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OVERVIEW

We are a power semiconductor company that delivers efficient power management solutions through proprietary process technologies. We adopt a Virtual IDM model, under which we invest in our key wafer fabrication partner, Fullsemi Semiconductor, and own the intellectual property rights to our proprietary process technologies, combining the asset-light flexibility of a fabless company with the design-process integration typically associated with a traditional IDM.

Power semiconductors are primarily used to regulate key physical characteristics in electrical circuits — such as voltage, current, frequency, and switching states — to enable efficient power conversion. Our core business encompasses the research, development and sales of power integrated circuits (ICs) and power devices within the power semiconductor segment. Leveraging our proprietary process technologies, we provide customers with high-efficiency power solutions. Our products cover three major technology fields: mobility, display, and power devices, and are widely used in (i) automotive; (ii) telecommunication equipment including base stations and network communication devices; (iii) data centers, including AI servers; (iv) industrial-level applications including motor drives, battery management systems (BMS), green energy equipment and humanoid robots; and (v) consumer electronics, including smartphones and televisions.

In the power management IC (PMIC) segment, we have focused on customized PMICs in mobility and display applications, providing comprehensive, one-stop power management solutions to leading global customers across the smartphone industry, the display panel industry, and the automotive industry. As a core supplier deeply integrated with our customers, we have established a leadership position in the key technology areas that we focus on. According to Frost & Sullivan, our rankings in the global PMIC market are as follows:

based on revenue in 2025, we ranked:

- No. 11 in the global consumer electronics PMIC market;
- No. 3 in the global smartphone PMIC market;
- No. 5 in the global display PMIC market;
- No. 2 in the global OLED display PMIC market; and

based on total shipment volume over the last ten years, we ranked:

- No. 1 in the global OLED display PMIC market.

In the power device segment, we have a core team with over 20 years of R&D experience and a complete product portfolio covering silicon-based and SiC-based power devices. Leveraging our self-developed process platform and innovative device design capabilities, we have achieved performance metrics on par with global industry leaders. Our market share of power semiconductor products has rapidly increased in applications such as motor drives, battery management systems, and communication base stations, and we have expanded into application areas including automotive, data centers, AI servers, and robotics.

We operate a globalized structure with two primary regions, Greater China and overseas, collaborating efficiently across R&D, supply chain, and sales to complement resources and drive synergy. Our operations in Greater China have successfully integrated with the local Chinese supply chain, while our overseas operations primarily utilize the Korean supply chain. With the stable dual supply system, we are capable of meeting customer requirements for supplier location across different countries and regions, thereby supporting the stable and continuous development of customers' global businesses.

The rich IP portfolio embedded in our mobility and display customized IC products for overseas customers facilitates the development of the related customized ICs for our Chinese customers. Meanwhile, the specialized process technologies developed through our independent process platform in China can also be applied within the overseas supply chain, enabling collaborative sharing of R&D advantages and unique process resources.

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Our products focus on customization and high performance tailored to leading customers, with a core emphasis on innovative IC and device design as well as the development of proprietary process platforms. Through our strategic collaboration and capacity assurance arrangements with Fullsemi Semiconductor, we are able to secure specified 12-inch wafer fabrication capacity for us and our affiliates, enhancing production visibility, supply stability and operational flexibility. In addition, our close collaboration with Fullsemi Semiconductor in process and design-rule co-development, together with early visibility into relevant process roadmaps and preferred production scheduling for forecast-backed orders, enables us to rapidly improve the performance of our process platform, achieve synergistic optimization of design and process, accelerate product iteration, and strengthen market competitiveness. We continuously reinforce our strategic partnership with our suppliers to secure manufacturing capacity.

Our Product Offerings

We offer high-efficiency power management total solutions through our comprehensive portfolio of PMICs and power devices. Our product offerings are strategically segmented to address critical industry demands. Specifically, our product offerings can be categorized into three main groups according to their core technologies and downstream applications:

Mobility

Mobility refers to our power management chip products used in battery power applications including smartphones, tablets and wearable devices, designed to manage functions such as battery charging, battery management, voltage conversions and signal interfacing in smart terminal products.

Our power management products form an integral part of the devices' power architecture. These products manage multiple power domains within the system, coordinating between external input power, battery and other key components in the device to ensure optimal power delivery while maximizing energy efficiency. The implementation involves sophisticated voltage conversion, dynamic power scaling, and intelligent power sequencing capabilities — all engineered to extend battery life and enhance thermal performance in space-constrained mobile form factors.

The main sub-products within our Mobility segment include (i) Interface PMICs (IFPM) and (ii) Battery Management ICs. Core customers of our Mobility segment products include leading smartphone brands both overseas and in Greater China, as well as major ODMs in Greater China. We have also started to collaborate with key battery manufacturers for emerging applications in the power management sector. According to Frost & Sullivan, the size of the global smartphone PMIC market reached RMB21.7 billion in 2025. We ranked No. 3 globally in this market, but with a market share of only 2.9%, indicating significant growth potentials. We expect to grow our market share with our future offerings of more efficient mobility PMICs.

Display

In the Display segment, we primarily offer multi-channel PMICs for display panels. These PMICs mainly perform operations like analog signal buffering and amplification, step up and step down voltage conversions, and positive to negative voltage conversion within the panel.

Our display PMICs support all mainstream display technologies including LCD and OLED. The products are applied across a wide range of fields including smartphones, automotive displays, tablets, TVs, laptops, and IT displays. Key customers of our Display products include leading global and Chinese display panel makers, TV manufacturers, and smartphone manufacturers. We have also made contributions in emerging display technologies such as those for laptops and automotive applications. According to Frost & Sullivan, the size of the global display PMIC market reached RMB9.6 billion in 2025. We ranked No. 5 globally in this market, but with a market share of only 8.5%, indicating significant growth potentials. With more product offerings covering LCD and

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OLED, and with our cooperation with more leading display customers, we expect to further grow our shares in this market. In addition, display panels are replacing other forms of interfaces in lots of electronic equipment, so we expect the demand for our display PMICs will continue increasing.

