

RISK FACTORS

An [REDACTED] in our H Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED]. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section titled “Forward-looking Statements” of this document.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry, (ii) risks relating to doing business in the countries and regions where we operate, and (iii) risks relating to the [REDACTED]. You should consider our business and prospects in light of the challenges we face, including those discussed in this section.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our significant reliance on Customer A and the departure of key members of our management team may adversely affect our business, operating results and financial condition.

Revenue generated from our five largest customers in 2023, 2024 and 2025, and for the four months ended April 30, 2026, accounted for 84.6%, 77.6%, 64.9% and 62.1%, respectively, of our total revenue for the same years/period. Customer A has been our largest customer for over ten years. Revenue generated from Customer A for each of the same years/period accounted for 65.7%, 61.4%, 49.5% and 42.9%, respectively, of our total revenue. Any reduction, delay or cancellation of orders from Customer A, any change in its procurement arrangements, or any failure by us to maintain Customer A’s qualification, performance or delivery requirements could adversely affect our revenue, operating results and cash flows. Although we have entered into long-term agreements with Customer A, there can be no assurance that Customer A will continue to place orders at historical levels or on similar terms. We also depend on key members of our management team, including Dr. Huh, our vice chairperson and executive Director. The departure of key personnel may affect management continuity and our operational execution, and we may not be able to recruit and integrate suitable replacements on a timely basis or at all. Notwithstanding the foregoing, our Directors believe that the risk that our relationship with Customer A would be materially and adversely changed as a result of the departure of any one individual is remote, as our cooperation with Customer A is anchored in product performance and qualification processes, supported by team-based R&D and delivery with Company-owned intellectual property, and governed by framework agreements that are subject to automatic renewal and limit unilateral termination to specified exceptional circumstances. However, there can be no assurance that our relationship with Customer A will not be adversely affected in the future, or that the departure of key personnel, including Dr. Huh, will not have an adverse effect on our business, operating results and financial condition.

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Our business and growth prospects depend on our ability to continuously innovate, develop and commercialize new and enhanced products that meet evolving customer preferences and achieve sustainable market acceptance in a timely and cost-effective manner, and any failure to do so could materially and adversely affect our results of operations, financial condition and prospects.

Our business and growth prospects depend on our ability to timely develop, commercialize and achieve market acceptance of new and enhanced products on a cost-effective basis. The power semiconductor industry is highly competitive and subject to rapid technological change, short product life cycles and evolving customer requirements. Product development is complex, time-consuming and costly, requires substantial R&D investment and may not generate expected returns. If we fail to respond to technological changes, meet customer or industry requirements, or successfully ramp up and market new products, our products may become obsolete and we may lose market share. Our expansion into new application markets also requires significant resources, expertise and the ability to meet application-specific requirements. We may face intense competition, pricing pressure and uncertainty as to market growth and customer acceptance. If we fail to develop and introduce new or enhanced products in a timely and cost-effective manner, or fail to achieve sustainable market acceptance, our revenue, profitability, financial condition and prospects could be materially and adversely affected.

We rely on our major customers and this may expose us to risks relating to fluctuations or decline in our revenue.

We generate a significant portion of our revenue from a limited number of major customers. In 2023, 2024 and 2025, and for the four months ended April 30, 2026, our five largest customers accounted for 84.6%, 77.6%, 64.9% and 62.1% of our total revenue, respectively. Our single largest customer accounted for 65.7%, 61.4%, 49.5% and 42.9% of our total revenue for the same years/period, respectively. Our business and financial performance are highly dependent on the continued purchases by, and relationships with, these customers. Our customers may alter their purchasing volumes or terminate their engagement with us due to a variety of reasons. Any loss of a major customer, or a material reduction in orders from such customers without timely replacement, could lead to a substantial decline in our revenue and cash flow, and may materially and adversely affect our business, results of operations, financial condition.

Additionally, our relationships with certain major customers have been supported by our management team and key engineers, whose continued involvement is important to sustaining these relationships. We cannot assure you that we will be able to retain these individuals, or that any transition or handover will be effective. Any significant changes in our governance structure, or the departure of a substantial number of key engineers could create uncertainty regarding our corporate identity or management stability, which in turn may adversely affect our relationships with major customers and, consequently, our business, results of operations, financial condition, and prospects. See “Business — Our Customers”.

We rely heavily on third-party service providers and business partners for critical manufacturing, packaging, testing, assembly, and logistics processes, and any disruption to their operations or our relationships with them could materially and adversely affect our production capacity, operational performance, financial results and reputation.

We design and develop our PMIC and power device products but outsource wafer fabrication, photomask manufacture, packaging, testing, assembly, and inventory storage to external providers. Despite our strategic equity investment in our major wafer fabrication partner, Fullsemi Semiconductor, we do not control their operations or production allocation. Changes in demand from larger customers or shifts in market dynamics may result in reallocation of production capacity away from us.

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Any interruption, delay or disruption in manufacturing, logistics or raw material supply, any decline in yields or other quality issues, or any failure by third-party providers to meet delivery schedules, quality standards or applicable legal and regulatory requirements may impair our ability to deliver products on time and in required volumes and quality, damage our reputation and customer relationships, expose us to potential liabilities, and materially and adversely affect our business, results of operations and financial condition.

In addition, we may not be able to maintain relationships with, or renew arrangements with, such third parties on commercially reasonable terms or at all, and their underperformance, non-compliance, loss of licenses or registrations, workplace accidents, natural disasters or other events beyond our control may increase our costs, require replacement providers, delay production or delivery, and materially and adversely affect our profitability, financial results and growth prospects.

We rely on third-party distributors for sales and delivery of our products, and any deterioration in our relationships with them or their failure to perform could materially and adversely affect our business, financial condition and results of operations.

A significant portion of our sales is conducted through third-party distributors. During the Track Record Period, a significant portion of our revenue was generated through sales to distributors. In 2023, 2024 and 2025, and for the four months ended April 30, 2025 and 2026, our total sales to distributors amounted to approximately RMB363.4 million, RMB391.6 million, RMB480.7 million, RMB136.3 million and RMB247.3 million, representing approximately 22.2%, 24.9%, 24.6%, 23.9% and 29.6% of our total revenue for the same years/periods, respectively. Given this level of dependence, any significant change in our distributors’ performance, strategy or financial condition may materially impact our ability to generate sales. However, we do not have control over their business strategies, operational priorities or allocation of resources, and some may also distribute products that compete with ours. If any of our distributors fail to prioritize our products, expand their coverage, or maintain end-customer relationships, or if they decide to reduce or cease cooperation with us, our sales performance may suffer.

In addition, we may not be able to renew distribution agreements or secure new distributors on commercially favorable terms. We are also exposed to credit risk where credit periods are granted to distributors, and any deterioration in their financial condition or delay in payment may adversely affect our cash flow and working capital. Any disruption in our distribution network, or inability to maintain or expand our distributor relationships, could materially and adversely affect our sales, customer reach, business, financial condition and results of operations.

If we are unable to adequately protect our intellectual property rights or other proprietary rights, our business, results of operations and financial condition could be materially and adversely affected.

