see “Risk Factors — Risks Relating to Our Business and Industry — We depend on a limited number of third-party wafer foundry partners to manufacture our products.”

By the end of five months ended May 31, 2026, around 150 wafer foundries controlled by around 30 entities operate in Chinese Mainland. According to CIC, the wafer foundry market in China is experiencing robust growth, characterized by a concentrated top tier of leading manufacturers in advanced nodes alongside numerous specialized regional players. The majority of these Chinese foundries possess highly mature and globally competitive manufacturing capabilities in legacy nodes used for power semiconductors. We are not aware of any existing or potential limits prevents us from leveraging on these wafer-foundries. Consequently, our wafer-foundry suppliers are highly replaceable. Based on the above, we believe that alternative suppliers offering comparable quality and similar commercial terms are readily available in the market.

We have continued to expand our procurement network to include other wafer manufacturers to ensure the stability and flexibility of our wafer supply capacity. During the Track Record Period, we had established stable cooperation with other wafer manufacturers to meet our operational needs, manufacturing capacity and product quality requirements under reasonable commercial terms.

Through our continuous supplier diversification efforts, we continued to expand our supplier network and gradually reduced our reliance on certain supplier. The aggregate purchases from our top five suppliers decreased from 80.5% of our total purchases in 2023 to 70.1% in the five months ended May 31, 2026. In addition, our supplier diversification efforts contributed to the optimization of our cost structure. By introducing competitive cooperation among multiple wafer foundries, we have secured more favorable commercial terms while maintaining product quality and stable supply.

### ***Key Terms of Agreements with Major Suppliers***

- ***Term and termination.*** We generally enter into framework agreements with major suppliers with a fixed term of one or three year(s). The agreement shall be automatically renewed upon expiration unless terminated pursuant to the agreed conditions.
- ***Product specifications.*** We generally specify quantity, price, specification, delivery timeline and other detailed contractual terms in the purchase orders we send to major suppliers.
- ***Pricing and Payment.*** We generally provide payments based on mutually agreed prices specified in the purchase order. We generally make upfront payment before planned production, or as otherwise specified in the purchase order.
- ***Delivery and logistics.*** Product delivery and logistics terms are generally specified in the purchase orders, typically including picking up at the supplier’s facility or delivery to our designated locations.

## BUSINESS

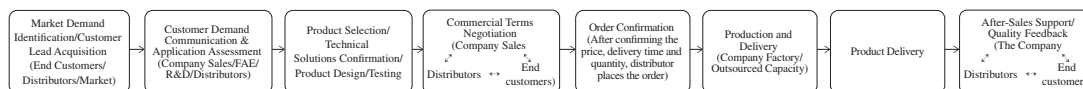
- **Risk transfer.** The risk transfers to us upon our acceptance after inspection of the products received. Suppliers shall indemnify us for direct losses arising from quality defects attributable to them, including costs of replacement or recall.
- **Product warranty and returns.** We are generally granted a warranty period from six months to one year. We are entitled to reject, replace or return products which fail to conform to the quantity, quality or specifications as provided in the purchase order.

## SALES AND MARKETING

### Our Sales Network

During the Track Record Period, a substantial portion of our sales were carried out through distributors. We engage distributors under two primary circumstances. In certain cases, we engage distributors to streamline our customer management and enhance financial flexibility. In other cases, in accordance with the end customers’ specific requirement, we sell products to them through distributors. Distributors purchase products from providers like us, which allows them to coordinate our production schedule with the timing of the end customers’ demand, and to provide in-time delivery to end customer to ensure timely product access. Although we typically directly liaise with certain key end customers regarding product specifications and other technical requirements, the distributorship network helps us streamline our administration, efficiently maintain good relationships with the large number of end customers across various industries and improve our financial flexibility and efficiency, and allows us to focus on the R&D and design. For certain key end customers, we directly communicate with them using the contact information reported by the distributors in our CRM system to discuss product requirements in detail including participating in product solution design, confirming product specification and providing technical support. For other end customers, we generally provide products in accordance with the requirements communicated to us by the distributors. According to CIC, engagement of distributors for the sales of products are in line with the industry norm in the semiconductor industry.

The following table sets forth our sales flow and interactions with various stakeholders in the sales process:



During the Track Record Period, a majority of our revenue was generated from sales to our distributors. The table below sets forth a breakdown of revenue contribution by sales channels for the periods indicated.

|                        | Year ended December 31, |              |                |              |                |              | Five months ended May 31, |              |                |              |
|------------------------|-------------------------|--------------|----------------|--------------|----------------|--------------|---------------------------|--------------|----------------|--------------|
|                        | 2023                    |              | 2024           |              | 2025           |              | 2025                      |              | 2026           |              |
|                        | RMB'000                 | %            | RMB'000        | %            | RMB'000        | %            | RMB'000                   | %            | RMB'000        | %            |
| Distribution . . . . . | 523,599                 | 91.0         | 507,338        | 81.3         | 699,945        | 86.0         | 294,897                   | 84.9         | 322,039        | 91.2         |
| Direct sales . . . . . | 51,878                  | 9.0          | 116,921        | 18.7         | 114,190        | 14.0         | 52,290                    | 15.1         | 31,228         | 8.8          |
| <b>Total . . . . .</b> | <b>575,477</b>          | <b>100.0</b> | <b>624,259</b> | <b>100.0</b> | <b>814,135</b> | <b>100.0</b> | <b>347,187</b>            | <b>100.0</b> | <b>353,267</b> | <b>100.0</b> |

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During the Track Record Period, our products were mainly sold in the Chinese Mainland and, to a lesser extent, overseas. The table below sets forth our revenue by sales region during the Track Record Period.

|                                 | Year ended December 31, |              |                |              |                |              | Five months ended May 31, |              |                |              |
|---------------------------------|-------------------------|--------------|----------------|--------------|----------------|--------------|---------------------------|--------------|----------------|--------------|
|                                 | 2023                    |              | 2024           |              | 2025           |              | 2025                      |              | 2026           |              |
|                                 | RMB'000                 | %            | RMB'000        | %            | RMB'000        | %            | RMB'000                   | %            | RMB'000        | %            |
| Chinese Mainland . . . . .      | 522,822                 | 90.9         | 585,541        | 93.8         | 795,009        | 97.7         | 338,839                   | 97.6         | 328,645        | 93.0         |
| Hong Kong . . . . .             | 44,455                  | 7.7          | 34,097         | 5.5          | 10,900         | 1.3          | 4,356                     | 1.3          | 21,754         | 6.2          |
| Taiwan . . . . .                | 6,917                   | 1.2          | 1,194          | 0.2          | 3,219          | 0.4          | 1,838                     | 0.5          | 2,162          | 0.6          |
| South Korea . . . . .           | 1,270                   | 0.2          | 3,427          | 0.5          | 5,007          | 0.6          | 2,154                     | 0.6          | 706            | 0.2          |
| Others <sup>(1)</sup> . . . . . | 13                      | 0.0          | —              | —            | —              | —            | —                         | —            | —              | —            |
| <b>Total . . . . .</b>          | <b>575,477</b>          | <b>100.0</b> | <b>624,259</b> | <b>100.0</b> | <b>814,135</b> | <b>100.0</b> | <b>347,187</b>            | <b>100.0</b> | <b>353,267</b> | <b>100.0</b> |

*Note:*

(1) Others mainly include Philippines.

### Our Distribution Channels

#### Overview

The relationships between distributors and us are categorized as seller-buyer relationships — they buy our products from us and then resell the products to end customers. To the best of our knowledge, we did not have any sub-distributor during the Track Record Period. Historical sales generated by these distributors were generally recurring in nature except in cases where we discontinued our business relationships with certain distributors as detailed below.

As of May 31, 2026, we had 103 distributors. The following table sets forth the movement in the number of our distributors during the periods indicated.

|                                                   | As of December 31, |      |      | As of   |
|---------------------------------------------------|--------------------|------|------|---------|
|                                                   | 2023               | 2024 | 2025 | May 31, |
|                                                   |                    |      |      | 2026    |
| Distributors at the beginning of period . . . . . | 642                | 658  | 152  | 135     |
| Addition of new distributors . . . . .            | 33                 | 33   | 30   | 7       |
| Termination of existing distributors . . . . .    | 17                 | 539  | 47   | 39      |
| Distributors at the end of period . . . . .       | 658                | 152  | 135  | 103     |

We engaged 33, 33, 30 and 7 new distributors in 2023, 2024 and 2025 and the five months ended May 31, 2026, respectively. Concurrently, we discontinued our partnership with 17, 539, 47, and 39 distributors in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively. The majority of these terminations were due to failure to meet our performance criteria, while a limited number were attributable to the violation of our contractual arrangements and regional sales restrictions by making unauthorized sales beyond their designated geographical scope. For terminated distributors in 2023, 2024, 2025 and the five

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months ended May 31, 2026, our sales to them in the preceding periods amounted to nil, RMB45.9 million, RMB68.5 million and RMB42.9 million, respectively. The fluctuations in the number of our distributors during the Track Record Period reflect an evolution of our sales channel strategy. For distributors that have terminated their business relationship with us, their inventory levels were generally low and not expected to have a material impact on the market. If our terminated distributors still have remaining inventory, we will not accept their product return. Instead, we typically coordinate the transfer of such products to other nearby distributors to facilitate continued market circulation. To mitigate potential reputational and intellectual property risks, we seek to ensure the orderly and legitimate transfer of such inventory, and prevent unauthorized sales of our products through contractual arrangements and authorization management with regard to our trademark and brand use.