Power Device

Power Device mainly involves power devices/modules commonly used in power electronics topologies such as DC/AC inverters, DC/DC converters, and AC/DC converters. By leveraging our partner foundries and proprietary process platforms, we have developed industry-leading Si MOSFET and SiC MOSFET products. Key customers of our Power Device products include leading manufacturers of motor drive, BMS, communication equipment, server power supply, automotive, and consumer electronics. According to Frost & Sullivan, the size of the global MOSFET market reached RMB110.2 billion in 2025. Driven by the electrification of cars and other transportation devices, and the explosive growth of AI computing, the demand for high efficiency power MOSFETs is expected to grow exponentially in the next five years. We have leveraged our Virtual IDM model to accelerate the performance improvement in the power MOSFET technology. We expect our new power device products in both Si MOSFET and SiC MOSFETs to continue gaining market shares against the major power device incumbents and contribute to an accelerated growth in our revenue.

Market Opportunities

The development of the power semiconductor industry is closely linked to downstream market growth and is influenced by advancements in downstream technologies and the continuous expansion of emerging markets. As a critical enabler of next-generation applications, the power semiconductor industry is poised to capitalize on new market opportunities.

Mobility

Key growth drivers for our Mobility product line include:

- Increased value of customized PMIC per device: The rapid rise of 5G and AI technologies imposes higher demands on power management for consumer electronics, further driving demand for high-capacity and fast-charging solutions, significantly increasing the value of power management chips.
- On-device AI, or Edge AI devices: PMIC will become highly efficient, highly integrated, and requires enhanced thermal management.
- Rapid growth in emerging AR/VR applications: The accelerating adoption of AR/VR technologies is creating new demand for specialized power management architectures, which further expands the market capacity.
- Wearable devices: The increasing demand for health and fitness monitoring and rapid technological advancements is driving the continued growth of wearable devices such as watches, wireless earbuds, and rings.
- Silicon anode battery adoption: Breakthroughs in advanced battery materials are catalyzing a new product upgrade cycle for PMICs, as next-generation energy storage systems require more sophisticated power regulation and optimization capabilities.

As a leader in the power semiconductor industry, we believe we are uniquely positioned to capitalize on these growth trends through our portfolio of high-efficiency, customizable power solutions. Our deep system-level expertise and proven innovation track record enable us to address

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the increasingly complex power requirements of modern portable electronics while capturing greater value per device. This positions us favorably to benefit from both the expanding portable electronics market and the rising semiconductor intensity within these applications.

Display

The global display market is undergoing a transformative expansion, creating substantial opportunities for our power management solutions across multiple high-growth segments. Key growth drivers for our Display product line include:

- Increased demand for display panels driven by consumer electronics and automotive electronics, expanding our total addressable market.
- Evolving display specifications including higher resolution, thinner form factors, faster refresh rates, and better color performance of display panels require more advanced PMICs, increasing their value.
- The maturity of OLED panel technology will push OLED applications from small screens to large screens. The future trend will see IT devices (such as laptops) adopting OLED displays, expanding market size while PMIC unit prices increase with panel size.
- The growing use of foldable and multi-screen displays increases PMIC usage.
- The market is expected to grow due to the slimness and low power of AI laptops and notebooks. In addition, the application of OLEDs in automobiles is also increasing.

Our display power solutions combine industry-leading power efficiency with cutting-edge form factor optimization, enabling us to capitalize on these converging trends. With each technological advancement in display architectures creating new requirements for power delivery and management, we expect to capture both market growth and increasing dollar content across our display product portfolio.

Power Device

The power semiconductor market is experiencing rapid growth across multiple high-value sectors, creating significant opportunities for our power devices offerings. Key growth drivers for our Power Device product line include:

- The rapid development of AI servers and data centers drives proportional growth in power electronics demand. Compared to traditional servers, AI servers require 10 times more power, significantly increasing the demand for power devices per server.
- Renewable energy is a core technology for carbon reduction, mainly applied in photovoltaics, wind power, and energy storage. DC/AC inverters used in these applications heavily rely on power devices. With the widespread adoption of electric vehicles and the large-scale deployment of data centers, global demand for new energy will surge, proportionally increasing demand for power devices.
- The trend toward electrification and intelligence in automobiles is inevitable. From powertrain to chassis to autonomous driving, the demand for power devices per vehicle is expected to increase exponentially compared to traditional internal combustion engine vehicles.

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- End-users and applications continuously demand higher performance in power conversion efficiency, reliability, and low switching losses. Power devices are evolving toward higher reliability and higher power density, driving continuous growth in their value.
- The robotics industry is experiencing accelerated growth driven by upstream technological breakthroughs, expanding application scenarios, and policies tailwinds. This development is generating substantial demand for power device solutions, as robotic systems require numerous joint modules with integrated motor drives that directly correlate to increased power device requirements. Each additional robotic unit creates incremental demand for high-performance power management components, positioning our power device portfolio to benefit from this secular growth trend across industrial and service robotics applications.

Underlying these sector-specific trends is the continuous industry-wide push for higher power density, improved efficiency, and enhanced reliability. These performance requirements are driving both technological advancement and value accretion across our power devices portfolio.

OUR STRENGTHS

We adopt a Virtual IDM model, under which we possess proprietary process technologies and have made a strategic investment in our key wafer fabrication partner.

We have invested in and established a strategic partnership with Fullsemi Semiconductor, a technologically advanced wafer fabrication foundry with industry-leading capabilities. We established Fullsemi Semiconductor in 2019 as its sole shareholder and, following capital increases in 2021 that introduced new shareholders independent of our Group, have since held a minority equity interest. As of the Latest Practicable Date, we held approximately 16.76% of its equity. Fullsemi Semiconductor has developed process nodes ranging from 90nm to 55nm and 12-inch wafer fabrication lines optimized for high-performance PMICs and power devices, positioning it as one of the global leaders in these specialized segments, according to Frost & Sullivan.

Unlike a typical fabless model that relies on standard foundry platforms, our Virtual IDM model enables us to co-develop product-specific processes, supporting process customization, product differentiation and long-term collaboration. During the Track Record Period, our aggregate purchases from Fullsemi Semiconductor amounted to approximately RMB824.8 million, representing approximately 4.2%, 17.1%, 35.4% and 41.4% of our total wafer purchase amount in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. Although we do not control its operations, this partnership provides strategic benefits in process technology, supply chain control and operational efficiency.