Our success depends in part on our intellectual property rights and proprietary technology. We rely primarily on a combination of patents, trademarks, copyrights and trade secret protection and confidentiality agreements to protect our intellectual property rights and proprietary technology. However, we may be unable to protect our intellectual property rights and proprietary technology in all instances. There is also no assurance that we are able to successfully apply and be granted new intellectual property rights in a timely and cost-effective manner in the future, as such applications are expensive and time consuming.

We currently hold a number of patents and trademarks and pending applications for patents and trademarks in various jurisdictions. However, other parties may also challenge or attempt to invalidate or circumvent any proprietary rights the PRC or foreign governments issue to us or these governments may fail to issue patents or proprietary rights for pending applications. Unauthorized parties may also be able to obtain and use information that we regard as proprietary. To protect our intellectual property rights and maintain our competitive advantages, we may initiate legal proceedings. Legal proceedings are often costly and may divert management attention and resources

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away from our business. In certain situations, we may have to initiate such legal proceedings in foreign jurisdictions, in which case we are subject to additional risks as to the result of the proceedings, the amount of damages that we can recover, and the enforcement process. In addition, the rights granted or anticipated under any of our proprietary rights or pending patent and proprietary right applications may be narrower than we expect or provide no competitive advantages. Furthermore, effective patent, trademark, copyright and trade secret protection may be unavailable, limited or not applied for in certain foreign countries.

We also seek to protect our proprietary technology in part by confidentiality agreements and, if applicable, inventors’ rights agreements with our collaborators, advisers, employees and consultants. We cannot assure you that these agreements will always be entered into or will not be breached or that we will have adequate remedies for any breach.

We may be subject to intellectual property infringement and other claims by third parties in China or other jurisdictions, which, if successful, could cause us to pay significant damages and incur other costs.

Our success depends on our ability to use, develop and protect our technology and trade secrets without infringing the intellectual property rights of third parties. As of the Latest Practicable Date, our R&D efforts had resulted in an intellectual property portfolio comprising 199 granted patents (including 179 invention patents) and 188 pending patent applications worldwide, as well as 30 registered trademarks and 54 registered IC layout designs in the PRC. Other parties may hold or obtain patents, copyrights, trademarks, or other proprietary rights used in our products and service. This might prevent, limit, or interfere with our production, use, development, sales, or marketing, and could therefore disturb our daily operations and distract our management. We received and may continue to receive communications from intellectual property rights holders regarding their proprietary rights. Companies holding patents or other intellectual property rights may bring suits alleging infringement of such rights or otherwise assert their rights and urge us to obtain licenses. In the event of an adverse decision in such lawsuits, we could be required to withdraw and/or redesign relevant products. We may also be subject to liability due to the misconduct of our employees in relation to third party IP rights. Our use of trademarks could be found to infringe upon existing intellectual property rights owned by others. If we are found to have infringed a third party’s intellectual property rights, we may be required to cease selling the affected products, pay damages to the rights holders or customers who purchased our products, redesign our products, or establish and maintain alternative branding for our products.

Any intellectual property-related claim against us could result in costly litigation, diversion of our management’s attention and resources, significant damages, or costly license arrangements, and could materially and adversely affect our business, financial condition, results of operations and prospects.

If we fail to effectively manage our overseas operations, our business, financial condition could be materially and adversely affected.

We generate a significant portion of our revenue from our overseas operations. We generated approximately 68.1% of our total revenue from overseas customers, primarily through our overseas operations during 2024, approximately 58.0% during 2025, and approximately 51.5% for the four months ended April 30, 2026. Any failure to effectively manage, supervise or support our overseas operations, or any challenges arising from differences in business culture, changes in local laws and regulations, difficulties in recruiting and retaining talent, foreign exchange volatility, or changes in the economic or political environment in the relevant jurisdictions, could result in operational disruptions, compliance issues and difficulties in implementing our business strategies, and may materially and adversely affect our business.

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International trade policies, export controls, economic sanctions and geopolitical tensions may materially and adversely affect our business, financial condition and results of operations, adversely affecting our customer relationships, and limiting our access to certain markets, technologies or customers. In particular, political sensitivities related to our ownership structure and cross-border operations could adversely impact our business relationships with our major customers and the overall stability of our overseas operations. These factors may limit our ability to access certain markets, technologies or customers, thereby negatively affecting our financial performance and growth prospects.

Our business, financial condition and results of operations may be materially and adversely affected by international policies and international export controls and economic sanctions.

Certain jurisdictions have imposed or may impose export controls, economic sanctions or other trade-related measures in various forms, prohibit or restrict export and import activities to a certain extent. Export controls and economic sanctions laws or regulations could change in a way that could affect our business, exports or sales in other countries and/or could result in restrictions, penalties or fines. For instance, heightened tensions between major economies, such as the United States and China, could result in stricter export controls on chips and/or semiconductors, including the licensing requirements on certain high-performance chips and items subject to the Export Administration Regulations of the United States depending on the end-user and/or end-use of the items set forth in relevant rules. Furthermore, if we export our products to other countries which are subject to sanctions or export controls in the future and/or if the scope of the export controls or sanctions is expanded, our business, financial condition and results of operations may be materially and adversely affected. In addition, the recent U.S.-China trade tensions have led to the introduction of higher tariffs on various goods traded between the two countries.

If new or more restrictive sanctions and export-control measures include a complete or more stringent ban on product sales to certain entities, this could affect not only our ability to continue supplying products to affected customers, but also our customers’ demand for our products, and could lead to changes to our product supply chains to the extent they involve items subject to the EAR or other applicable regulations. Even if our products are not directly targeted by such measures, we may nonetheless face higher costs and expenses in our supply chain due to new sanctions and export-control measures, as our customers and business partners may be negatively affected by measures directed at China.

Further, we have no control over the countries to which the customers will sell and/or export their end products. If the export sales of the customers’ end products are restricted, prohibited or made subject to any trade conditions under any international policies or international export controls or economic sanctions imposed by any jurisdictions, the customers’ demand in our products may drop and, as a result, our business, financial condition and results of operations may be materially and adversely affected.

As advised by our Export Control and Sanctions Counsel, our activities during the Track Record Period do not appear to implicate restrictions under international sanctions. However, sanctions and export-control regimes are dynamic and may change, and we cannot assure you that future policy changes, list updates, or end-use/end-user prohibitions will not adversely affect our orders, product qualification cycles, pricing, or collections.

The impact of ongoing trade disputes involving China, the United States and other countries could place additional burdens on our international sales revenues.