Prior to 2023, our primary objective was to accelerate market penetration and expand our regional coverage. To achieve this, we actively recruited a large number of new distributor partners to quickly build out our distributor network.

Beginning in 2023, as our sales system matured, our strategic focus shifted from scale expansion to structural optimization. To implement this, we established a dynamic evaluation mechanism to systematically assess our distributors. This ongoing process involves two parallel workstreams: (i) selectively onboarding new distributors with strong sales resource advantages, market capabilities and professional service standards; and (ii) adjusting our existing network by terminating partnerships with distributors whose business focus was no longer aligned with ours, who had weaker performance, or whose operational practices did not meet our evolving standards. The significant number of 540 discontinued distributors in 2024 was the result of a focused optimization initiative conducted during that year.

By transitioning from a strategy of rapid expansion to continuous optimization, we believe we are building a higher-quality, more stable and strategically aligned distribution network.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material lawsuits with these departing distributors.

During the Track Record Period, one of our distributors (“**distributor A**”) was established and controlled by a former employee of ours, who left our Company in 2020. Distributor A was established in Nanjing, China in 2020, and we had no transactions with Distributor A during his employment with our Company. To the best of our knowledge, the former employee established distributor A out of his own personal business interest and decisions. The terms and conditions of our commercial arrangement were substantially the same with those with other distributors. In 2023, 2024, 2025 and the five months ended May 31, 2026, revenue generated from distributor A amounted to RMB1.0 million, RMB2.7 million, RMB5.2 million and RMB2.1 million, respectively, accounting for less than 1% of our revenue in the respective period. In 2023, 2024, 2025 and the five months ended May 31, 2026, our gross profit with Distributor A amounted to RMB86 thousand, RMB367 thousand, RMB877 thousand and RMB235 thousand, and the gross profit margin were 8.9%, 13.6%, 17.0% and 11.0% during the same periods, respectively, which is generally in line with those of other distributors of the same type of products.

One of our distributors during the Track Record Period became beneficially owned by a shareholder of one of the Company’s minority shareholders in February 2026 following a change in our shareholding structure. In 2023, 2024, 2025 and five months ended May 31, 2026, revenue generated from such distributor was nil, RMB9.7 million, RMB6.8 million and RMB1.9 million, respectively, accounting for nil, 1.6%, 0.8% and 0.6% of our total revenue in

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the respective periods. The terms and conditions of our commercial arrangement with such distributor were substantially the same with those with other distributors. Such distributor is subject to all of our Group’s internal rules and policies in connection with the distributorship without preferential treatment.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties, and, save as disclosed above, besides the ordinary course distribution arrangement with us, there was no other relationship between the distributors and each of our Company, our subsidiaries, our shareholders, directors or senior management or any of their respective associates.

### *Principal Contractual Terms with Distributors*

During the Track Record Period, we generally entered into distribution agreements with each of our distributors. The key terms of our distribution agreements included the following:

- *Term and Renewal.* The term of the distribution agreement is typically one year and renewal shall be negotiated 30 days prior to the expiration of the current distribution agreement, unless either party gives prior written notice of non-renewal.
- *Product Purchase.* The purchase amount is specified in purchase orders. Purchase order reflects the distributors’ sales forecast and actual end customer demand.
- *Selling Price.* We sell our products to distributors at mutually agreed price. We negotiate prices with distributors on a per-order basis, taking into account market conditions and specific requirements from end customers.
- *Payment and Credit Term.* We require some distributors to make full payment prior to shipment, and we grant some distributors with a credit term ranging from 30 to 60 days on a case-by-case basis.
- *Product Warranty and Return.* We generally provide a warranty period of 12 months. We generally do not allow our distributors to return products to us except for product defects.
- *Confidentiality.* The distributors are required to strictly protect the confidential information and files it has gained access to under the agreement.

### *Management of Distributors*

Our distributor management covers criteria for selection, pricing mechanisms, logistics, return and exchange policies, and inventory management systems.

- *Selection process.* We have established a rigorous, multi-dimensional selection process for the selection of prospective distributors. Key assessment areas include the breadth of their sales network coverage, their relationships with end customers and their overall market management and service capabilities. We also take into account prospective distributor’s corporate governance structure, commercial reputation and financial stability.
- *Inventory management.* We proactively monitor inventory levels across our distribution channels to optimize channel turnover and mitigate inventory obsolescence risks. Specifically, we monitor the inventory level of our major

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distributors through our CRM system, where distributors are required to report their inventory data, typically monthly. In addition, we reserve the right to conduct periodic inspections to verify the accuracy of their reported inventory data. If we identify imbalanced inventory structures or potential slow-moving stock, we will coordinate with the relevant distributor to optimize their inventory utilization.

- *Channel stuffing risks.* Our sales model is designed to align production with genuine end-customer demand, thereby mitigating the risk of channel stuffing. Our sales to distributors are primarily conducted on a back-to-back basis, where distributor purchase orders are initiated based on specific product requirements from their end customers. We do not offer general rights of return for unsold products. We do not engage in consignment or other speculative sales arrangements. These measures are designed to prevent the buildup of excess inventory in the channel and ensure that our sales are aligned with genuine end-market demand.
- *Anti-cannibalization management.* To maintain channel integrity and prevent disruptive cannibalistic competition, we have implemented a centralized system for end customer registration and order management. All distributors are required to register their end customers in our CRM system before a sale can be initiated. Orders are then processed through this system, which provides clear mapping of end customers to their designated distributor. Distributors are prohibited from selling our products to end customers that are not registered and mapped to them in our system without our prior written consent. This policy helps to mitigate channel conflict, protect the business interests of our distributor partners and ensure a stable and orderly distribution network.
- *Pricing with end customers.* For the resale price to end customers, while we strictly control the minimum selling price, we typically do not intervene in the price-setting process, and grant our distributors autonomy in price determination based on their own business strategies and cost structures. Under certain circumstances, we may communicate with our distributors and provide non-binding pricing suggestions, including (i) providing pricing guidance for key end customers to facilitate the implementation of our sales strategies, and (ii) where the expected gross margin may fall below the anticipated level, offering reasonable suggestions on the resale price to support stable cooperation and reasonable margins across the supply chain.

### ***Our Direct Sales***

To a lesser extent, we also conducted direct sales to certain customers, which are primarily in the form of sales of (i) power semiconductor devices to certain customers that prefer to procure directly from us, and (ii) wafers to selected customers that undertake packaging through their own arrangements. For instance, certain customers may integrate our power semiconductor devices with their own products together in a packaged form, and therefore choose to procure our products in unpackaged wafer form directly.

The salient terms of our direct sales agreements during the Track Record Period are set out below:

- *Term and Renewal.* The term of the wafer sales agreement is typically one year and shall be automatically renewed for an additional period of one year thereafter, unless either party gives prior written notice of non-renewal. We also enter into long-term agreements with undetermined term with certain direct sales customers.

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- *Product Purchase.* The purchase amount is specified in purchase orders which are proposed by customers based on their demand.
- *Selling Price.* We sell our products at mutually agreed price. We negotiate prices with distributors on a per-order basis, taking into account market conditions.
- *Payment and Credit Term.* We grant some customers with a credit term ranging from 30 to 60 days on a case-by-case basis.
- *Product Warranty and Return.* We generally provide a warranty period of at least one year. We generally do not allow product return except for product defects.
- *Confidentiality.* The customers are required to strictly protect the confidential information and files it has gained access to under the agreement.

### Customer Service and Technical Support

We are committed to providing high-quality customer service, delivered through our team of highly skilled application engineers. Our engineers collaborate closely with end customers at every stage of their projects. This engagement spans from initial product selection and system design through to development, debugging and final validation and delivery. At each stage, we provide customized, solutions-oriented support tailored to our customers’ specific requirements. Our technical support includes:

- *Accelerating Customer Development:* We assist customers with the development and debugging of their application circuit boards and provide turn-key samples. This support is designed to improve our customers’ own product development efficiency and shorten their time-to-market.
- *Resolving Complex System Challenges:* We collaborate closely with our end customers to help them resolve technical challenges encountered during system integration, feature implementation and performance optimization.
- *Providing Specialized Design Expertise:* In core application areas, such as motor control systems, we provide expert technical consulting and design optimization recommendations.

During the Track Record Period, we did not experience any material customer complaint.

### Marketing

As of May 31, 2026, our sales and marketing team consisted of 60 members. Our sales and marketing department is responsible for enhancing our brand awareness, promoting new and existing products, and working closely with our distributors and direct customers to implement our marketing strategies.