- ***Proprietary process technology: differentiation and performance leadership:*** Process platforms underpin the design and manufacturing of PMICs and power devices. As a key investor and joint R&D partner of Fullsemi Semiconductor, we can integrate our proprietary process platforms into chip design and manufacturing, enabling faster technology development and product iteration, improved performance, reliability and power efficiency, and stronger product differentiation. Our process nodes have evolved from 0.18μm to 55nm, with continued refinement of power device linewidths. According to Frost & Sullivan, the performance metrics of our mass-produced products are on par with global industry leaders. Our role as an investor and joint R&D partner also strengthens IP protection through joint ownership of the relevant intellectual property rights.
- ***Enhanced supply chain control: capacity, quality, and cost advantages:*** Our partnership with Fullsemi Semiconductor gives us priority access to production capacity and supports stable supply during market fluctuations. Close collaboration and real-time

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monitoring enable stricter quality control and prompt resolution of quality issues. It also reduces coordination, compatibility and testing costs, while flexible capacity allocation and product mix planning help avoid resource underutilization and premium costs for external capacity.

- ***Improved operational efficiency: accelerated development cycles and agile production:*** Integrated process development and streamlined design-to-manufacturing handoffs shorten initial design-to-sample cycles by 30-40% and product iteration cycles by 40-60%. Dynamic capacity allocation, queue management and adaptive scheduling further improve production responsiveness and accommodate urgent customer requirements.

In addition to our strategic partnership with Fullsemi Semiconductor, we maintain close relationships with other major foundries, providing additional operational flexibility.

We have established a dual ecosystem in Greater China and overseas regions covering multiple dimensions including R&D, supply chains, and customer networks

We are strategically positioned in Asia with a dual ecosystem spanning Greater China and overseas markets across R&D, supply chains and customer networks. This structure combines localized support with global scalability, facilitates cross-border resource sharing and strengthens our resilience, innovation and resource allocation. Most of our revenue during the Track Record Period was generated from overseas operations, where we have built extensive product IP, mature procurement, development, production and sales systems, and long-term relationships with major international customers. Such IP supports product development in Greater China, while proprietary process technologies developed through our process platforms in Greater China can be adapted to overseas supply chains.

Our overseas production primarily relies on Korean suppliers, supplemented by manufacturers in Chinese Mainland and Taiwan, while our Greater China operations are supported by a localized supply chain. Operating these parallel but interconnected supply chains enables us to meet customer localization requirements, mitigate regional supply chain risks and maintain business continuity and global competitiveness.

We also operate a distinctive dual-brand strategy for Greater China and overseas markets. Amid evolving sanctions, export controls and tariff policies affecting China’s semiconductor supply chain, our IP portfolio, industry experience, proprietary process platforms and supply chain security have supported partnerships with leading domestic customers in display panels, smartphones, televisions, renewable energy, telecommunications equipment and automotive. The synergistic operation of our two regional businesses enables us to navigate complex market conditions while maintaining growth in both markets.

We possess profound system knowledge and extensive industry know-how about power semiconductor design and development, and are specialized in developing customized solutions that create long-lasting partnerships with industry-leading customers

We have built a product development team spanning circuit design, process technology and end-customer applications, supported by proprietary know-how in device structure design, specialty processes, high-reliability packaging and yield enhancement. By combining algorithms, process technologies and design architectures, we deliver customized system-level solutions that meet customers’ performance, integration and delivery requirements, creating meaningful technical barriers to entry.

Our focus on customized PMICs offers greater integration, performance and cost optimization than standard products and supports our lean, high-margin business model. Because customized PMICs are deeply embedded in customers’ end products, their development requires a

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comprehensive IP portfolio and detailed system-level application knowledge. Years of joint development with global industry leaders have enabled us to accumulate proprietary IP, process know-how and application insights, strengthening system compatibility, customer relationships and our value proposition.

As of the Latest Practicable Date, through internal R&D and strategic collaborations with leading universities and research institutions, we had 199 granted patents and 188 pending patent applications. Our R&D achievements include SiC power devices, silicon-based solutions for high-power-density applications and advanced thermal management technologies, supporting the continued development of next-generation power semiconductor solutions.

Our “PMICs + power devices” dual-product strategy creates system-level synergies that enhance our overall value propositions

As applications require higher power density, smaller form factors and greater reliability, the power semiconductor industry is increasingly integrating ICs and MOSFETs, requiring expertise in both product categories and their interaction within complete systems. Our dual-technology platform in PMICs and power devices enables us to provide integrated system solutions that address customers’ multi-product requirements, reduce compatibility and adaptation issues, and improve quality control and accountability across the procurement chain. Supported by our manufacturing processes, R&D team, design capabilities and PMIC and power device technologies, we are well positioned to deliver higher-value system solutions and capture further growth in the power semiconductor market.

We are led by a seasoned and visionary management team with extensive experience in the power semiconductor industry

We are led by Dr. Ren, our chief executive officer, who has two decades of experience in the power semiconductor industry. He previously served as general manager of Hangzhou Monolithic Power Systems, the China subsidiary of Nasdaq-listed Monolithic Power Systems. Dr. Ren holds bachelor’s and master’s degrees from Zhejiang University and a Ph.D. degree in electrical engineering from Virginia Tech, combining deep technical expertise with experience in scaling semiconductor operations.

Dr. Huh, our vice chairperson and the founder, chairman and chief executive officer of SMI, has 40 years of global semiconductor experience and holds a Ph.D. degree in electrical engineering from Stanford University. He previously served as executive vice president of SK Hynix, where he oversaw its system IC division for seven years, and founded and managed MagnaChip Semiconductor. He has also served on South Korea’s Economic Advisory Council and held leadership roles including Honorary Chairman of the Korea Fabless Semiconductor Association and senior member of the National Academy of Engineering of Korea.

Our core R&D team comprises industry veterans recruited from leading semiconductor companies with an average of over 17 years of specialized experience. Across our broader technical organization, 6.4% hold Ph.D. degrees and 66.3% hold master’s degrees.

OUR STRATEGIES

Expand our product portfolio to address a broader range of application scenarios

Automotive: The latest vehicle designs adopt an increasing number of display panels to enhance better driver and passenger experience. This has greatly increased the demand of customized display PMICs. Additionally, in response to the rapidly evolving technical requirements for extended range in new energy vehicles, the voltage platforms of vehicle power batteries have imposed higher performance parameter demands on medium and high-voltage power devices. Concurrently, with the electrification and intelligence of vehicles, core components such as ADAS

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systems, battery management systems, and LED vehicle lights have seen a significant increase in demand for power devices beyond traditional applications. According to Frost & Sullivan, the global power semiconductor market for NEV is expected to grow at a CAGR of approximately 9.0% from 2025 to 2030, with structurally growing demand for automotive-grade semiconductors. We will further deepen our business cooperation with leading car makers and tier one customers to accelerate the adoptions of our automotive-grade power devices.