During the Track Record Period, a significant portion of our revenue was derived from the sale of our products overseas, accounting for 74.1%, 68.1%, 58.0% and 51.5% of our total revenue in 2023, 2024 and 2025, and for the four months ended April 30, 2026, respectively. However, only 1.2%, 0.02%, 0.001% and 0.0% of our total revenue were contributed by sales to customers in the United States. Our sales to customers in the EU were 0.2%, 1.2%, 2.4% and 2.2% in 2023, 2024

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and 2025 and for the four months ended April 30, 2026, respectively, during the Track Record Period, and represented an immaterial portion of our revenue. Our overseas operations are primarily supported by our Korean supply chain. We maintain long-term partnerships with leading Korean foundries and suppliers. While such arrangements enhance scalability and operational efficiency, they also expose us to evolving trade, tariff and export-control regimes affecting cross-border procurement and sales. As advised by our Export Control and Sanctions Counsel, and based on the information reviewed, nothing in our overseas operations raises concerns under sanctions laws and regulations. However, sanctions and export-control regimes are dynamic. There is no assurance that our customers, many of which are reputable global brand owners, will be able to pass increased tariff burdens to end-consumers effectively, or at all. If tariffs increase or remain elevated, our customers may require suppliers, including us, to reduce prices to share the burden, which may materially and adversely affect our business.

We may be subject to risks relating to our use of certain overseas software and technologies.

We use certain software licensed from third-party suppliers, including design tools provided by U.S.-based companies. The use, transfer, and supply of such software may be subject to export-control regulations. Heightened geopolitical tensions have created increasing uncertainty regarding our continued access to, or ability to use, such software. In May 2025, several leading U.S.-based EDA software suppliers stated that they had received notices from the BIS to cease supplying EDA software to China. In July 2025, these suppliers reportedly confirmed that the BIS had rescinded the relevant restrictions. Nevertheless, we cannot guarantee that similar restrictions will not be imposed in the future. Any recurrence of restrictions may adversely affect our R&D activities, delay product development, and impair our competitiveness.

Certain of our products may be subject to export control laws due to the incorporation of U.S.-origin technology or equipment in the development or manufacturing process. We will seek to obtain export licenses where required. However, there can be no assurance that the necessary licenses will be granted or maintained, or that we will not be subject to additional restrictions in the future. Failure to obtain or maintain such licenses could materially and adversely affect our business, financial condition and results of operations.

Our inability to enhance our technological capabilities and compete effectively in the power semiconductor industry could materially and adversely affect our business, results of operations and future prospects.

Significant technological advancements in alternative semiconductor materials or architectures could render our existing or future products uncompetitive, obsolete or otherwise unmarketable. To compete successfully, we must continuously develop new products and improve our existing products and processes in a timely manner and achieve market acceptance. We have made, and expect to continue to make, significant R&D investments, which are costly and uncertain and may not generate sufficient revenue to offset related expenses, adversely affecting our margins and profitability.

Competitive pressure, including product and price competition and competitor consolidation, may require enhanced product features and capabilities, manufacturing efficiencies and pricing. If we fail to keep pace, or if the commercialization of our products fails to meet expectations, we may be unable to recover our costs, and our business, results of operations and future prospects could be materially and adversely affected.

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We depend on growth in the industries where our products are used. Any slowdown in the growth of these industries could adversely affect our business, financial condition and results of operations.

Our products are primarily offered to downstream customers of industries. Therefore, factors that adversely affect these industries could materially and adversely affect our business, financial condition, results of operations and prospects. These factors include, among others, (i) reduced demand for, or negative perception of or publicity about, downstream products, (ii) weaker economic conditions in major importing countries or regions, (iii) intensified competition from manufacturers, (iv) reduction or elimination of preferential tax treatments or economic incentives, (v) laws and regulations that limit exports from the jurisdictions where we operate, (vi) adverse foreign exchange movements, and (vii) rising material and labor costs.

The semiconductor products markets are cyclical. Increased production may lead to overcapacity and lower prices, and conversely, we may not be able to satisfy unexpected demand for our products, which may affect our results of operations.

The cyclical nature of the semiconductor industry has resulted in periods when demand for our products has increased or decreased rapidly. If we expand our business operations too rapidly and that demand does not materialize at the pace at which we expect, or declines, our operating results may be adversely affected as a result of increased operating expenses, reduced margins or underutilization of capacity. Conversely, if demand increases rapidly, we may be unable to meet customer requirements due to capacity constraints or an inability to scale our resources or respond to market needs in a timely manner, which could materially and adversely affect our business.

Failure to secure design-wins and to convince our customers to adopt our products could negatively affect our business, financial condition and results of operations.

We sell our PMIC and power device products to customers who select and adopt them in their product offerings. This selection process is typically lengthy and may require us to incur significant design and development costs and dedicate scarce engineering resources in pursuit of a single design-win with no assurance that our products will be selected. Our revenue in future years may be highly dependent on design-wins we are awarded in prior years. It is typical that a design-win will not result in meaningful revenue until one year or more or later, or may not result in any revenue at all. Further, a significant portion of our revenue in any period may depend on a single product design-win with a large customer. Due to the interdependence of various components in the systems within which our products and the products of our competitors operate, customers are unlikely to change to another design or material, once adopted, until the next generation of a technology.

The loss of a key customer or design-win, a reduction in sales to any key customer, a significant delay or negative development in our customers’ product development plans, or our inability to attract new significant customers or secure new key design-wins, or our failure to respond to shifting market needs could seriously impact our revenue and materially and adversely affect our business, financial condition and results of operations.

Our historical results may not be indicative of our future performance, and we may not be successful in expanding our operations or managing our growth.

Our revenue decreased from approximately RMB1,640.1 million in 2023 to RMB1,574.5 million in 2024, and then increased to RMB1,952.9 million in 2025. Our revenue increased from RMB571.1 million for the four months ended April 30, 2025 to RMB836.5 million for the four months ended April 30, 2026. There can be no assurance that we will be able to maintain stable revenue levels in the future. We face risks including demand fluctuations, technological change and increasing competition, and our performance depends in part on our ability to execute our growth strategies and manage growth, which may strain our managerial, operational and financial

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resources. Our growth also depends on maintaining stable production capacity and delivering reliable products, and expansion may be more costly than expected and may not generate sufficient revenue to offset higher operating expenses. As a result, we may continue to incur losses or be unable to achieve and sustain profitability, and failure to attain necessary operational efficiency could adversely affect our growth rate, investor confidence and the [REDACTED] of our shares. In addition, our revenue, expenses and operating results may vary due to factors beyond our control, which could adversely affect our financial performance and growth prospects.

We had net liabilities and net current liabilities during part of the Track Record Period and recorded net cash used in operating activities during the Track Record Period, and we may continue to incur such liabilities and cash outflows in the foreseeable future, which could expose us to significant liquidity risks.

As of December 31, 2023 and 2024, our net liabilities were approximately RMB1,817.3 million and RMB2,670.0 million, respectively, while as of December 31, 2025 and April 30, 2026, we recorded net assets of RMB5,335.4 million and RMB5,238.0 million, respectively. We recorded net cash used in operating activities of RMB64.1 million in 2024 and RMB97.6 million for the four months ended April 30, 2026. These net liabilities and net current liabilities were mainly due to the redemption rights granted to investors in financing, for which we recorded redemption liabilities of RMB7,615.4 million and RMB8,161.7 million as at December 31, 2023 and 2024, respectively, and nil as at December 31, 2025 and April 30, 2026. Net liabilities and net current liabilities could expose us to liquidity risks and constrain our operational flexibility. If we experience a shortage in cash flow generated from operations, our liquidity position may be materially and adversely affected, which, in turn, may have a material adverse effect on our results of operations and financial condition.