We have established long-term and in-depth collaborations with leading companies across various industries, which have contributed to the development of a strong brand reputation and growing industry influence. Through regular and close engagement with our customers, we are able to gain deep insights into their evolving needs and the dynamics of the competitive landscape. This customer-oriented approach allows us to position our products more precisely, promote joint development projects, promptly address technical issues arising during the production process, and provide responsive after-sales support, thereby strengthening customer satisfaction and long-term cooperation.

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### OUR CUSTOMERS

During the Track Record Period, our customers primarily consisted of distributors. For the years ended December 31, 2023, 2024, 2025 and for the five months ended May 31, 2026, our five largest customers in each period together generated RMB280.4 million, RMB335.6 million, RMB469.0 million and RMB239.9 million of revenues, respectively, accounting for 48.7%, 53.8%, 57.6% and 67.9% of our total revenue, respectively. In addition, revenues generated from our largest customer in each year or period accounted for 13.8%, 16.6%, 23.1% and 29.7% of our total revenues for the years ended December 31, 2023, 2024, 2025, and for the five months ended May 31, 2026, respectively. All of our five largest customers in each year were Independent Third Parties during the Track Record Period.

To the best of our knowledge and as of the Latest Practicable Date, we were not aware of any information or arrangement that would lead to the termination of our relationships with any of our major customers. None of our Directors 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 customers during the Track Record Period.

We generally granted credit terms of up to 90 days to our five largest customers in each year of the Track Record Period. For details of salient terms of our agreements with our major customers, please see “— Sales and Marketing — Our Sales Network” in this section. The following table sets forth the details of our five largest customers in each period during the Track Record Period.

| Rank                                    | Customer                  | Customer Type | Sales Amount<br>(RMB'000) | Percentage of total revenue<br>(%) | Type of product/services purchased  | Profile of end customers                                                                                                                                                                                                                                                                                                                                                                                                             | Year of commencement of business relationship |
|-----------------------------------------|---------------------------|---------------|---------------------------|------------------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <i>For year ended December 31, 2023</i> |                           |               |                           |                                    |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                               |
| 1                                       | Customer A <sup>(1)</sup> | Distributor   | 79,138                    | 13.8                               | Trench MOSFET<br>SGT MOSFET<br>IGBT | Leading smartphone manufacturers in the consumer electronics sector. Our products are primarily applied in the fast charger for their smartphones.                                                                                                                                                                                                                                                                                   | 2019                                          |
| 2                                       | Customer B <sup>(2)</sup> | Distributor   | 61,789                    | 10.7                               | Trench MOSFET                       | Leading smartphone and tablet manufacturers in the consumer electronics sector. Our products are primarily applied in the lithium battery protection and battery management system (BMS) for their smartphones and tablets.                                                                                                                                                                                                          | 2021                                          |
| 3                                       | Customer C <sup>(3)</sup> | Distributor   | 54,689                    | 9.5                                | Trench MOSFET<br>IGBT SGT<br>MOSFET | (i) Leading smartphone manufacturers in the consumer electronics sector. Our products are primarily applied in the fast chargers for their smartphones; and (ii) leading UAV manufacturers and new energy storage companies in the industrial applications sector. Our products are primarily applied in the batteries and motor drive systems of their industrial-grade UAVs, and BMS for the energy storage systems, respectively. | 2015                                          |

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| Rank | Customer                  | Customer Type | Sales Amount<br>(RMB'000) | Percentage of total revenue<br>(%) | Type of product/services purchased | Profile of end customers                                                                                                                                                                        | Year of commencement of business relationship |
|------|---------------------------|---------------|---------------------------|------------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 4    | Customer D <sup>(4)</sup> | Distributor   | 45,266                    | 7.9                                | Trench MOSFET<br>SGT MOSFET        | Leading smartphone manufacturers in the consumer electronics sector. Our products are primarily applied in the fast charger for their smartphones.                                              | 2019                                          |
| 5    | Customer E <sup>(5)</sup> | Distributor   | 39,514                    | 6.9                                | Trench MOSFET                      | Leading smartphone and tablet manufacturers in the consumer electronics sector. Our products are primarily applied in the lithium battery protection and BMS for their smartphones and tablets. | 2022                                          |

### Notes:

- (1) Customer A is a private company headquartered in Shanghai, China with a registered capital of RMB5.0 million, that primarily engages in sales of power semiconductor devices.
- (2) Customer B is a private company headquartered in Guangdong, China with a registered capital of RMB15.0 million, that primarily engages in sales of power devices.
- (3) Customer C is a private company headquartered in Guangdong, China with a registered capital of RMB3.0 million, that primarily engages in sales of electronic components.
- (4) Customer D is a private company headquartered in Jiangsu, China with a registered capital of approximately RMB38.1 million, that primarily engages in sales of electronic components.
- (5) Customer E is a private company headquartered in Guangdong, China with a registered capital of RMB2.0 million, that primarily engages in the research, development and sales of electronic devices.

| Rank | Customer | Customer Type | Sales Amount<br>(RMB'000) | Percentage of total revenue<br>(%) | Type of product/services purchased | Profile of end customers | Year of commencement of business relationship |
|------|----------|---------------|---------------------------|------------------------------------|------------------------------------|--------------------------|-----------------------------------------------|
|------|----------|---------------|---------------------------|------------------------------------|------------------------------------|--------------------------|-----------------------------------------------|

### For year ended December 31, 2024

|   |                           |                 |         |      |                             |                                                                                                                                                                                                                                                                                                         |      |
|---|---------------------------|-----------------|---------|------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| 1 | Customer B                | Distributor     | 103,720 | 16.6 | Trench MOSFET<br>SGT MOSFET | (i) Leading smartphone manufacturers in the consumer electronics sector. Our products are primarily applied in the fast chargers for their smartphones; and (ii) leading UAV manufacturers. Our products are primarily applied in the batteries and motor drive systems of their industrial-grade UAVs. | 2021 |
| 2 | Customer E                | Distributor     | 98,175  | 15.7 | Trench MOSFET               | Leading smartphone manufacturers in the consumer electronics sector. Our products are primarily applied in the fast charger for their smartphones.                                                                                                                                                      | 2022 |
| 3 | Customer F <sup>(1)</sup> | Direct customer | 52,521  | 8.4  | Trench MOSFET<br>SGT MOSFET | Leading NEV manufacturer in the automotive electronics sector. Our products are primarily applied in the power management and control applications within their NEVs' domain control systems, including body, powertrain and cockpit domains.                                                           | 2023 |

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| Rank | Customer                  | Customer Type | Sales Amount<br>(RMB'000) | Percentage of total revenue<br>(%) | Type of product/services purchased       | Profile of end customers                                                                                                                                                                                                                                                                                                                                                                                                                                 | Year of commencement of business relationship |
|------|---------------------------|---------------|---------------------------|------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 4    | Customer G <sup>(2)</sup> | Distributor   | 42,683                    | 6.8                                | Trench MOSFET<br>SGT MOSFET<br>SJ MOSFET | (i) Leading UAV manufacturers in the consumer electronics sector. Our products are primarily applied in the batteries and motor drive systems of their consumer-grade UAVs; and (ii) leading UAV manufacturers and new energy storage companies in the industrial applications sector. Our products are primarily applied in the batteries and motor drive systems of their industrial-grade UAVs, and BMS for the energy storage systems, respectively. | 2022                                          |
| 5    | Customer A                | Distributor   | 38,465                    | 6.2                                | Trench MOSFET<br>SGT MOSFET              | Leading smartphone manufacturers in the consumer electronics sector. Our products are primarily applied in the fast charger for their smartphones.                                                                                                                                                                                                                                                                                                       | 2019                                          |

*Notes:*

- (1) Customer F is a public company headquartered in Guangdong, China and listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, that primarily engages in the design and manufacturing of automobiles.
- (2) Customer G is a public company headquartered in Guangdong, China and listed on the Shenzhen Stock Exchange, that primarily engages in the sales of electronic components.

| Rank                                    | Customer   | Customer Type | Sales Amount<br>(RMB'000) | Percentage of total revenue<br>(%) | Type of product/services purchased               | Profile of end customers                                                                                                                                                                                                                                                                                                                                                                                                                                 | Year of commencement of business relationship |
|-----------------------------------------|------------|---------------|---------------------------|------------------------------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <i>For year ended December 31, 2025</i> |            |               |                           |                                    |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                               |
| 1                                       | Customer E | Distributor   | 187,886                   | 23.1                               | Trench MOSFET<br>SGT MOSFET                      | Leading smartphone manufacturers in the consumer electronics sector. Our products are primarily applied in the fast charger for their smartphones.                                                                                                                                                                                                                                                                                                       | 2022                                          |
| 2                                       | Customer G | Distributor   | 129,297                   | 15.9                               | Trench MOSFET<br>SGT MOSFET<br>IGBT<br>SJ MOSFET | (i) Leading UAV manufacturers in the consumer electronics sector. Our products are primarily applied in the batteries and motor drive systems of their consumer-grade UAVs; and (ii) leading UAV manufacturers and new energy storage companies in the industrial applications sector. Our products are primarily applied in the batteries and motor drive systems of their industrial-grade UAVs, and BMS for the energy storage systems, respectively. | 2022                                          |