Artificial intelligence: Driven by the accelerated deployment of computing power clusters in the AI sector, the global power semiconductor market for AI is expected to grow at a CAGR of approximately 19.1% from 2025 to 2030, according to Frost & Sullivan. We have released industry leading SiC and Si MOSFET products targeting AI data center power supply and server motherboard applications, and will continue our R&D efforts in this field in order to capture the significant growth opportunities brought by the AI revolution.

Robotics and unmanned aerial vehicles (UAVs): As industrial automation continues to upgrade, robots and UAVs require higher power density in joint modules for high-precision components such as motion control and motor drives. According to Frost & Sullivan, the global power semiconductor market for humanoid robotics is expected to grow at a CAGR of approximately 54.3% from 2025 to 2030. We will focus on developing high efficiency power MOSFETs and compact power modules to meet the demand for high-power-density system-level power supplies in joint modules.

Increase R&D investment to establish technical competitiveness

Expand system applications: Focusing on the evolving demands of application scenarios, we aim to drive system-level optimization of power semiconductors from the perspective of terminal systems. Centering on core fields such as electrical vehicles, computing power centers, robotics and UAVs, we aim to develop next-generation custom PMIC and power device solutions to enhance system-level energy efficiency and reliability.

Strengthen technological innovation: We will prioritize increased R&D investments in low-power portable electronics and new display technologies to improve energy efficiency and chip integration density. We will also continuously advance the technological iteration of Si/SiC MOSFET in the power device sector.

Refine process capabilities: For PMICs, we will promote the evolution of process technology toward smaller geometry sizes and high density to enhance integration and energy efficiency ratio; for power devices, we will iterate toward smaller line widths, coupled with R&D and application of new materials such as SiC, to further optimize device performance and cost efficiency.

Through sustained R&D investments in systems, technology, and processes, we plan to further enrich our intellectual property portfolio and enhance our core competitiveness. Meanwhile, we will strengthen the industrialization and commercialization of our intellectual property and improve the commercial value of our intellectual property and our market competitiveness. We believe these efforts will establish our technical competitiveness and consolidate our leading position in the power semiconductor industry.

Strengthening our international customer base while enhancing market penetration in the Greater China, achieving balanced development across our global operations

Overseas market strategy: We have successfully supplied the leading global brand customers with industry leading customized PMICs. This foundation enables us to maintain stable, long-term partnerships while preserving our leading market position and high share of business with these strategic accounts. Going forward, we plan to continue to deepen such relationships and expand our product offerings, thereby further improving our marketing shares for our overseas market.

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Greater China market strategy: According to Frost & Sullivan, as of December 31, 2025, the localization rate of PMICs in China was approximately 23%, while the localization rate of power devices was approximately 36%, indicating significant room for domestic substitution. Meanwhile, in response to the growing demand for display applications in China’s consumer electronics and other sectors, as well as the rapid expansion of power devices in diversified application scenarios, we will focus on achieving key breakthroughs in the Greater China market, accelerate the domestic customization processes, and gradually increase the penetration rate in the Greater China market.

We plan to further improve our dual-ecosystem for the Greater China and overseas markets, aiming to achieve a more balanced growth of our businesses.

Continuously advance the construction of the digitalization system

Design phase: Leveraging advanced electronic design automation (EDA) tools and high-performance simulation platforms, and harnessing artificial intelligence technologies, we drive in-depth analysis and optimization of design data to achieve automated and intelligent design processes. We continuously advance digitalization in the design phase to enhance design accuracy and efficiency.

Testing phase: To transform cumbersome manual testing processes into highly automated ones, shorten testing cycles, and improve testing coverage, repeatability, and stability, we have actively introduced automated testing solutions, significantly reducing customer sample test time. We will continue to deepen the application of automated testing systems to shorten product development cycles, enhance design verification efficiency, and improve product quality.

Management, operations, procurement, and sales phases: We will promote the establishment of data-driven decision-making systems. By leveraging big data analysis, artificial intelligence, cloud computing technologies, we plan to achieve intelligent regulation of production planning, supply chain management, quality control, and resource allocation. We will build our digital capabilities comprehensively and achieve refined management and sustainable growth.

Explore strategic investment and M&A opportunities within the industry chain

Vertical industry chain integration: We plan to evaluate strategic opportunities across critical semiconductor supply chain segments, particularly in wafer fabrication, packaging and testing operations. We aim to identify high-quality targets with synergistic effects, enhance cross-chain coordination efficiency, and strengthen cost advantages.

Horizontal product portfolio expansion: We aim to expand our product portfolio through horizontal mergers and acquisitions of power semiconductor companies with differentiated technologies or niche market advantages so as to rapidly enter emerging application markets and enhance platform capabilities.

OUR BUSINESS MODEL

We are a global provider of PMICs and power devices, standing out through our innovative business model and advanced technological capabilities. We adopt a Virtual IDM model, under which we invest in our key wafer fabrication partner. This model combines the asset-light flexibility of a fabless company with the vertically integrated capabilities of a traditional IDM, with the added advantage of owning the intellectual property rights in relation to the proprietary process technologies.

Compared with market participants that mainly rely on outsourced manufacturing arrangements, this provides us with differentiated advantages in process optimization, customized workflows and capacity coordination. In particular, in 2019, we established Fullsemi Semiconductor, as its sole shareholder and, following capital increases in 2021 in which

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independent third-party investors were introduced, we have since held a minority equity interest in Fullsemi Semiconductor. As of the Latest Practicable Date, we held approximately 16.76% of its equity, representing a paid-in capital contribution of RMB1,500 million. We also extend into back-end manufacturing through a self-owned high-power module manufacturing, packaging and testing facility operated by our wholly owned subsidiary, Hangzhou Xintong. Taken together, we have made capital commitments through Fullsemi Semiconductor and Hangzhou Xintong and established structured capacity planning and process co-development with key partners, providing capacity assurance and process customization to support reliable R&D and production.

We have established long-term strategic partnerships spanning over a decade with leading Bipolar-CMOS-DMOS (BCD) semiconductor manufacturers in China and Korea. Leveraging these collaborations, we have developed differentiated process platforms, which allows us to develop proprietary PMIC technologies that meet world-class standards for chip design and manufacturing. Furthermore, through our strategic investment in Fullsemi Semiconductor, our “Virtual IDM” network is further expanded and strengthened, covering part of our PMIC and power device products.