Although we recorded net assets as of December 31, 2025 and April 30, 2026, there can be no assurance that we will not record net liabilities, net current liabilities or net cash used in operating activities again in the future. There is no assurance that we will generate sufficient revenue to offset costs or manage our cost structure, in which case we may continue to incur losses and may not be able to achieve or maintain profitability or improve our liquidity position.

We may be exposed to credit risk arising from our trade and note receivables. Failure to collect our trade and note receivables in a timely manner or at all could have a material and adverse impact on our business, financial condition, liquidity and prospects.

During the Track Record Period, our trade and note receivables primarily represent receivables from customers for sales of PMIC and power device products. As of December 31, 2023, 2024, 2025 and April 30, 2026, our trade and note receivables amounted to RMB140.5 million, RMB156.4 million, RMB188.2 million and RMB247.5 million, respectively. The credit period granted to our customers was generally 0 days to 90 days for our PMIC and power device products from the date of invoice. See “Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Trade and note receivables.”

We cannot assure you that we will be able to collect all or any of our trade receivables on time, or at all. Our customers may face unexpected circumstances. For example, our trade receivables turnover days increased from 29.1 days in 2023 to 33.9 days in 2024, decreased to 31.8 days for 2025, and further decreased to 31.2 days for the four months ended April 30, 2026. As a result, we may not be able to receive such customers’ payment of uncollected debts in full, or at all, and may be exposed to credit risk. The occurrence of such event would materially and adversely affect our financial condition and results of operations.

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We may incur impairment loss on our intangible assets and goodwill, which could negatively affect our results of operations and financial condition.

As of December 31, 2023, 2024, 2025 and April 30, 2026, we had intangible assets of RMB225.2 million, RMB141.0 million, RMB78.1 million and RMB112.0 million, respectively; and goodwill of RMB330.7 million, RMB296.1 million, RMB291.5 million and RMB276.3 million, respectively. During the Track Record Period, we did not record any material impairment loss on our intangible assets and goodwill. We are required to test our goodwill annually and intangible assets whenever there is an indication of impairment. Changes in the business prospects of our investments may result in impairment charges on our intangible assets and goodwill, and there is no assurance that we will not incur such charges in the future. Any significant impairment could materially and adversely affect our business, financial condition and results of operations.

If we need to recognize significant impairment losses on our prepayments, our results of operations and financial condition may be adversely affected.

During the Track Record Period, our prepayments primarily consisted of prepayments for the purchase of wafers and other raw materials. As of December 31, 2023, 2024, 2025 and April 30, 2026, our prepayments and other receivables amounted to approximately RMB7.2 million, RMB12.8 million, RMB13.0 million and RMB6.5 million, respectively. During the Track Record Period, impairment losses relating to prepayments were limited as prepayments were mainly made to reputable suppliers. However, we cannot assure that we will not incur impairment losses on prepayments in the future, and any significant impairment could adversely affect our results of operations and financial condition.

The fair value of our financial assets at fair value through profit or loss may face uncertainties and be subject to fluctuations as the valuation of its fair value involves the use of unobservable inputs.

During the Track Record Period, we recorded financial assets at fair value through profit or loss which consisted of (i) unlisted equity investment; (ii) structured deposits; and (iii) derivative financial assets. We had financial assets at fair value through profit or loss of RMB228.2 million, RMB1,131.2 million, RMB810.3 million and RMB1,157.4 million as of December 31, 2023, 2024, 2025 and April 30, 2026, respectively. We managed and evaluated the performance of investments on a fair value basis in accordance with our business needs and investment strategy. Details of the fair value measurement of financial assets at FVPL, particularly the fair value hierarchy, the valuation techniques and key inputs, including significant unobservable inputs, and the relationship of unobservable inputs to fair value are disclosed in Note 24 to the Accountant’s Report in Appendix I to this document. Any adverse fair value changes could materially and adversely affect our financial condition and results of operations.

Exposure to Changes in the Fair Value of Financial Assets at Fair Value Through Other Comprehensive Income

We are exposed to changes in the fair value of our financial assets at fair value through other comprehensive income (FVOCI). As of December 31, 2023, 2024, 2025 and April 30, 2026, our financial assets at FVOCI amounted to RMB1,540.8 million, RMB1,500.3 million, RMB1,499.4 million and RMB1,434.7 million, respectively, primarily representing our long-term equity investments in Fullsemi Semiconductor.

Factors beyond our control, including general economic conditions, changes in market interest rates could affect the fair value of such financial assets. These factors, as well as changes in assumptions used in our valuation where market-observable data are not readily available, could result in material adjustments to the fair value of our financial assets at FVOCI. Any significant fluctuation in the fair value of our financial assets at FVOCI could be reflected as changes in other comprehensive income, which may adversely affect our total comprehensive income and, in turn, our financial condition.

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Expiration of, or changes to, government incentives, government grants and preferential tax treatments to which we are entitled to could adversely affect our financial condition and results of operations.

During the Track Record Period, we recorded government grants in consolidated statements of comprehensive loss of RMB3.1 million, RMB4.6 million, RMB11.2 million, RMB1.0 million and RMB1.9 million in 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026, respectively, which mainly consist of subsidies received from government. In addition to the government incentives and preferential tax treatments we enjoy in China, certain of our overseas subsidiaries have also been entitled to various tax incentives, government subsidies and R&D support measures offered by local government authorities.

The availability, scope and amount of such preferential treatments are subject to periodic review and discretionary approval by relevant government authorities and may be modified or discontinued due to changes in applicable laws, policies, government budget allocations or regulatory priorities. We cannot assure that we will continue to receive government grants at the same level or at all, or that we will continue to enjoy the current preferential tax treatments.

If we are unable to recruit, retain and motivate any of our key employees, our business, operating results and financial condition may be adversely affected.

We depend on the continued services and performance of our executives, senior management and other key employees, including core R&D personnel and skilled engineers. If we are unable to recruit, retain and motivate key personnel, or if our senior management team changes, our business may be disrupted and we may not be able to execute our business plans, pursue new opportunities, or maintain effective product design and R&D. The loss of key personnel, delays in hiring or integrating replacements, or our failure to attract, train and retain qualified engineers with relevant expertise could materially and adversely affect our business, financial condition and operating results.

Our brand is integral to our success. If we fail to effectively maintain, promote and enhance our brand, our business and competitive advantage may be harmed.

We believe that maintaining and enhancing our well-recognized brand is crucial to our success. Maintaining and enhancing our brand depends largely on our ability to continue to provide quality products, which we cannot assure you we will do successfully. Any quality, performance, reliability or stability issues, unfavorable customer experiences, or negative market reception of new products could harm our reputation and brand. As competition intensifies, brand recognition will become increasingly important, and our ability to promote our brand also depends on the effectiveness of our marketing efforts. There is no assurance that our marketing expenditures will increase revenue or that any increase will be sufficient to offset the costs of building and maintaining our brand.