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| Rank                                      | Customer                  | Customer Type   | Sales Amount<br>(RMB'000) | Percentage of total revenue<br>(%) | Type of product/services purchased        | Profile of end customers                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Year of commencement of business relationship |
|-------------------------------------------|---------------------------|-----------------|---------------------------|------------------------------------|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 3                                         | Customer B                | Distributor     | 73,509                    | 9.0                                | Trench MOSFET<br>SGT MOSFET               | (i) Leading UAV manufacturers in the consumer electronics sector. Our products are primarily applied in the batteries and motor drive systems of their consumer-grade UAVs; and (ii) leading UAV manufacturers and new energy storage companies in the industrial applications sector. Our products are primarily applied in the batteries and motor drive systems of their industrial-grade UAVs, and BMS for the energy storage systems, respectively.                           | 2021                                          |
| 4                                         | Customer F                | Direct customer | 39,616                    | 4.9                                | SGT MOSFET<br>Trench MOSFET               | Leading NEV manufacturer in the automotive electronics sector. Our products are primarily applied in the power management and control applications within their NEVs' domain control systems, including body, powertrain and cockpit domains.                                                                                                                                                                                                                                      | 2023                                          |
| 5                                         | Customer H <sup>(1)</sup> | Distributor     | 38,708                    | 4.8                                | Trench MOSFET<br>SGT MOSFET               | Leading smartphone manufacturers in the consumer electronics sector. Our products are primarily applied in the fast charger for their smartphones.                                                                                                                                                                                                                                                                                                                                 | 2024                                          |
| <i>For five months ended May 31, 2026</i> |                           |                 |                           |                                    |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                               |
| 1                                         | Customer G                | Distributor     | 104,786                   | 29.7                               | SGT MOSFET<br>Trench MOSFET               | (i) Leading UAV manufacturers in the consumer electronics sector. Our products are primarily applied in the batteries and motor-drive systems of their consumer-grade UAVs; and (ii) leading UAV manufacturers and new-energy storage companies in the industrial applications sector. Our products are primarily applied in the batteries and motor-drive systems of their industrial-grade UAVs, and in the battery-management systems for energy-storage systems, respectively. | 2022                                          |
| 2                                         | Customer E                | Distributor     | 71,260                    | 20.2%                              | CSP MOSFET<br>Trench MOSFET<br>SGT MOSFET | Leading smartphone manufacturers in the consumer electronics sector. Our products are primarily applied in the fast charger for smartphones.                                                                                                                                                                                                                                                                                                                                       | 2022                                          |

*Note:*

- (1) Customer H is a private company headquartered in Guangdong, China with a registered capital of RMB30.0 million, that primarily engages in the sales of electronic devices.

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| Rank | Customer                  | Customer Type | Sales Amount<br>(RMB'000) | Percentage of total revenue<br>(%) | Type of product/services purchased | Profile of end customers                                                                                                                                                                                                                                                                                                                                                                                                                                              | Year of commencement of business relationship |
|------|---------------------------|---------------|---------------------------|------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 3    | Customer I <sup>(1)</sup> | Distributor   | 34,950                    | 9.9%                               | SGT MOSFET、Trench MOSFET、SJ MOSFET | (i) Leading consumer-electronics and smart-device manufacturers. Our products are primarily applied in the batteries and motor-drive systems of their consumer-grade devices; and (ii) leading manufacturers in the communications-terminal and precision-components sectors. Our products are primarily applied in the batteries, motor-drive systems and related power-management modules of their smart-device and communications-terminal products, respectively. | 2022                                          |
| 4    | Customer H                | Distributor   | 15,213                    | 4.3%                               | SGT MOSFET、Trench MOSFET           | Leading smartphone manufacturers in the consumer electronics sector. Our products are primarily applied in the fast charger for their smartphones.                                                                                                                                                                                                                                                                                                                    | 2024                                          |
| 5    | Customer J <sup>(2)</sup> | Distributor   | 13,736                    | 3.9%                               | Trench MOSFET、SGT MOSFET           | (i) Leading manufacturers in the consumer-electronics and smart-device sectors. Our products are primarily applied in the batteries and motor-drive systems of their consumer-grade devices; and (ii) leading manufacturers in the automation-equipment and intelligent-control-system sectors. Our products are primarily applied in the batteries, motor-drive systems and power-management modules of their industrial-grade devices, respectively.                | 2019                                          |

*Note:*

- (1) Customer I is a private company headquartered in Guangdong, China with a registered capital of RMB180.0 million, that primarily engages in sales of electronic components.
- (2) Customer G is a private company headquartered in Guangdong, China with a registered capital of RMB8.9 million, that primarily engages in sales of electronic components.

## INTELLECTUAL PROPERTY

Our patents, copyrights, trademarks, domain names, know-how, proprietary technologies, trade secrets and other intellectual property rights are critical to our business operations. As of the Latest Practicable Date, we had 116 granted patents in China and overseas, including 69 invention patents, and 47 applications for patents. As of the same date, we had 107 integrated circuit layout design registrations, four copyright and 54 registered trademarks in China and overseas. For our portfolio of material intellectual property rights for our core technologies of which we are the registered owner, as of the Latest Practicable Date, please see “Appendix V — Statutory and General Information — B. Further Information about our Business — 2. Our Intellectual Property Rights.”

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We rely primarily on a combination of patents, copyrights, trademarks, trade secret and unfair competition laws and contractual rights, such as confidentiality agreement, to protect our intellectual property rights. We clearly define all rights and obligations relating to the ownership, use, and protection of intellectual property in all employment agreements and commercial agreements we enter into. To reinforce our IP protection efforts, we have established a comprehensive internal control system covering the full lifecycle of intellectual property, from creation, registration and maintenance to enforcement and dispute resolution. Our internal policies set out clear procedures for IP reviews, patent filings, trade secret classification and protection and employee obligations regarding confidentiality. We have also clearly defined the responsibility of each department to ensure the effective implementation of these procedures. In addition, we also seek to preserve the integrity and confidentiality of our and technical know-how and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. These include physical access controls at our premises, tiered permission access to sensitive documents, and encryption protocols for our information technology systems.

As of May 31, 2026, we did not experience any pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business. See “Risk Factors — We may become involved in lawsuits to protect or enforce our intellectual property and our patent rights could be found invalid or unenforceable if being challenged in court or before any related intellectual property agency in any jurisdiction.” for further details.

## QUALITY CONTROL

### Product Quality and Safety

We have implemented a comprehensive quality assurance system that ensures rigorous control from R&D and design to production. We are committed to consistently delivering reliable and outstanding products to our customers.

#### *Quality Management*

Our quality management system is established based on the ISO 9001 standard. We systematically analyze customer requirements during product design, and carry out product development with full consideration of performance assurance, reliability, manufacturability, and time to market. We perform quality assurance activities on all products delivered to customers. These activities are governed by documented procedures and managed through a comprehensive and well-organized quality control team, led by our quality director.

#### *Customer Quality*

We operate customer quality management to enhance customer satisfaction by analyzing customer requirements, promptly handling complaints, continuously improving defect management, and maintaining effective communication channels. We continuously monitor Key Performance Indicators (KPIs) to drive ongoing improvements in customer quality.

#### *Manufacturing Quality*

As certain of our packaging and testing are outsourced, we work closely with trusted outsourcing partners to develop optimized manufacturing processes that minimize quality issues during mass production. We maintain a rigorous standard for selecting the suppliers and conduct periodic review to ensure high and stable manufacturing quality of outsourced production. We monitor process data and use statistical process inspection standards to identify

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process variability and assess its impact on product quality. We undertake preventive management activities to continuously improve and prevent quality issues. When quality issues occur, we conduct root cause analysis, implement corrective actions, and establish measures to prevent defect spread. We strictly manage nonconforming products. When process changes arise, we identify risks and manage changes through formal change evaluations.

### Certifications

We have established a comprehensive quality management system in accordance with the IATF 16949 automotive standard, covering the full spectrum of manufacturing and quality control processes. In addition, our laboratory has been certified under the China National Accreditation Service for Conformity Assessment, demonstrating our technical competence in testing and reliability evaluation. We also possess full qualification capabilities for AEC-Q101 automotive-grade product certification, supporting the mass production and reliability assurance of our automotive semiconductor products.

### Product Returns and Warranty

We typically provide a product warranty period of at least one year. We have implemented a systematic return and warranty policy to ensure prompt response to customer feedback and to maintain long-term customer satisfaction.

When a customer requests a product return, our sales personnel will engage with the customer to understand the reason for the return. In the case of quality-related issues, our quality management department will promptly arrange for inspection and issue a formal customer complaint report. Our team will work with the customer to address the issue and provide appropriate solutions. If a return is deemed necessary following communication with the customer, the responsible sales representative will submit a return application via email, which is subject to internal approval by the relevant department head. Upon approval, the return process will be executed accordingly. For non-quality-related matters, such as incorrect shipments, we handle the situation through negotiation with the customer based on the specific circumstances.