Our Virtual IDM model is distinguished by two features: (i) strengthened foundry collaboration through our long-term equity investment in Fullsemi Semiconductor and (ii) selective and targeted investments in back-end manufacturing capabilities, including the build-out of Hangzhou Xintong’s facilities for the R&D, manufacturing, packaging and testing of high-power modules. These investments remain limited in scale compared with a traditional full IDM model, allowing us to maintain a balanced manufacturing footprint while preserving flexibility to focus resources on R&D and market opportunities.

Our flexible yet highly effective Virtual IDM model has been instrumental in driving our commercial success. By combining operational coordination with capital efficiency, we maintain a diverse product portfolio and strong market performance while capturing emerging opportunities across semiconductor industry cycles.

OUR PRODUCTS AND SOLUTIONS

Unlike most domestic PMIC and power device companies that focus on a single product line, we offer both PMICs and power devices, covering two major categories of semiconductor products. Our dual expertise in both PMICs and power devices enables us to provide customers with integrated one-stop semiconductor solutions, creating resilience against inherent industry cyclicality.

PMICs

PMICs are often used to manage power usage in electronic equipment by converting, distributing, storing, discharging, isolating and measuring electrical energy.

In the PMIC sector, we design, develop and market PMIC products. PMIC product represents a critical category within integrated circuits. PMIC enables power conversion, distribution, monitoring, and overall power management across electronic systems. Our PMIC portfolio spans a broad range of products, including battery management products, switching regulators, interface and protection products, display LED backlight products, PMIC for LCD/OLED, PMIC for SoC, and interface PMIC.

Our diversified and comprehensive portfolio of PMIC products allows us to deliver comprehensive, one-stop power management solutions to leading global customers across the smartphone industry, the display panel industry, and the automotive industry.

Our PMIC product portfolio primarily covers two major application categories: Mobility and Display, with the Display segment including both LCD and OLED technologies.

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Mobility

Mobility segment includes our power management chip products used in smartphones and wearable devices, designed to manage functions such as power supply, voltage regulation, and energy efficiency in smart terminal products. The main sub-products within our Mobility segment include (i) IFPM and (ii) Battery Management ICs.

The Mobility segment encompasses a comprehensive suite of highly integrated power management and interface solutions tailored for mobile and computing applications. Key offerings include IFPM solutions, battery management, regulators, interface and protection, PMIC for memory modules, PMIC of edge AI ICs and modules. These products are designed to deliver high efficiency, compact footprint, and system-level integration, supporting the stringent power and performance demands of mobile platforms.

IFPM Solutions

The IFPM solution is one of the most advanced and highly integrated power SoC that combines multiple PMIC functionalities, such as fuel gauging, fast charging, buck-boost regulation, RGB (Red-Green-Blue) display control, and flash LED management, into a single chip. Developing IFPM solutions requires not only expertise in designing various types of PMICs but also strong integration capabilities to consolidate these functions, without functional interference, while maintaining a compact chip footprint. The breadth of our PMIC product offerings, coupled with deep domain expertise in every PMIC segment, forms the technological cornerstone for our IFPM solution development.

We primarily design, develop and customize IFPM solutions for smartphone manufacturers per our customers’ requests. As smartphones incorporate increasingly sophisticated functionalities and higher power demands, the number and variety of chips required per device continues to grow, while the industry simultaneously faces stringent miniaturization requirements for portable devices.

The PMIC products we supply can include IFPM solutions, comprising functionalities such as chargers, fuel gauges, BC 1.2 & 3.1 Mux, which are composite circuit modules for power management and data transmission switching, and LED flash drivers.

We have accumulated substantial experience in IFPM sector through collaborating with our customers, who are leading smartphone manufacturers in Greater China and overseas. Given IFPM’s inherent advantages in high integration density, particularly its ability to address critical smartphone requirements for power efficiency and compact form factors, we anticipate accelerating adoption across the smartphone industry.

Battery Management

- *Switched capacitor charger (電容分壓器)*: Switched capacitor charger is a highly efficient charging solution that utilizes capacitors rather than inductors or transformers for energy storage and voltage conversion. Compared to traditional DC/DC charger ICs, it achieves 4-5% higher power conversion efficiency. This technology employs switched-capacitor voltage converters to regulate input voltage, supporting step-up, step-down, and even negative voltage generation. Key advantages include compact size, fast transient response, and low electromagnetic interference (EMI) noise. It is widely adopted in smartphones, fast-charging devices, and portable electronics where high-power density and superior efficiency are critical, making it an important advancement in modern power management solutions. As fast charging becomes more popular, there is a growing need for more efficient charging ICs. We have been developing charger ICs since 2015 and we have produced 240 Mpcs by 2024.

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- *Fuel gauge (電量計)*: Our fuel gauge accurately measures and tracks battery charge capacity based on various factors such as battery degradation, ambient temperature, and discharge rates. It provides precise information on battery capacity and runtime predictions across different operating scenarios. Our fuel gauge employs advanced algorithms to continuously monitor battery performance, delivering reliable power management for portable electronics. By dynamically adjusting calculations based on changing conditions, it ensures accurate battery status reporting throughout the device’s lifecycle. We started with smartphone applications and are now expanding into a broader range of battery-powered IoT devices — covering the pack side with MCU, the system side without MCU, as well as both single-cell and multi-cell configurations.
- *Switching charger (開關充電器)*: Switching charger is a high-efficiency, integrated power management solution designed for fast charging in portable electronics such as mobile communication devices, laptops and tablets. It supports lithium and silicon anode battery charging across a range of 1 to 4 cells. We have been producing chargers for laptops since 2021. We consider this an important area for us, especially as the AI PC market continues to expand.