We face risks of sharing relevant R&D results and intellectual properties with our collaboration partners.

During the Track Record Period and up to the Latest Practicable Date, we collaborated with universities and research institutions to conduct R&D on certain technologies and shared certain R&D results. We also jointly applied for patents with our collaboration partners. We may enter into similar arrangements with our collaboration partners and other third parties in the future. Should the arrangements not be clearly articulated, they could lead to limited use of relevant shared R&D results, and the ownership of such shared R&D results may be unclear. There is no assurance that our relevant counterparties would not advertently or inadvertently misuse the R&D results that we collaboratively form, or advertently or inadvertently misappropriate the R&D results owned solely by us and that are incidentally shared during our collaboration with them. Our business, financial condition and results of operations may be adversely impacted if any of the aforementioned incidents happen.

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We are subject to taxation in multiple jurisdictions and to transfer pricing risk; changes in tax laws, interpretations or enforcement, or adverse determinations, could result in additional taxes, penalties and interest.

We are subject to taxation in multiple jurisdictions and may, from time to time, be reviewed or investigated by the relevant tax authorities in those jurisdictions for compliance with local tax laws. We also engage in intragroup transactions, including the purchase and supply of raw materials and finished goods and the provision of services. If our tax positions or transfer pricing arrangements are challenged, or if tax laws or policies change in relevant jurisdictions, we may be required to adjust our tax positions, transfer pricing practices or operating procedures. Any adverse determinations or legal changes could result in additional taxes (including withholding taxes), the disallowance or claw-back of tax credits or incentives, and penalties and/or interest, which could adversely affect our financial position and results of operations.

We have granted and may continue to grant share incentive plan, which may adversely affect our business, financial condition and results of operations.

We adopted share incentive plans including share-based compensation for the benefit of our Directors and employees to incentivize and reward the eligible persons who have contributed to our success. In 2023, 2024 and 2025, and for the four months ended April 30, 2025 and 2026, we incurred share-based payments of RMB47.9 million, RMB64.1 million, RMB55.6 million, RMB11.8 million and RMB23.0 million, respectively. We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and employees. Nevertheless, share-based compensation expenses would potentially dilute the shareholding of existing shareholders. We may continue to grant share-based compensation awards to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may affect our financial condition and results of operations.

Our products may be subject to warranty, indemnity and/or product liability claims, which could result in significant costs and damage to our business, reputation and downstream customer relationships, market acceptance of our products, financial conditions, results of operations and prospects.

Our PMIC and power device products may be subject to warranty, indemnity and/or product liability claims. As these products are complex, defects or failures may impair quality or performance, damage our reputation and customer relationships, reduce market acceptance and expose us to significant costs and liabilities. If defects occur, we may incur development and remediation costs under warranty or indemnification provisions (including for recalls), face claims from downstream customers or third parties (who may seek indemnification from us), and such liabilities may be significant, diverting technical and management resources and adversely affecting our financial condition, results of operations and prospects. In addition, because our products are used in systems in industries such as automotive electronics, telecommunications and computing, consumer electronics and industrial applications, system failures involving our products could cause property damage or personal injury and give rise to product liability claims, which could be costly to defend regardless of outcome and further harm our business and operating results.

We have incurred net losses during the Track Record Period, and we may continue to incur net losses in future.

We recorded net losses of approximately RMB506.3 million, RMB697.1 million, RMB277.8 million in 2023, 2024 and 2025, respectively, and a net loss of approximately RMB159.5 million for the four months ended April 30, 2025. We plan to improve our profitability through (i) achieving sustained growth in revenue; (ii) improving gross profit margin; and (iii) improving operating efficiency. However, our future profitability will depend on a variety of factors. Our revenues may not grow at the rate we expect and it may not increase sufficiently to offset the increase in our costs

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and expenses. We may continue to incur losses in the future and we cannot assure you that we will eventually achieve our intended profitability. In addition, we may still record negative cash flow in the future and need to seek external financing to support our operations, such as available equity financing or bank facilities.

Increases in costs of the materials and other components used in our products would adversely affect our business, results of operations and financial condition.

Changes in the markets in which our suppliers procure materials, components and supplies, including potential semiconductor shortages and inflationary pressures, may increase our costs. Given competitive pricing pressure, we may not be able to pass cost increases to customers, which could reduce our gross profit margin. In addition, our margins vary by product mix and component content, and any adverse changes in our product mix or failure to maintain our gross and operating margins could materially and adversely affect our business, results of operations and financial condition.

Our results of operations are affected by seasonal fluctuations.

Our results of operations are affected by seasonality in consumer electronics demand. See “Financial Information — Major Factors Affecting Our Results of Operations — Seasonality.” If we are unable to increase our production capacity to meet demand, we may lose potential sales and our customers may seek other sources to meet their needs. If we are unable to manage our production capacity during a seasonal or market-related downturn in demand, we may be unable to control costs. Our inability to react to changes in seasonal or cyclical demand on a timely basis may have a material adverse effect on our business, financial condition and results of operations.

Downturns or volatility in general economic conditions could have a material adverse effect on our business, financial condition, results of operations and liquidity.

Our sales and profitability depend on general economic conditions and demand for our customers’ end products. Economic uncertainty may reduce end-user demand and lead customers to cancel, reduce or delay orders, and may make it difficult for us to forecast and plan. We may not be able to accurately assess or respond to such changes, and financial difficulties of our suppliers or distributors could cause delivery delays, increase receivables defaults and create inventory challenges. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and liquidity.

Any failure to obtain requisite approvals, licenses or permits applicable to our business operation may have a material and adverse impact on our business, financial condition and results of operations.

In accordance with applicable laws and regulations, we are required to maintain various approvals, licenses, permits and certifications in order to operate our business. See “Business — Licenses and Permits.” Complying with such laws and regulations may require substantial expense and may impose a significant burden, while any noncompliance may expose us to liability. Furthermore, the regulatory requirements of certain sectors, such as data security and cybersecurity are relatively new and continuously evolving. Please see “Regulatory Overview — Laws and Regulations on Cyber and Data Security” for further details. We cannot assure you that we will remain compliant at all times or be able to obtain or renew required approvals on a timely basis, and any failure or material delay could disrupt our operations and materially and adversely affect our business, financial condition and results of operation.

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We may fail to maintain and predict inventory levels in line with demand for our products, which could cause us to face the risk of obsolescence for our inventories or lose sales.

As of December 31, 2023, 2024, 2025 and April 30, 2026, we had inventories of RMB382.2 million, RMB401.1 million, RMB483.9 million and RMB475.3 million, respectively, and provisions for inventories of RMB51.6 million, RMB57.0 million, RMB56.8 million and RMB32.0 million, respectively. In 2023, 2024 and 2025, and for the four months ended April 30, 2026, our inventory turnover days were 144.8 days, 110.7 days, 98.9 days and 84.6 days, respectively. If our forecasts overestimate actual demand, we may accumulate excess inventory, leading to higher holding costs and increased risk of obsolescence, write-offs and provisions; as our business expands, these risks may increase. Conversely, if we hold insufficient inventory, we may be unable to meet demand and could lose sales and market share. We also cannot assure you that distributors will provide timely and accurate information on their business plans or sales, which may impair our inventory planning and materially and adversely affect our business prospects, financial condition and results of operations.