In 2023, 2024, 2025 and for the five months ended May 31, 2026, product returns from our distributors amounted to RMB4.0 million, RMB0.2 million, RMB1.1 million and RMB0.2 million, respectively, and product returns from our end customers amounted to RMB0.1 million, RMB0.2 million, RMB0.2 million and nil, respectively. Such returns were mainly due to mismatches between the technical specifications of our products and customers’ actual requirements, and the products can generally be resold after inspection. During the Track Record Period, we did not experience any material product recall, return or liability claims.

### INVENTORY

Our inventories primarily consist of raw materials, work in progress, outsourced processing materials, finished goods, dispatched goods and goods in transit. We place great emphasis on inventory management and have established end-to-end procedures to ensure both the security and efficiency of our inventory. Our inventories are stored at designated locations and issue on a first-in, first-out basis. We also strictly control our warehouse temperature and humidity according to different inventory types. From receipt to dispatch, we have in place rigorous verification procedures to monitor every steps. Besides, we conduct regular inventory check to maintain accuracy and transparency, thereby ensuring the stable operation of our warehousing and logistics system. We also periodically analyze slow-moving inventories and promptly implement appropriate management plans.

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### INFORMATION SECURITY AND DATA PRIVACY

We have adopted a series of measures to secure the privacy of our customers, including maintaining the register of our data processing activities, adopting security mechanism such as encryption for our data storage, and deploying antivirus solutions and network accessibility restrictions. Besides, we have established data backup and disaster recovery plans for our IT applications and servers.

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisor, we had not been subject to any material claim or penalty or accident in relation to data privacy and security, and we had been in compliance with the relevant PRC Data privacy and protection laws and regulations in all material aspects.

### COMPETITION

The power semiconductor device industry in which we operate is intensely competitive and characterized by rapid technological evolution, fast changes in customer demands and preferences, frequent introduction of new products and services and constant emergence of new industry standards and practices.

According to CIC, the Chinese power semiconductor device industry remains relatively concentrated, with the top ten participants accounting for over half of domestic market share in terms of revenue. These companies lead in core power technologies covering silicon, silicon carbide and gallium nitride and have long dominated high-end applications such as consumer electronics, automotive electronics, industrial applications, and emerging AI sectors, thus forming a stable supply framework.

Meanwhile, Chinese companies, although relatively smaller in scale, have rapidly expanded their market share by leveraging their technological innovation capabilities, driven largely by domestic demand and growth of the downstream industry. While most Chinese companies remain focused on the low- to mid-end segments, their role in the global landscape is expected to grow as localization advances and investments in process upgrades and packaging technologies deepen. Bridging the technological gap with established overseas companies remains a key priority, particularly as China pushes for greater self-sufficiency and competitiveness in core power semiconductor device components. See “Industry Overview” for more information about the competitive landscape we face.

### INSURANCE

We maintain insurance policies to cover various aspects of our business and operations, such as employee accident insurance, compulsory traffic accident liability insurance and commercial vehicle accident insurance to secure our business continuity. We review our insurance policies timely to ensure its compliances with the statutory PRC laws and regulations. We believe that our existing insurance coverage is adequate for our business operation and is in line with industry standards in the countries where we operate.

During the Track Record Period, we were not subject to any material claim of insurance. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See “Risk Factors — Our insurance coverage may not be sufficient to cover all losses or potential claims, which would affect our business, financial condition and results of operations.”

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### EMPLOYEES

As of May 31, 2026, we had a total of 366 full-time employees. A majority of our employees were based in China during the Track Record Period and up to the Latest Practicable Date. The table sets forth a breakdown of our employees by function as of May 31, 2026.

| Function                      | Number     | Percentage of<br>Total Number<br>(%) |
|-------------------------------|------------|--------------------------------------|
| R&D . . . . .                 | 93         | 25.4                                 |
| Sales and marketing . . . . . | 60         | 16.4                                 |
| Procurement . . . . .         | 24         | 6.6                                  |
| Production . . . . .          | 140        | 38.3                                 |
| Finance . . . . .             | 7          | 1.9                                  |
| Administrative . . . . .      | 42         | 11.5                                 |
| <b>Total . . . . .</b>        | <b>366</b> | <b>100.0</b>                         |

We enter into standard employment agreements with our employees to cover matters regarding confidentiality, intellectual property, employment, commercial ethics and noncompetition, in particular, the noncompetition provision and confidentiality provision.

We highly value the potential of our employees and have invested substantial efforts and resources in recruiting and training our employees. In addition to regular recruitment program through specialized recruiting firms and other third-parties, we have also implemented internal referrals policy to attract potential talents to join us. In light of the long-term benefits of talent cultivation, we provide internal training programs to our employees periodically to enhance their technical know-how and solid their knowledge and expertise for the industry.

None of our employees are currently represented by labor unions. We believe that we maintain good working relationships with our employees, and we have not experienced any material labor disputes, strikes, protests or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

### Social Insurance and Housing Provident Funds

As required by applicable laws and regulations, we participate in various government statutory employee benefit plans, including social insurance plans, namely pension, medical, unemployment, work-related injury and maternity insurance plans, and housing provident funds.

During the Track Record Period, we did not make full contributions to social insurance and housing provident fund for our employees as required by the relevant PRC laws and regulations. In 2023, 2024, 2025 and five months ended May 31, 2026, the shortfall of our social insurance contributions and housing provident funds was RMB2.3 million, RMB2.6 million, RMB5.3 million and RMB3.2 million, respectively. As advised by our PRC Legal Advisor, pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. As such, the maximum amount of penalty is expected to be RMB5.6 million, RMB6.4 million, RMB13.0 million and RMB7.8 million in 2023, 2024, 2025 and five months ended May 31, 2026,

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respectively. Additionally, pursuant to applicable PRC laws and regulations, if an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the relevant authority could order the employer to make the payment and deposit within a prescribed time limit and, failing which, an application may be made to a court in China for compulsory enforcement. Pursuant to the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilizing the Levy of Social Insurance Payment (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated on September 21, 2018 by the Ministry of Human Resources and Social Security, human resources and social security authorities are prohibited from organizing and conducting centralized collection of enterprises’ historical social insurance underpayments.

We have not made provisions for the shortfalls of contributions to the social insurance and housing provident funds during the Track Record Period. Considering that, as of the Latest Practicable Date, (i) we were not aware of any plans by the relevant tax authorities or regulatory bodies to conduct a comprehensive recovery or impose penalties to make the outstanding shortfall, (ii) we had not received any notice from relevant competent government authorities regarding any claim for inadequate contributions of our employees, nor any notification from the relevant competent government authorities requiring us to pay the shortfalls, (iii) if we are required to make such payments, we will promptly settle the outstanding shortfall in social insurance and the housing provident fund, and (iv) the Ministry of Human Resources and Social Security and the State Administration of Taxation have strictly prohibited the centralized collection of historical shortfalls for social insurance and housing provident fund contributions, our PRC Legal Advisor is of the view that, (i) the likelihood that the relevant social insurance and housing provident fund authorities would take initiative to recover the shortfall of social insurance and housing provident fund contributions from us or impose material administrative penalties on us due to our failure to provide full social insurance and housing provident fund contributions for our employees during the Track Record Period is remote, and (ii) the shortfall has no material adverse impact on our business operations and financial performance. According to the prevailing government policies and enforcement practices in the relevant jurisdictions, as advised by our PRC Legal Advisor, in the absence of employee complaints, regulatory authorities generally do not proactively require employers to pay the shortfalls. As of the Latest Practicable Date, we were not subject to any mandatory rectification or additional payments. Notwithstanding the foregoing, we have initiated internal self-assessment procedures to review our social insurance compliance practices and strengthen relevant internal management processes. We will continue to monitor regulatory developments and maintain communication with the relevant authorities. If and when the competent authorities require corrective actions, we expect to implement the necessary rectification measures within the applicable timeframe. Notwithstanding that the maximum potential amount of penalties accounted for approximately 40.0%, 33.0% and 25.7% of our profit for the years ended December 31, 2023, 2024 and 2025, respectively, the maximum potential amount of penalty is expected to be RMB7.8 million for the five months ended May 31, 2026, during which period we recorded a net loss of RMB0.5 million, based on the view of our PRC Legal Advisor, and taking into account (i) the absence of any historical penalties or ongoing investigations by the relevant authorities, (ii) prevailing enforcement policies and practices, and (iii) the measures we have implemented to strengthen our management of social insurance compliance, our Directors are of the view that the likelihood that we would be required by relevant authorities to pay the shortfall for social insurance and housing provident fund contributions and/or be subject to material administrative penalties due to our failure to provide full social insurance and housing provident fund contributions is remote. Thus, the shortfall would not have a material adverse impact on our business operations or financial performance.

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### PROPERTIES

#### Owned Properties

As of Latest Practicable Date, we owned four buildings or units in Guangdong, China, with an aggregate GFA of over 33,000 sq.m., which were mainly used as our factory and warehouses. As of Latest Practicable Date, we had obtained all building ownership certificates for all buildings we owned.