Regulators for Mobility

- *Buck-boost regulator (升降壓調節器)*: Buck-boost regulator is capable of stepping up or stepping down the input voltage to achieve a stable output. It features an integrated switch, compact package, and proprietary topology that maintains high efficiency even when input and output voltages are close. The regulator’s small footprint and configurable design make it ideal for portable electronics, IoT devices, and other power-sensitive systems requiring precise voltage regulation. It can also be used to manage power for AI Edge SoCs, which are particularly power-sensitive and require precise voltage regulation.
- *Buck regulator (降壓調節器)*: Buck regulator is capable of stepping down input voltage to a lower output voltage. It features an integrated switch, compact package, ultra-low quiescent current, high efficiency, and programmable operation via I²C interface, delivering optimized performance for space-constrained applications. The regulator’s small footprint and configurable design make it ideal for portable electronics, IoT devices, and other power-sensitive systems requiring precise voltage regulation. It can also be used to manage power for AI Edge SoCs, which are particularly power-sensitive and require precise voltage regulation.
- *Boost regulator (升壓調節器)*: Boost regulator is capable of stepping up input voltage to a higher output voltage. It features an integrated switch, compact package, ultra-low quiescent current, and high efficiency, delivering optimized performance for space-constrained applications. The regulator’s small footprint and configurable design make it ideal for portable electronics, IoT devices, and other power-sensitive systems requiring precise voltage regulation. We have added functionality for high-energy-density silicon anode batteries.

Interface and Protection

- *Over Voltage Protection (“OVP”) (過壓保護器件)*: Our OVP devices are designed to detect abnormal increases in input voltage and rapidly disconnect the power supply from the load before any potential damage occurs. They ensure that the input voltage does not exceed the maximum safety threshold, thereby protecting downstream components under abnormal operating conditions. Our OVP products are widely used in portable electronics such as smartphones, tablets, and IoT/wearable devices. The OVP products feature high-precision voltage detection capabilities to continuously monitor and maintain system operation within a safe voltage range. It integrates an internal field-effect transistor (FET) with low ON-resistance ($R_{DS(ON)}$) on the USB VBUS line, effectively reducing voltage drop and power loss while enabling fast over-voltage protection response.

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- *Load Switch (負荷開關)*: Our load switch products are characterized by a high level of integration, miniaturized design, and high reliability. These products deliver exceptional performance by achieving high voltage tolerance, low ON-resistance, and robust protection circuitry within an ultra-compact chip footprint. In response to the application requirements of next-generation portable and high-speed interface devices, our load switch portfolio incorporates a wide range of essential features for USB Type-C compatibility, including over-current protection, over-temperature protection, fast shutdown, and reverse current blocking. These products are widely applicable to all portable devices and other electronic systems with demanding power management requirements.
- *USB Interface (USB接口)*: Our USB interface products are designed in compliance with the latest USB Type-C specification, enabling high-speed data transmission and efficient power delivery in a compact and integrated format. These interface solutions feature built-in protection circuits, channel configuration, and power delivery communication capabilities, making them highly suitable for next-generation consumer electronics and mobile computing devices. The portfolio supports a wide range of input and output voltages, and comes in compact Wafer-level chip-scale packages (WLCSP) and Quad Flat No-lead (QFN) packages, enabling high integration in space-constrained portable applications such as laptops, power banks, and docking stations.
- *Voltage Level Translator (電壓電平轉換器)*: The voltage level translator products enable seamless, bi-directional signal conversion between components operating at different voltage domains, addressing the growing need for interoperability in multi-voltage system architectures. Designed to support high-speed data communication across a wide voltage range from 1.2V to 5.0V, these products are ideally suited for space-constrained and power-sensitive electronic applications. They are widely deployed in tablets, smartphones, and IoT/wearable devices, where miniaturization, low power consumption, and robust signal translation are essential requirements.

Display

Display PMICs are critical to ensuring stable, efficient, and reliable operation of LCD and OLED display panels. Our PMICs are optimized to meet the demands of compact size, high efficiency, and system-level integration. They incorporate four key functional blocks — integrated voltage regulators, high-voltage level shifters, gamma reference buffers, and LED backlighting — to support a wide range of applications, including laptops, monitors, and televisions.

Integrated voltage regulators

Large displays require multiple voltage levels such as AVDD, DVDD, VGH, VGL, and VCOM to supply power to T-CON and DDIC. Our display PMICs provide these voltages through various power conversion topologies, including buck, boost, buck-boost, positive and negative charge pumps, and linear regulators. Leveraging our proprietary core technologies, our PMICs deliver accurate, stable, and efficient voltage outputs.

High Voltage Level-Shifters

Level-shifters translate low-voltage signals from the timing controller IC to the higher voltages needed by large LCD panels, switching outputs between VGL and VGH. Our level-shifters support up to 12 clock outputs for applications ranging from laptops to TVs, and include comprehensive protection features such as OCP (overcurrent protection), SCP (short-circuit protection), and OTP (over-temperature protection).

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Gamma Reference Buffers

In display panels, gamma reference buffers provide reference voltages to fine-tune brightness and color balance. Our solutions offer accurate, stable, and digitally adjustable multi-channel gamma reference buffers.

LED Backlighting

LEDs are used in LCD displays to generate bright, uniform light for image rendering. Our multi-channel backlight ICs deliver high-efficiency power conversion, support multiple LED strings, and enable precise brightness control — making them ideal for laptop applications that require high power, compact form factor, and reliable backlight performance.

Fully Integrated PMICs

By utilizing our proven IP, low-power consumption designs, and integration technologies, we develop and supply high-performance, cost-effective PMICs that integrate the four key functions mentioned above.

Power Device Products

Power device product offerings consist of SJ MOSFET (超級結功率 MOSFET), SGT MOSFET (屏蔽柵功率MOSFET), and SiC MOSFET (碳化矽MOSFET). We specialize in medium-to-high power applications, with core expertise in communications, automotive, and industrial markets. Our power devices have achieved volume shipments to industry leaders. These solutions are deployed in mission-critical applications such as 5G base station power systems, Server power supplies, Solar inverters, New energy battery test systems, Industrial robotics and Light electric vehicles.

Our product portfolio is further categorized by voltage levels into (1) medium-to-low voltage and (2) high voltage segments, allowing us to address a broad spectrum of customer requirements across diverse end markets.

Medium-to-low voltage products

Shielded Gate Trench MOSFETs

Our SGT MOSFET series features a unique charge balance function that significantly enhances switching performance and conduction characteristics. Particularly in high-temperature operating environments, the product demonstrates a stronger current-carrying capability. With an extremely low ON-resistance, it effectively reduces power loss, improving system efficiency. The device also features a fast, soft recovery body diode, ensuring stability and reliability during high-speed switching. Additionally, the low reverse transfer capacitance and input capacitance greatly enhance the EMI immunity, while the high tolerance of the unclamped inductive switching (UIS) ensures stable operation even under high shock loads. These advantages make our MOSFET devices perform exceptionally well in various high-performance applications.