Security breaches and other disruptions could compromise our confidential and proprietary information, which could cause our business and reputation to suffer.

We collect and store business data and transaction data generated during or in connection with our business operations, including our business and transactions with our customers, suppliers and business partners. See “Business — Data Compliance and Data Security.” However, our information technology and infrastructure may be vulnerable to breaches by hackers, employee error, malfeasance or other disruptions such as natural disasters, power losses or telecommunication failures. Any such incident could compromise our networks and data, result in legal or regulatory actions and operational disruption, and harm our business, reputation and future operations.

Misconduct or regulatory non-compliance by our employees or third parties could expose us to liability and harm our business and reputation.

Our employees, suppliers, agents or business partners may engage in misconduct or other improper activities. Any such misconduct or non-compliance could damage our reputation and subject us to fines, penalties, restitution or other liabilities, or result in the loss of current or future customer contracts, which could materially and adversely affect our business, financial condition and results of operations.

If we are unable to manage fluctuations in cash flow, our business and financial condition may be adversely affected.

Our working capital needs and cash flows may fluctuate due to changes in operating revenue, receivables collections, the timing and amount of payables, capital expenditures and debt repayment schedules. If we cannot manage such fluctuations, we may be unable to meet our obligations under business and operational agreements, which could materially and adversely affect our operating results and financial condition.

We may not have sufficient insurance coverage to cover our potential liability or losses.

We face various risks in connection with our business, and may lack adequate insurance coverage or have no relevant insurance coverage. As of the Latest Practicable Date, we had not obtained any business liability or disruption insurance to cover our operations. See “Business — Insurance.” We have determined that the costs of insuring against these risks, and the difficulties associated with acquiring such insurances on commercially reasonable terms render these insurances impractical for our business. However, any uninsured occurrence including, among others, business disruption, material litigation, natural disaster or significant damages to our uninsured devices or facilities may result in our incurring substantial costs and the diversion of resources, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

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We may not be able to implement our planned growth or development if we are unable to obtain sufficient financial resources to meet our future capital requirements.

Capital needs in the semiconductor industry are difficult to plan due to its dynamic and cyclical nature, and we expect to require significant capital to fund operations and manage capacity. Our ability to obtain external financing depends on factors beyond our control, and financing may not be available on a timely basis, on reasonable terms or at all. If we cannot raise funds when needed, we may be required to curtail or delay expansion, capacity adjustments or new product lines, which could adversely affect our business plans and financial condition. Any equity financing may dilute existing shareholders and may include preferential rights, while debt financing may impose restrictive covenants.

Any failure to offer high-quality aftersales support services for our customers or end customers may harm our relationships with them and, consequently, our business.

As we expand, we may be unable to scale customer support due to constraints in recruiting experienced personnel or upgrading systems, and may not be able to respond to return/exchange requests, technical support or maintenance in a timely manner. Increased support demand may also raise operating expenses and adversely affect our financial condition and results of operations. Our reputation and ability to attract and retain customers depend on customer satisfaction, and our distributors provide aftersales services to end customers, over which we have limited ability to monitor or control quality. Any deterioration in product quality or aftersales support may increase return, exchange and warranty-related costs, reduce customer satisfaction and harm our reputation, customer relationships, business, financial condition and results of operations.

We may be liable for failure to register and file our lease agreements, which may subject us to penalties.

Pursuant to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), both lessors and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. As of Latest Practicable Date, we had not obtained the registration of lease agreements for two of our leased properties in China. See “Business — Properties.” We cannot assure you that the lessors will cooperate and complete the registration in a timely manner. Our PRC Legal Adviser has advised us that failure to complete the registration and filing of lease agreements will not affect the validity of the lease agreements under PRC laws, but we may be subject to a maximum penalty of RMB10,000 for each non-registered lease if we fail to register such lease agreements within the time frame prescribed by the relevant PRC government authorities. As a result, any imposition of fines due to such failure may adversely affect our business operations and financial condition.

We are subject to risks relating to disputes, which could adversely affect our business, prospects, results of operations and financial condition.

We may be subject to disputes or claims of various types brought by our competitors, employees (including former employees), suppliers, customers, business partners or governmental entities. Such claims and disputes may escalate into litigation and could harm our reputation and goodwill, which may in turn adversely affect our customer relationships and business operations.

We have been notified that a former employee of one of our subsidiaries has filed a case in June 2025 in the United States against us and the relevant subsidiary in relation to his alleged economic interests in certain virtual shares granted under our [REDACTED] ESOP, and the relief sought includes compensatory damages in an amount according to proof. Pillsbury Winthrop Shaw Pittman LLP, our U.S. litigation counsel in this case (“**U.S. Litigation Counsel**”), filed with the relevant court a motion to compel arbitration pursuant to the arbitration provisions in the agreement to arbitrate executed by the former employee in connection with his employment agreement and in the severance agreement. In April 2026, pursuant to a joint stipulation entered into by the parties,

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the court has issued an order directing all claims asserted in the action to binding arbitration consistent with the valid and enforceable arbitration agreements, staying the court proceedings pending the outcome of the arbitration proceedings, and retaining jurisdiction over the matter pending the outcome of the arbitration proceedings. Based on the background of the case and the relevant evidence collected, our Directors are of the view that we and the relevant subsidiary are highly likely to succeed in defending the case and do not believe the plaintiff’s case has merit. Our U.S. Litigation Counsel is aware of our Directors’ view, and has no further comment. Notwithstanding the foregoing, the outcome of any subsequent arbitration or litigation is inherently uncertain and may result in additional costs or other adverse consequences.

Litigation may cause us to incur defence costs, require a significant commitment of management time and other resources, and divert our management team’s attention from our day-to-day operations. In addition, if we were to lose a lawsuit or settle a claim on unfavorable terms, we could be required to pay damages or settlement amounts, which could have a material adverse effect on our business, financial condition and results of operations.

Failure to make adequate contributions to various employee benefit plans as required by applicable laws and regulations may subject us to penalties and increased labor dispute exposure.

We are subject to various labor-related laws and regulations in the PRC and other jurisdictions where we operate. Under PRC laws and regulations, we are required to participate in certain employee benefit plans and make statutory contributions for eligible employees.

On September 1, 2025, the Interpretation (II) of the Supreme People’s Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) became effective. Among other things, it clarifies that where an employer and an employee agree, or an employee undertakes, that social insurance contributions need not be made, such agreement or undertaking is invalid. It further provides that where an employer fails to make social insurance contributions in accordance with law and the employee requests to terminate the labor contract and claim statutory economic compensation pursuant to Article 38(3) of the PRC Labor Contract Law, the PRC courts shall uphold such claim. Accordingly, even if any employee purports to waive participation in social insurance, we may still be required to make statutory contributions, and we may face increased exposure to employee-initiated claims and disputes if we fail to make such contributions as required.