In October 2025, Vergiga Integrated Circuit (Zhoushan) Co., Ltd. (威兆集成電路(舟山)有限公司) (“**Vergiga Zhoushan**”), our subsidiary, entered into a land use rights grant contract with the Natural Resources and Planning Bureau of Zhoushan, Zhejiang Province. Pursuant to the contract, Vergiga Zhoushan agreed to acquire the land use rights for a parcel of state-owned construction land located in Putuo District, Zhoushan, for a total consideration of approximately RMB51.74 million. The consideration is payable in two installments and funded by cash from our business operations. As of the Latest Practicable Date, we had paid the first installment of approximately RMB25.87 million in accordance with the contract terms. We have also completed the preliminary title registration (預告登記) for the property with the relevant PRC real estate registration authority. We expect to settle the final installment by October 2026 with our operating cash flows. We intend to use this property to build a new production base.

In February 2026, Vergiga Zhoushan entered into another a land use rights grant contract with the Natural Resources and Planning Bureau of Zhoushan, Zhejiang Province. Pursuant to the contract, Vergiga Zhoushan agreed to acquire the land use rights for a parcel of state-owned construction land located in Putuo District, Zhoushan, for a total consideration of approximately RMB26.8 million. The consideration is payable in two installments and funded by cash from our business operations. As of the Latest Practicable Date, we had paid the first installment of approximately RMB13.4 million in accordance with the contract terms. We have also completed the preliminary title registration (預告登記) for the property with the relevant PRC real estate registration authority. We expect to settle the final installment by February 2027 with our operating cash flows. We intend to use this property to build a new production base.

#### Lease Properties

As of Latest Practicable Date, we leased seven main properties across China, with an aggregate GFA of 3,867.8 sq.m., which were mainly as our offices. For two of these leased properties, we had not received real estate ownership certificates or proof of authorizations from the lessors or the property owners as of the Latest Practicable Date. As advised by our PRC Legal Advisor, these defects would not have material adverse effect on our use of the properties for our business. Our leases generally have a term ranging from one to three years. We are generally allowed to terminate lease agreements with a prior notice, which provides us with operational flexibility, albeit usually at the cost of forfeiting deposits and/or paying a termination fee.

Pursuant to the applicable PRC laws and regulations, property lease agreements shall be registered with the relevant local branches of the PRC Ministry of Housing and Urban-Rural Development. As of the Latest Practicable Date, we had not completed lease registration for four of the properties we leased in China. The failure of obtaining lease agreement registration was primarily because (i) owners of two properties have not obtained ownership certificates; (ii) owner of one property fails to cooperate in providing the relevant ownership certificate and (iii) the lease registration of one lease is expected to complete in due course. According to the

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relevant PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease, and a maximum of RMB40,000 for our four non-registered leases. As advised by our PRC Legal Advisor, the lack of registration of the lease agreements does not affect the validity of such lease agreements, nor materially and adversely affect the operations of our Company and the Group.

### Property Valuation

As of the Latest Practicable Date, no single property interest forming part of our Group’s property activities had a carrying amount of 1% or more of our total assets and we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include in this document any valuation report. Pursuant to section 6(2) of the Companies (Exemption of Companies and prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We emphasize on long-term value creation and social responsibility, being fully aware that factors such as environmental, social and governance (“ESG”) have a profound impact on our long-term sustainable development. Therefore, we have thoroughly embedded ESG principles within our strategic planning and day-to-day operations, committed to creating long-term positive value in the ESG area for our stakeholders including customers, suppliers and communities affected by our operations.

### ESG Governance Framework

In order to effectively manage and promote our ESG efforts, we have established a structured ESG governance framework that is aligned with our long-term strategic objectives. The framework is divided into three levels: strategy, tactics and execution, covering the Board, the ESG working group, management and executives:

- **The Board:** The Board is responsible for formulating our ESG strategies and policies, overseeing the ESG governance system, and evaluating our overall ESG performance.
- **ESG Working Group:** This cross-departmental group is responsible for implementing ESG strategy, setting targets, assessing ESG-related risks, and reporting progress to the Board.
- **Management and Executives:** Our management and executive teams are responsible for executing ESG plans and integrating ESG requirements into our daily business operations.

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### ESG Risk Management and Strategy

We have established a risk management and internal control system to identify, assess, and manage material ESG-related risks. Our primary ESG risk management strategies focus on the following areas:

- **Environmental:**
  - We are committed to addressing climate change and improving energy efficiency by optimizing our energy structure, exploring renewable energy sources, and implementing energy-saving measures. We also manage waste in compliance with applicable laws and regulations, and seek to reduce waste generation through recycling and other initiatives.
- **Social:**
  - We are committed to employee health, safety and development by providing a safe working environment, protecting employee rights, and offering training and career development opportunities. In product responsibility, we manage quality throughout the product lifecycle and maintain a customer complaint mechanism to protect customer rights. For data security, we have established a comprehensive information security management system tailored to our semiconductor design business, including data classification, access controls and encryption to protect R&D data and customer information. We also integrate ESG principles into our R&D process, focusing on developing environmentally friendly products for strategic areas such as automobile and photovoltaic energy storage.
- **Governance:**
  - We uphold business ethics through our compliance management system and regular employee training. In supply chain management, we have established supplier admission, review and evaluation procedures that require suppliers to disclose their environmental certifications and quality management systems.

### ESG Environment

#### *Indicator*

We proactively promote carbon reduction and environmental protection principles and have implemented a series of measures to address environmental risks, including climate change and energy shortages. Through environmental impact assessments, we ensure that our products meet sustainable development standards.

Our main business is the research and development, design and sales of high-performance power semiconductor devices. In addition, we operate our Zhuhai factory to undertake a portion of manufacturing activities.

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During the Track Record Period, our main energy consumption details were as follows:

| Indicator                                 | Unit          | For the year ended December 31, |           |            | For the five months ended May 31, |
|-------------------------------------------|---------------|---------------------------------|-----------|------------|-----------------------------------|
|                                           |               | 2023                            | 2024      | 2025       | 2026                              |
| Gasoline consumption . . .                | Liter         | 7,062.82                        | 8,071.67  | 7,942.64   | 3,021.21                          |
| Power consumption . . . .                 | Megawatt hour | 2,053.29                        | 6,849.32  | 9,120.54   | 4,754.36                          |
| Total water consumption .                 | Ton           | 6,191.00                        | 39,166.00 | 123,736.50 | 69,780.00                         |
| Exhaust emissions . . . . .               | Ton           | –                               | 0.24      | 2.05       | 0.30                              |
| Total amount of hazardous waste . . . . . | Ton           | –                               | 23.35     | 160.58     | 134.09                            |

*Note:* Our Zhuhai factory commenced trial operations in July 2024. No exhaust gases, waste materials, or packaging material consumption were generated from 2023 up to May 31, 2026.

In terms of greenhouse gas emissions, we categorize our emissions into Scope 1, Scope 2 and Scope 3 in accordance with the Greenhouse Gas Accounting System — Enterprise Accounting and Reporting Standards. Scope 1 emissions relate to direct emissions from fuel combustion, primarily gasoline consumed by our operations. Scope 2 emissions represent indirect emissions from purchased electricity. Scope 3 emissions mainly relate to indirect emissions generated from business travel.

During the Track Record Period, the breakdown of our principal greenhouse gas emissions is as follows:

| Indicator                                      | Unit                             | Year ended December 31, |          |          | For the five months ended May 31, |
|------------------------------------------------|----------------------------------|-------------------------|----------|----------|-----------------------------------|
|                                                |                                  | 2023                    | 2024     | 2025     | 2026                              |
| Total greenhouse gas emissions . . . . .       | tCO <sub>2</sub> e               | 1,351.47                | 3,929.53 | 5,231.90 | 2,692.16                          |
| Scope 1 greenhouse gas emissions . . . . .     | tCO <sub>2</sub> e               | 16.67                   | 19.05    | 18.74    | 7.13                              |
| Scope 2 greenhouse gas emissions . . . . .     | tCO <sub>2</sub> e               | 1,101.79                | 3,675.35 | 4,894.08 | 2,551.19                          |
| Scope 3 greenhouse gas emissions . . . . .     | tCO <sub>2</sub> e               | 233.01                  | 235.13   | 319.08   | 133.84                            |
| Intensity of greenhouse gas emission . . . . . | tCO <sub>2</sub> e/million units | 1.76                    | 3.76     | 3.28     | 3.88                              |

*Note:* Total greenhouse gas emissions are the sum of Scope 1, Scope 2 and scope 3 greenhouse gas emissions.

### Energy saving and emission targets

|                                                                                     |     |
|-------------------------------------------------------------------------------------|-----|
| Reduction in carbon emissions intensity in 2050 relative to 2024 . . . . .          | 30% |
| Decrease in electricity intensity <sup>(1)</sup> in 2030 compared to 2024 . . . . . | 1%  |

*Note:*

(1) Electricity intensity = MWh/million units.

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### **Emissions**

Our factory has obtained the IECQ HSPM QC080000 Hazardous Substance Management System Certification.