During the Track Record Period, we complied with applicable laws and regulations regarding social insurance and housing provident fund contributions. However, we cannot assure you that we will not be found non-compliant in the future due to, among other things, changes in applicable laws, regulations, judicial interpretations or enforcement practices, differing local implementation rules, adjustments to contribution bases, or inadvertent errors. Any failure to make required contributions could result in orders to rectify and make up contributions, late payment charges and/or administrative penalties, as well as labor disputes, reputational harm and increased operating costs, any of which could materially and adversely affect our business, financial condition and results of operations.

Our operations may be adversely affected if we or the third-party foundries we cooperate with fail, or are alleged to have failed, to comply with any existing or new environmental, occupational or safety regulations.

We are subject to a variety of environmental, occupational or safety regulations globally relating to the use, discharge and disposal of toxic or otherwise hazardous materials used in our production processes and may be subject to the same regulations relating to the production processes of third-party foundries we cooperate with, as we focus on the design process and outsource the manufacturing to foundries. Any actual or alleged noncompliance by us or the third-party foundries we cooperated with could delay production or capacity expansion, harm our

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public image, and subject us to fines, liabilities or suspension or modification of operations. We may also become subject to new climate-change, air-quality or other environmental requirements, and compliance could increase our energy and environmental costs and the costs of defending and resolving related claims.

We are subject to changing laws, regulations and social trends regarding environmental, social and governance risks, increasing both our costs and the risk of non-compliance.

We are subject to regulatory requirements in the jurisdictions where we operate and, following our [REDACTED], to applicable requirements of the Stock Exchange and the SFC, as well as new and evolving ESG-related measures and expectations. Compliance may increase our general and administrative expenses and divert management time and resources. In addition, these requirements may be interpreted and applied differently over time, creating uncertainty and requiring ongoing updates to our disclosures and governance practices. Any failure to comply with applicable requirements could result in penalties and harm our business.

We may be subject to natural disasters, acts of war or terrorism or other factors beyond our control.

Natural disasters, acts of war, terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Serious natural disasters may result in loss of lives, injury, destruction of assets and disruption of our business and operations. Acts of war or terrorism may also injure our employees, cause loss of lives, disrupt our business network and destroy our markets. Any of the foregoing could create uncertainty and adversely affect the business environment and could materially and adversely affect our business, financial condition and results of operations.

RISKS RELATED TO DOING BUSINESS IN THE COUNTRIES AND REGIONS WHERE WE OPERATE

Changes in the economic, political or social conditions or government policies in the countries and regions where we operate could materially and adversely affect our business and operations.

Substantially all of our operations are located in China and South Korea. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic and social conditions in China and South Korea generally and by continued economic growth in China and South Korea as a whole. Our business has been and would continue to be affected by China and South Korea's economy, which in turn is increasingly influenced by the global economy. In addition, geopolitical tensions and conflicts, energy crises, inflation, interest rate increases, financial market instability, monetary tightening, sanctions and export control measures may adversely affect our business, including through impacts on our business partners, increased compliance costs and potential penalties for non-compliance, even if inadvertent.

Holders of our H Shares may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our H Shares.

Under the current PRC tax laws and regulations, non-PRC resident individuals and enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares. Non-PRC resident individual shareholders are generally subject to a 20% withholding tax on China-sourced dividends and capital gains under the PRC Individual Income Tax (IIT) Law. However, pursuant to Cai Shui Zi [1994] No. 020 and Cai Shui Zi [1998] No. 61, such individuals are currently exempt from IIT on dividends from foreign-invested enterprises and gains from the transfer of listed shares, respectively. While these exemptions remain in effect as of early 2026, they are subject to future regulatory shifts. For

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non-resident enterprise shareholders, a 10% withholding tax is typically applied to both dividends and capital gains under the PRC Enterprise Income Tax Law and Guo Shui Han [2008] No. 897. Eligible shareholders may seek reduced rates under applicable tax treaties, though such benefits are subject to approval by PRC tax authorities. Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities shall be in accordance with the then effective laws and regulations, and new taxes may be imposed which may materially and adversely affect the value of our H Shares.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are a company incorporated under the laws of the PRC and a substantial portion of our business, assets and operations are located in China. In addition, the majority of our Directors, and executive officers reside in China, and a substantial portion of the assets of such Directors and executive officers are located in China. As a result, it may be difficult to effect service of process upon us or such persons outside China or to enforce judgments obtained outside China. Pursuant to Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) effective on January 29, 2024, promulgated by the Supreme People’s Court, a party with an enforceable final court judgment rendered by any designated people’s court of China or any designated Hong Kong court with respect to any civil and commercial cases excluding certain types of which, may apply for recognition and enforcement of the judgment in the relevant people’s court of China or Hong Kong court. However, China has not entered into treaties for reciprocal recognition and enforcement of court judgments with the United States, the United Kingdom, Japan and many other countries, and Hong Kong has no arrangement with the United States. Under the Civil Procedure Law of the PRC and other applicable laws, regulations and interpretations, recognition or enforcement in China or Hong Kong of judgments obtained in those jurisdictions may be difficult or impossible.

The foreign exchange regulations may limit our business and results of operations and our ability to remit dividends.

Conversion and remittance of foreign currencies are subject to the foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we shall have sufficient foreign exchange to meet our foreign exchange needs. Any inability to obtain sufficient foreign exchange or required SAFE approvals could restrict dividend payments and other foreign exchange obligations, adversely affect our offshore capital expenditure plans and business, and expose us to administrative penalties and fines.

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

Our business is exposed to foreign currency exchange risk. The value of RMB against other currencies may fluctuate significantly, influenced by domestic and international economic and political conditions, market supply and demand, and changes in relevant government policies. Our reporting currency is RMB. While a part of our revenue is denominated in RMB, a substantial majority of our revenue is denominated in USD. While the reporting currency of our South Korea subsidiary is KRW, a substantial portion of revenue from our South Korea subsidiary is denominated in USD. As a result, any fluctuations in RMB against USD, KRW against USD, as well as RMB against KRW could have a negative impact on our operating results and financial reporting.

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Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration of Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Companies (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), issued by SAFE in February 2012, employees, directors, supervisors and other senior management participating in any stock incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic qualified agency, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. Failure to complete the SAFE registrations may subject us and our eligible directors, executive officers and other employees to fines and legal sanctions and may also limit our ability to contribute additional capital into our wholly foreign-owned subsidiaries in China and limit these subsidiaries’ ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors and employees under PRC law.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas securities offering and listing issued by PRC government authorities.

On February 17, 2023, the CSRC issued the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and five supporting guidelines, which had become effective on March 31, 2023 (the “Overseas Listing Regulations”). The Overseas Listing Regulations lay out the arrangements for regulatory filings for both direct and indirect overseas offerings, and clarify the determination criteria for indirect overseas offerings in overseas markets. For details, see “Regulatory Overview — Laws and Regulations Related to Overseas Securities Offering and Listing by Domestic Enterprises.” The Overseas Listing Regulations and any future rules may impose additional compliance requirements on us, and any failure to comply could significantly restrict or prevent our future financing activities.