The waste we generate is divided into hazardous waste (such as mixed acid waste liquid, nickel-containing waste liquid, gold-containing waste liquid, palladium-containing waste liquid, waste engine oil, composite wastewater sludge and spent activated carbon) and non-hazardous waste (such as cardboard, wood and scrap metal). The hazardous waste generated in our daily operations is handled by qualified third-party waste disposal companies.

In terms of exhaust gas emissions, the packaging and testing plants mainly produce non-methane hydrocarbon (NMHC). To ensure that the exhaust gas meets the emission standards, we adopt a treatment process that combines water spray tower adsorption with secondary activated carbon adsorption. After this process, harmful substances in the exhaust gas can be effectively removed, thereby reducing harmful effects. At the same time, the exhaust gas emissions are monitored through regular testing to ensure that the exhaust gas emission concentration and the total amount of pollutants meet regulatory requirements.

### **Clean Energy and Energy Efficiency**

We are committed to low-carbon operations, with our core business deeply integrated into the new energy ecosystem, serving key areas such as new energy vehicle power systems, smart charging stations, and photovoltaic energy storage. We are also advancing a comprehensive green office system to enhance resource efficiency through energy-saving habits, water conservation, and standardized vehicle management, including timely recording of mileage and fuel consumption to reinforce fuel control.

### **Green Products**

Our WLCSP products can meet high industrial reliability standards without additional plastic mold compound for protection. By eliminating the need for materials such as packaging frames, lead wires and molding resin, and avoiding the use of hazardous substances like lead, our products exhibit comparatively lower material usage in the packaging process. We plan to further develop and broaden the application of WLCSP technologies and gradually increase the contribution of such products to our revenue mix. We will also continue to optimise our manufacturing processes with a focus on resource efficiency and environmental performance, and explore the adoption of similar technologies across more product categories to support differentiated competitiveness and contribute to the industry’s low-carbon development.

### **Employment**

We are committed to talent introduction and development, ensuring equal rights in employment terms, training, promotion and compensation, and prohibiting discrimination and all forms of child or forced labor. As of May 31, 2026, we had a total of 366 employees, consisting of 241 males and 125 females. In terms of age distribution, 12 employees were aged 50 and above, 197 were between 30 and 50 years old, and 157 were under 30.

### **Employee Communication, Health and Safety**

We have established communication channels including management-employee symposia, anonymous suggestion boxes, and cross-departmental project groups to facilitate business exchanges. In occupational health and safety, we comply with the PRC Law on the

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Prevention and Control of Occupational Diseases and the ISO 45001:2018 standard. We provide annual health check-ups, emergency medical kits, on-site gym facilities, and business travel accident insurance for employees. During the Track Record Period, we recorded no significant occupational safety incidents, demonstrating our success in fostering a safe and compliant working environment.

### *Employee Cultivation and Development*

In terms of employee training, we have formulated a comprehensive training system to ensure the orderly and efficient implementation of employee training and lay a solid foundation of talents for the long-term development of our Company.

In terms of career development, we have established a dual-track promotion system of “Technical+ Managerial” to provide employees with multi-dimensional career growth space.

### **Supply Chain Management**

As a semiconductor design company, we recognized that upstream processes within our supply chain, particularly wafer fabrication and packaging and testing, involve high levels of energy consumption and may give rise to environmental impact. To ensure environmental compliance and promote sustainability across our supply chain, we have implemented the following measures:

- (1) we require all third-party wafer foundries and packaging and testing service providers to comply with the environmental protection laws and regulations applicable to their operations, including requirements relating to wastewater and exhaust emissions and hazardous waste management. We monitor the environmental compliance records of our suppliers on an ongoing basis and take such performance into account in our supplier risk assessments, as any non-compliance may expose us to potential liabilities or otherwise affect the stability of our supply chain.
- (2) In selecting and evaluating suppliers, we assess their environmental management systems and capabilities.
- (3) We continue to enhance the environmental performance of our Zhuhai factory, which operates in strict accordance with the Environmental Protection Law of the PRC and the Regulations on the Administration of Pollutant Discharge Permits. We also use our internal practices as benchmarks and actively encourage our major suppliers to improve energy efficiency and reduce emissions, with the aim of jointly mitigating environmental risks and supporting the green and sustainable development of our industry value chain.

### **Anti-Bribery and Anti-Corruption**

In order to build an honest and compliant business operation system and to maintain a strong business reputation and ethical standards, we have formulated strict management policies for anti-corruption and anti-bribery, which expressly prohibit any forms of corruption, bribery and unfair benefit transmission.

We have set up a physical complaint box and established a safe and confidential whistle-blowing process. Complaints are directly handled and investigated by designated personnel, and a comprehensive whistle-blower protection mechanism has been established. Prior to cooperating with business partners, we carry out compliance assessments, prohibit the

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transfer of improper benefits, and clearly specify the liquidated damages clause in the cooperation agreement. Additionally, our management implements regular supervision of key business areas through internal audit and third-party compliance inspections, ensuring that anti-corruption standards are embedded throughout the operational chains.

During the Track Record Period, we did not receive any material investigation in relation to anti-corruption matters.

### Charity and Public Welfare

We are concerned about public welfare issues such as environmental protection, rural revitalization and community construction, and proactively fulfil our corporate social responsibility by actively engaging in social welfare through various forms and making charitable donation activities.

In 2025, we made a charity donation of RMB10,000 for the project to construct a new drinking water cistern in Daluping Group, Qianjin Village, Longxing Town, Daozhen Gelao and Miao Autonomous County, Zunyi City.

### AWARDS AND RECOGNITIONS

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

| Award/Recognition                                                                                              | Award Year                | Awarding Institution/Authority                                        |
|----------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------------------------------------------|
| National High-tech Enterprise (國家高新技術企業) . . . . .                                                             | 2023                      | Shenzhen Science and Technology Innovation Commission                 |
| National Little Giant Enterprise (國家專精特新小巨人企業). . . . .                                                        | 2024                      | PRC Ministry of Industry and Information Technology                   |
| Guangdong Engineering Technology Research Center (廣東省工程技術研究中心) . . . . .                                       | 2024                      | Guangdong Science and Technology Department                           |
| Shenzhen Technologically Advanced Small and Medium-sized Enterprise (深圳市專精特新中小企業). . . . .                     | 2024                      | The Service Bureau for Small and Medium-sized Enterprises of Shenzhen |
| China IC Design Fabless 100 Ranking — Top 10 Power Device Company (中國IC設計Fabless100排行榜 —TOP10功率器件公司) . . . . . | 2023, 2024, 2025 and 2026 | ASPENCORE                                                             |

During the Track Record Period and up to the Latest Practicable Date, we had also participated in the drafting of several national standards for semiconductors.

### LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

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During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial conditions.

According to our PRC Legal Advisor, the business operations we engaged in had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

### INTERNAL CONTROL AND RISK MANAGEMENT

We are committed to establishing and maintaining a robust risk management and internal control framework. We have adopted and continuously enhance our internal control mechanisms, including policies and procedures tailored to our business operations. And our comprehensive risk management policies address potential risks arising across various aspects of our operations, covering R&D, production, procurement, sales, human resources, finance, legal and compliance, among other areas.

#### Operational Risk Management

We face operational risks in our daily operations, primarily arising from inadequate internal controls and systems, human error, IT system failures or external events. We consider these operational risks to be our principal business risks and believe that they can be controlled and mitigated through appropriate operational policies and procedures. We have established a sound risk management system to monitor and address risks in our daily operations, including the management of: (i) internal financial records; (ii) corporate seals and signatures; and (iii) business records.

#### Financial Reporting Risk Management

We have established a set of accounting policies to manage financial reporting risks, including accounting records management, invoice management, budget management, cash management, financial statement preparation, and financial department and staff management. To implement these policies, we have developed corresponding procedures, and our finance department regularly reviews our management accounts in accordance with those procedures.

#### Information System Risk Management

We have implemented relevant internal procedures and controls to ensure that data is protected, and that leakage and loss of such data is avoided. During the Track Record Period and up to the Latest Practicable Date, we did not experience any information leakage or loss of data that would have a material and adverse effect on our operations. We have instituted and implemented stringent information system monitoring procedures. We also dedicated information system administrators to review the security situation to maintain high standards of data integrity and security. This review process includes examining authorized access, privileged operations, attempts at unauthorized access, system failures, and anomalies.

#### Internal Audit

We have established an audit committee to monitor the implementation of our risk management policies across our Group on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The audit committee consists of three members, namely Ms. JI Xingdan, Dr. CHEN

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Yu and Mr. YUAN Wei. Ms. JI Xingdan is the chairperson of the audit committee. For the professional qualifications and experiences of the members of our audit committee, see the section headed “Directors and Senior Management” for details.

We also maintain an internal audit department which is responsible for reviewing the effectiveness of internal controls and reporting to the audit committee and senior management on any issues identified. Our internal audit department members are required to report to management to discuss any internal control issues we face and the corresponding measures to implement toward resolving such issues. The internal audit department reports to the audit committee to ensure that any major issues identified are channeled to the committee on a timely basis. The audit committee then discusses the issues and reports to the board of directors, if necessary.