Payment of dividends is subject to restrictions under PRC law and regulations.

Under PRC law, dividends may be paid only out of distributable profits, being distributable net profits less appropriations to statutory, general and discretionary surplus reserves (as approved by Shareholders), based on our unconsolidated net profit under PRC GAAP. Distributable net profits are determined as the lower of the relevant amounts calculated under PRC GAAP and IFRS Accounting Standards. Accordingly, we may not have sufficient distributable profits, if any, to pay dividends, even in periods when we record an accounting profit. Undistributed distributable profits may be carried forward for distribution in subsequent years.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares and an active [REDACTED] for our H Shares may not develop.

There was no [REDACTED] for our H Shares prior to the [REDACTED]. There can be no guarantee that a [REDACTED] for our H Shares with adequate [REDACTED] and [REDACTED] will develop and be sustained following the completion of the [REDACTED]. In addition, the [REDACTED] of our H Shares is expected to be fixed by agreement between the [REDACTED] (on behalf of the [REDACTED]) and us, which may not be indicative of the [REDACTED] of our H Shares following the completion of the [REDACTED]. If an active [REDACTED] for our H Shares does not develop following the completion of the [REDACTED], the [REDACTED] and [REDACTED] of our H Shares may be materially and adversely affected.

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There will be a time gap of several business days between [REDACTED] and [REDACTED] of our H Shares. Holders of our H Shares are subject to the risk that [REDACTED] of our H Shares could fall during the period before [REDACTED] of our H Shares begins.

Our H Shares will not commence [REDACTED] on the Stock Exchange until they are delivered, which is expected to be several business days after determination of the [REDACTED]. As a result, [REDACTED] may not be able to [REDACTED] or [REDACTED] our H Shares during that period. Accordingly, holders of our H Shares are subject to the risk that the price of our H Shares could be lower than [REDACTED] before [REDACTED] begins as a result of adverse market conditions or other adverse developments, that could occur between the time of sale and the time [REDACTED] begins.

The [REDACTED], [REDACTED] and [REDACTED] of our H Shares following the [REDACTED] may be volatile, which could result in substantial losses to [REDACTED].

The [REDACTED] and [REDACTED] of our H Shares following the [REDACTED] may be volatile due to factors beyond our control, including our financial performance, analysts’ estimates, our development progress and prospects, the performance and valuations of comparable companies, market sentiment, our competitive position, general market conditions and company-specific developments. In addition, volatility in the Stock Exchange and other securities markets, whether or not related to our performance, may materially and adversely affect the [REDACTED] of our H Shares.

Certain of our Shareholders have substantial influence over our Company and their interests may not always be aligned with those of our other Shareholders.

Certain of our Shareholders have substantial influence over our business and operations. See “Substantial Shareholders.” These major Shareholders may, through their voting power at the Shareholders’ meetings and their delegates on the Board, have significant influence over our business and affairs. In addition, these major Shareholders’ interests may differ from those of our other Shareholders. Subject to the Listing Rules, our Articles of Association and other applicable laws and regulations, these major Shareholders will continue to have the ability to exercise their substantial influence over us and to cause us to enter into transactions or take, or fail to take, actions or make decisions which conflict with the best interests of our other shareholders.

Should the [REDACTED] be higher than the net tangible book value per Share, subject to [REDACTED], you may experience an immediate [REDACTED] in the book value of the [REDACTED] you purchased in the [REDACTED] and may experience further dilution if we issue additional Shares in the future.

If the [REDACTED] exceeds the net tangible book value per Share, purchasers of the [REDACTED] in the [REDACTED] may experience immediate [REDACTED] in [REDACTED] net tangible asset value per Share. In addition, if we [REDACTED] additional Shares in the future, Shareholders may experience further [REDACTED] in their interests and the net tangible asset value per Share. Furthermore, we may [REDACTED] Shares pursuant to share incentive schemes, which would further [REDACTED] Shareholders’ interests in our Company.

We cannot assure you when, whether and in what form or amount we will pay dividends in the future.

Our ability to pay dividends will depend on whether we are able to generate sufficient earnings. Distributions of dividends shall be decided by our Board of Directors at their discretion and will be subject to the approval of the general meeting. A decision to declare or to pay dividends and the amount thereof depend on various factors, including but not limited to our results of

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operations, cash flows, financial position, capital requirements, distributable profits, market conditions, business plans, contractual restrictions, taxation and regulatory requirements. Subject to any of the above constraints, we may not be able to pay dividends in accordance with our dividend policy.

A significant increase or perceived significant increase in the supply of our H Shares in [REDACTED] in the future could cause the [REDACTED] of our H Shares to decrease significantly, and/or [REDACTED] shareholdings of holders of our H Shares.

The [REDACTED] of our H Shares could decline as a result of future [REDACTED] of a substantial number of our H Shares or other securities relating to our H Shares in the [REDACTED], or the [REDACTED] of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future [REDACTED], could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

Our future financing may cause dilution of your shareholding or place restrictions on our operations.

In order to raise capital and expand our business, we may consider [REDACTED] and [REDACTED] additional Shares or other securities convertible into or exchangeable for our Shares in the future other than on a pro rata basis to our then existing Shareholders. As a result, the shareholdings of those Shareholders may experience dilution in net asset value per Share. If we raise additional funds through debt financing, we may also become subject to restrictions that could limit our ability to pay dividends, adversely affect our cash flows, increase our exposure to adverse economic conditions, and reduce our flexibility in pursuing business development and strategic plans.

Any possible conversion of Unlisted Shares into H Shares could increase the supply of H Shares in the market, which may negatively impact the [REDACTED] of H Shares.

Our Unlisted Shares may be converted into H Shares and [REDACTED] or [REDACTED] on the Hong Kong Stock Exchange, subject to completion of the requisite internal approvals, CSRC filing and compliance with applicable regulatory and listing requirements. We [have applied] for the [REDACTED] of all or part of our Unlisted Shares as H Shares in advance. Any future conversion and sale of such shares could increase the supply of H Shares in the market and adversely affect the [REDACTED] of our H Shares.

Certain facts, forecast and statistics contained in this document are derived from publicly available sources and they may not be reliable.

Certain facts, statistics and data contained in this document relating to China, Hong Kong and the industries in which we operate have been derived from publicly available sources, including official government publications, industry associations, independent research institutions, third-party reports and/or other sources we generally believe to be reliable. Such information has not been prepared or independently verified by us, the [REDACTED] or any of our or their respective affiliates or advisers, and we cannot guarantee the quality or reliability of such source materials. Therefore, we make no representation as to the accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside of China and Hong Kong. Furthermore, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, you should give due consideration as to how much weight or importance you should attach to or place on such facts, forecasts or statistics.

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Forward-looking statements contained in this document are subject to risks and uncertainties.

This Document contains forward-looking statements regarding our future plans and strategies, identified by terms such as “expect,” “will,” and “intend.” These are estimates based on management’s judgment and are subject to risks, detailed in the “Risk Factors” section, that could cause actual results to differ materially. These statements are not guarantees of future performance, and investors should not place undue reliance on them.

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