### **Internal Control Risk Management**

We have designed and implemented stringent internal control procedures to ensure compliance with all applicable laws and regulations. Under these procedures, our legal department reviews contract terms, examines relevant business documents, and secures any required government approvals or consents in advance. We strictly prohibit employees from accepting kickbacks, bribing others, secretly collecting commissions, or obtaining any other personal benefits.

### **Human Resources Risk Management**

We have implemented a comprehensive human resources management system to enhance operational efficiency as well as safeguard the lawful rights and interests of both parties to the employment relationship. Our internal human resources framework covers every stage of the employment lifecycle from recruitment and probation, to performance appraisal, promotion, review, and termination. We have in place an employee handbook and code of conduct approved by our management, and distribute them to all our employees. The handbook sets out internal rules and guidelines on professional ethics, fraud prevention, misconduct, and corruption. Besides, we also provide regular training and resources to help our employees understand the guidelines set out in the handbook.

## **BUSINESS ACTIVITIES IN RELATION TO PRODUCTS AND ENTITIES SUBJECT TO U.S. EXPORT CONTROLS AND INTERNATIONAL SANCTIONS**

During the Track Record Period, we have procured thermal sensors (“**Procured Items**”) classified under the Export Control Classification Number (“**ECCN**”) of EAR99. We procured the Procured Items in 2023, with a minimal transaction amount of USD7,800. The Procured Items were only used for testing purposes, in particular, junction temperature testing, thermal resistance parameter measurement, and device reliability verification of certain semiconductor samples, and were not involved in the our production process nor incorporated into products for external sales. Save for the Procured Items, we have not procured other components subject to the EAR. These Procured Items classified as EAR99 are generally low-technology consumer goods that do not require a license in most situations, including our procurement, since we are not designated on the Specially Designated Nationals and Blocked Persons List, the Entity List or the Military End-User List during the Track Record Period and up to the Latest Practicable Date. After consultation with our U.S. Foreign Investment and International Sanctions Legal Advisor and taking into account its view, after performing the procedures it considers necessary, our Directors are of the view that, on such basis, export licenses are not required for our procurement of such Procured Items.

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During the Track Record Period, we have sold Trench MOSFET in chip scale packaging (“CSP”) and wafer to two customers listed on the Entity List (“**EL Customers**”) maintained by the BIS. Provision of items subject to the EAR without a licence from BIS to the EL Customers is prohibited. We transacted with the two EL Customers only in 2025. The revenue generated from such sales was approximately RMB33.3 million, representing approximately 4.1% of our total revenue in 2025. Our transactions with the EL Customers (i) were denominated solely in RMB; (ii) did not incorporate or contain 10% or more of technology or items subject to the EAR nor are a direct product of controlled U.S. technology or subject to the applicable foreign direct product rule pursuant to the § 734.9 of the EAR (“**FDPR**”) and (iii) all our products sold to the EL Customers were not of U.S.-origin. After consultation with our U.S. Foreign Investment and International Sanctions Legal Advisor and taking into account its view, after performing the procedures it considers necessary, our Directors are of the view that, given the nature of the transaction involving the EL Customers, these transactions did not represent a violation of the U.S. export controls applicable to the EL Customers. Going forward, we expect to continue to transact with the EL Customers, provided that these transactions remain compliant with the EAR.

We had engaged with four suppliers listed on the Entity List during the Track Record Period as foundries to manufacture our Trench MOSFET and epitaxy domestically in China, and we also procured epitaxy from one supplier listed on the Entity List (these five suppliers are collectively referred as the “**EL Suppliers**”). The BIS regulates exports to entities listed on the Entity List. Provision of items, technologies or materials subject to the EAR to entities listed on the Entity List without a license from the BIS is prohibited. Items, technologies or materials will be subject to the EAR if they are (i) of U.S. origin, (ii) incorporate more than the de minimis threshold of U.S. origin components, or (iii) a direct product of U.S. origin item, technology or materials. Our business activities with the EL suppliers were limited to procurement, i.e., no sales whether or not subject to the EAR were made to the EL Suppliers. As advised by our U.S. Foreign Investment and International Sanctions Legal Advisor, since no items, technologies or materials subject to the EAR were exported to the EL Suppliers (i.e. limited to procurement) which may otherwise represent a violation to the applicable U.S. export control regulations, these transactions did not represent a violation of the U.S. export controls regulations applicable to the EL Suppliers.

Our purchases from the EL Suppliers were approximately RMB20.9 million, RMB35.2 million, RMB175.7 million and RMB75.7 million, representing approximately 4.3%, 6.8%, 28.2% and 26.1% of our cost of sales in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively. The increase in our purchases from the EL Suppliers was due to the higher demand of Trench MOSFET. We have explored alternative sources of supply and may adjust our supply chain as needed. However, since these EL Suppliers deliver consistent product quality and our transactions with the EL Suppliers did not represent a violation of the U.S. export controls, we expect to continue to transact with these EL Suppliers to the extent that our transactions with them continue to remain compliant with the EAR. To mitigate potential sanctions risks, we will incorporate contractual provisions on sanctions and export controls requiring these EL Suppliers to comply with all applicable import, export, and sanctions laws and regulations — including, for example, a prohibition on transferring any items subject to the EAR. In addition, since our wafer procurement relies on mature process technologies and does not involve advanced nodes. Our supply chain is highly stable and easily substitutable as this sector is technically mature and has ample market capacity. Therefore, we do not expect any material risk of supply disruptions due to technical bottlenecks. To reduce dependency on any single supplier and to mitigate the supply chain risk, we have been perusing a diversified sourcing strategy by conducting small-scale trial productions with various compatible

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foundries to expand our verified vendor list and ensure long-term production stability. We do not expect any material adverse impact on our business operation regarding the continuing transactions with the EL Suppliers or any supply chain adjustment if deemed to be more favorable for our business.

To ensure compliance with the relevant sanctions and export control laws and regulations, we have implemented the following key measures to strengthen the adequacy and effectiveness of our internal control system:

- *Establishment of Policies and Systems:* We have established anti-money laundering and counter-terrorist financing policies, including sanctions screening obligations, procedures for identifying potential sanctions and export control risks, and risk reporting requirements.
- *Customer and supplier screening:* When establishing new business relationships with customers or suppliers, we conduct qualification assessments and screen them against applicable restricted party lists.
- *Monitoring updates on sanctions and export controls:* We closely monitor updates to applicable sanctions and export control laws, regulations and relevant restricted party lists on an ongoing basis to ensure adherence to the latest regulatory requirements.
- *Contractual safeguards:* We incorporate sanction and export control-related provisions into our contracts, requiring counterparties to comply with applicable import/export and sanctions laws and regulations, and providing that counterparties shall be liable for damages in the event of any breach.
- *Independent professional assessment:* We have engaged our legal advisor as to U.S. foreign investment and international sanctions to conduct an independent assessment of our compliance with applicable sanctions and export control laws and regulations, including a comprehensive review of our current and historical business operations for potential sanctions risks.

Based on the above, and after consultation with our internal control consultant, our Directors are of the view that our Company’s enhanced internal control measures in relation to sanctions and export control are adequate and effective.

## LICENSES, APPROVALS AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we and our subsidiaries in China had obtained all requisite licenses, approvals and permits from relevant government authorities that are material to our business operations in China and overseas. We are required to renew such certificates, permits and licenses from time-to-time, and we are continually overseeing the compliance with the relevant laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing the licenses, approvals and permits, and currently we do not expect any material difficulties in such renewal.

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The following table sets forth our material licenses, approvals and permits for our business operations as of the Latest Practicable Date:

| License/Approval/Permit                                                                                          | Holder           | Issuing Authority                                  | Grant Date      | Expiration Date |
|------------------------------------------------------------------------------------------------------------------|------------------|----------------------------------------------------|-----------------|-----------------|
| Registration Certificate for Customs Declaration Entities of the PRC (中華人民共和國海關報關單位註冊登記證書) .                     | The Company      | Shenzhen Customs of the PRC                        | January 9, 2018 | Long-term       |
| Filing Receipt for Consignees and Consignors of Import and Export Goods (海關進出口貨物收發貨人備案回執) . . . . .              | Zhuhai Vergiga   | Shenzhen Customs of the PRC                        | April 27, 2021  | Long-term       |
| Filing Receipt for Consignees and Consignors of Import and Export Goods (海關進出口貨物收發貨人備案回執) . . . . .              | Zhuhai Haochen   | Shenzhen Customs of the PRC                        | June 23, 2020   | Long-term       |
| Certificate of Registration for Consignees and Consignors of Import and Export Goods (海關進出口貨物收發貨人備案證明) . . . . . | Vergiga Zhoushan | Hangzhou Customs of the PRC                        | March 3, 2026   | Long-term       |
| Pollutant Discharge Permit (排污許可證) . . . . .                                                                     | Zhuhai Vergiga   | Zhuhai Municipal Bureau of Ecology and Environment | August 7, 2025  | August 6, 2030  |
| Radiation Safety Permit (輻射安全許可證) . . . . .                                                                      | Zhuhai Vergiga   | Zhuhai Municipal Bureau of Ecology and Environment | April 2, 2024   | April 1, 2029   |