In addition to reducing the characteristic ON-resistance and gate charge, this series of products further optimizes the energy efficiency during the power conversion process, ensuring lower power losses and higher operational efficiency. The use of SGT technology has significantly improved the device’s temperature-dependent ON-resistance characteristics, effectively controlling the increase of ON-resistance as the temperature rises, thereby greatly enhancing current-carrying capability and impact resistance in high-temperature and extreme heat environments, and ensuring stable operation under extreme temperature conditions.

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Incorporating advanced packaging technologies, the SGT MOSFET products further enhance the overall system efficiency and power density. This technology enables faster, smoother, and more efficient power management and motor control, ensuring system stability and reliability under high-load conditions.

This MOSFET series is widely used in various high-efficiency power conversion systems (PCS), covering several application fields. For example, in AC-DC power supply synchronous rectification applications, the product can significantly improve efficiency and reduce power loss. Additionally, the product is also widely used in DC motor drives, battery charging protection circuits, inverters, isolated DC converters, and uninterruptible power supplies (UPS). With its excellent performance, these MOSFET devices ensure efficient and stable operation of power systems even in harsh environments.

Our latest SGT MOS technology platforms have achieved a leading position in the Greater China market. It is well-suited for a wide range of applications, including low-voltage brushless DC (BLDC) motor drives, which are used to efficiently control motors in devices like fans and electric vehicles; battery protection switches that help prevent damage from overcharging or short circuits; hot-swap systems that allow safe insertion and removal of electronic components without shutting down the system; and high-performance power supplies that convert and regulate electrical power with high efficiency. The upcoming mid-voltage SGT MOSFET platform is benchmarked against internationally leading competitors’ latest generation Figure of Merit (FOM), defined as the product of specific ON-resistance and total gate charge — key indicators of device efficiency and switching performance. Our platform’s key metrics show close alignment with industry leaders, demonstrating strong technological competitiveness and innovation capability.

High voltage products

Super Junction MOSFETs

SJ MOSFETs are field-effect transistors designed for medium-to-high voltage power conversion applications. Unlike traditional planar MOSFETs, they use a vertical doping structure (the “Super-Junction” structure), which significantly improves the breakdown voltage while maintaining low ON-resistance. This structural advantage enables SJ MOSFETs to offer an excellent balance between conducting performance and switching speed, making them a key component in achieving high-efficiency and high-power density power systems.

Our SJ MOSFET products are designed using advanced process technologies and optimized device structures to significantly enhance performance. These products incorporate multi-generation technology advancements, offering faster switching speeds, lower on-state resistance, and extremely low gate charge, which effectively reduces overall system power loss and enhances energy efficiency, especially in power supply applications that have strict requirements for conversion efficiency and thermal management. The Super-Junction series also boasts superior avalanche ruggedness and enhanced ESD capabilities, ensuring greater reliability in applications. Additionally, these devices optimize switching characteristics, providing improved EMI performance, and offering greater design margin for system engineers.

We primarily design and develop SJ MOSFET products for downstream applications such as communication power supplies, charging stations, and energy storage systems.

SiC Power Devices

SiC MOSFETs

SiC MOSFET is a power semiconductor device based on SiC material. Compared to traditional Si MOSFETs of similar power ratings, SiC MOSFETs offer significantly reduced conduction resistance and switching losses, making them suitable for higher frequency operations.

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With superior high-temperature stability, SiC MOSFETs operate efficiently even at elevated temperatures, offering substantial improvements in overall system performance. As a result, SiC MOSFETs are widely used in applications where high performance and thermal stability are critical, such as in electric vehicles, industrial power supplies, and renewable energy systems.

SiC Power Modules

SiC power modules are power electronic modules that utilize SiC materials. They deliver exceptional gate oxide reliability, excellent switching performance, and lower conduction losses. They support higher operating temperatures and switching frequencies, which improves system efficiency. Additionally, the packaging design of SiC power modules reduces the number of components in the system, lightens weight, saves space, and enhances the overall system reliability and performance. The power modules are available in various configurations, such as half-bridge and six-pack, to meet the needs of different application designs.

SiC technology has broad applications across many fields, particularly in power electronics. Devices like SiC MOSFETs, and SiC power modules significantly improve system efficiency, reduce power losses, and enhance reliability in applications such as server power supplies, telecommunication power supplies, PC power supplies, and photovoltaic maximum power point tracking (MPPT) applications. In the electric vehicle industry, SiC materials are especially important in key components such as electric vehicle charging stations and inverters.

Our SiC MOSFET portfolio spans a wide voltage range from 650V to 3300V and is available in a variety of industry-standard packages, enabling broad applicability across electric vehicles, renewable energy, and industrial drives. A key measure of our SiC technology leadership is our ability to achieve low Specific ON-resistance (R_{sp}) values. R_{sp} — defined as the product of a device’s ON-resistance and its active area — is a critical indicator of chip design efficiency. A lower R_{sp} reflects a higher level of technological advancement, as it enables the same conduction performance with a smaller chip size. This not only reduces device dimensions and material cost, but also allows for greater integration and improved thermal performance. Our SiC platform demonstrates strong competitiveness in R_{sp} across voltage classes, positioning our solutions at the forefront of domestic innovation.

KEY OPERATING DATA

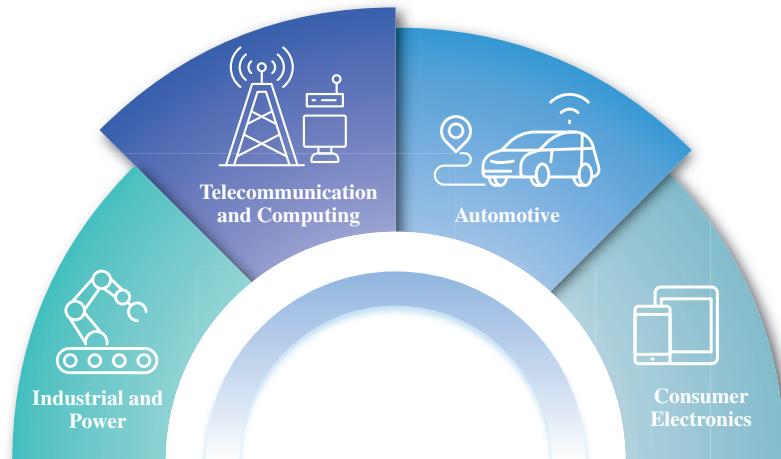
The following table sets forth the shipment volume of our products during the Track Record Period:

	Shipment Volume				
	For the year ended December 31,			For the four months ended April 30,	
	2023	2024	2025	2025	2026
	'000	'000	'000	'000	'000
PMIC products	503,688	442,838	492,360	153,587	171,712
Power device products	55,624	228,635	732,547	111,714	435,311
Total	559,312	671,473	1,224,907	265,301	607,023

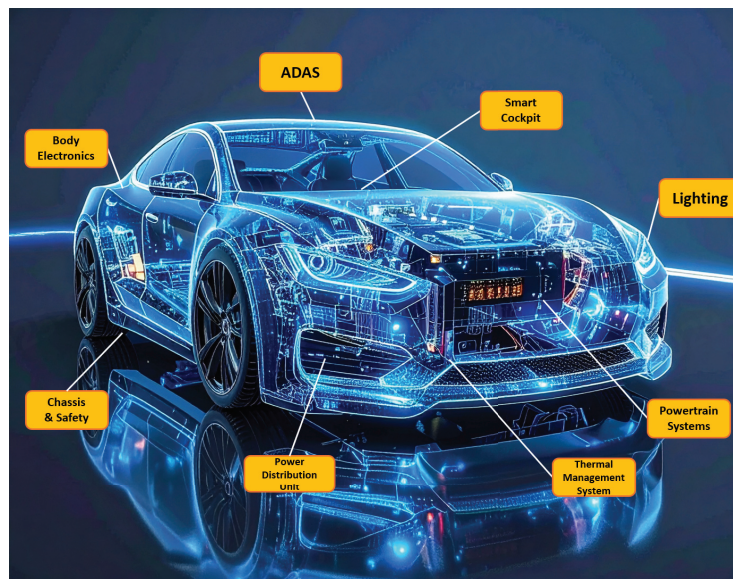
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Application Areas

The PMIC and power device products we design and develop are applied across a wide range of sectors, including automotive, telecommunications and computing, industrial and powers, as well as consumer electronics.



Automotive



Our automotive-grade power semiconductor products are optimized for low-voltage automotive systems, primarily targeting 12V and 48V automotive applications, and are designed for a broad range of automotive subsystems. These include ADAS; body electronics, which manage car doors, lighting, and other comfort features; PDUs; lighting systems; chassis and safety systems; conventional powertrain systems, meaning internal combustion engine systems; electrified powertrain systems, covering hybrid and battery electric vehicles; infotainment systems, offering entertainment and navigation; and thermal management systems. Our products meet stringent automotive qualification standards (AEC-Q101 Grade 0/1). Their performance and reliability make them ideal for applications where space, efficiency, and thermal management are critical. To address the increasing adoption of 48V systems in new energy vehicles, we are actively developing 80V and 100V automotive-grade SGT platforms.

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In addition, automobiles are increasingly adopting LCD and OLED panels for various applications, including instrument clusters, Center Information Displays (CIDs), Rear Seat Entertainment systems (RSEs), and electronic mirrors (E-mirrors). Our PMICs designed for automotive displays align with this growing trend, and we are expanding our development and sales efforts in this sector. Our PMICs for automotive applications meet the reliability standards required by AEC-Q100, and we are on track to obtain ISO 26262 certification, a higher-level automotive functional safety standard, by 2026.

Telecommunications and computing



The rapid expansion of 5G networks, cloud services, and data centers has significantly increased the demand for efficient, compact, and reliable power management solutions. These infrastructures are the backbone of today’s digital economy, supporting massive data transmission, processing, and storage at unprecedented scales. As the market grows, the need for power devices that deliver high energy efficiency and system stability becomes critical.

Our mobility PMICs for edge AI applications and memory modules play a key role in optimizing power efficiency and performance in mobile and computing devices. Meanwhile, our power semiconductor portfolio — including SiC MOSFETs, SJ MOSFETs, and Split Gate Trench MOSFETs — provides broad voltage coverage across low-, medium-, and high-voltage applications, enabling high power density and stable operation across diverse systems.

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Industrial Applications

High-Efficiency Power for Motion and Mobility



With the rapid development of AI, automation, and electrification, diverse sectors such as industrial robotics, drones, light electric vehicles, and material handling equipment demand power semiconductor solutions that are highly efficient, compact, and reliable. To meet these evolving requirements, we have developed a broad portfolio of advanced SGT MOSFETs spanning multiple voltage classes (30V to 150V), tailored to the specific needs of various motor drive and power management applications.

Our products power robotic joint actuators with ultra-low ON-resistance and strong avalanche ruggedness, support consumer and industrial drones with optimized devices for different voltage ratings, and enable high-performance controllers for electric motorcycles, forklifts, and other mobility platforms. Equipped with multiple packaging options and designed for thermal efficiency, our semiconductor solutions deliver exceptional performance and reliability, helping customers across consumer, commercial, and industrial markets accelerate innovation and achieve sustainable electrification.

High-Reliability Power for Clean Energy Systems

Our power semiconductor solutions play a crucial role in clean energy and advanced charging applications, powering photovoltaic inverters, BMS that protect and optimize battery performance, AC/DC charging stations for electric vehicles, PCS that regulate voltage and current, power supply units that provide stable electricity to equipment.

In the renewable energy sector, our industrial-grade medium-voltage MOSFETs (80V–200V) deliver high efficiency, low conduction losses, and robust avalanche ruggedness, making them ideal for residential and commercial PV inverters and energy storage systems. These devices excel in diverse inverter topologies, enabling stable and reliable power conversion despite fluctuating solar conditions.

For the rapidly expanding EV fast-charging market, we offer an extensive portfolio of high-voltage discrete devices, including 650V SJ MOSFETs and 1200V SiC MOSFETs, optimized for power factor correction, DC/DC conversion, and output rectification. Our solutions enable high-efficiency, fast, and reliable charging, supporting the rapid growth of EV adoption. By

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balancing low ON-resistance, minimal switching losses, and strong thermal performance, our semiconductors help reduce system size and energy costs while ensuring long-term operational stability under demanding conditions. Equipped with advanced packaging options and tailored device designs, our products empower customers to innovate across the energy ecosystem — from sustainable solar power to cutting-edge EV charging — accelerating the transition toward a cleaner and more electrified future.

Consumer Electronics

The diagram below offers a visual overview of typical consumer electronics scenarios where our power devices are integrated:

Our Shielded Gate Trench MOSFETs are widely used in consumer electronics, powering key functions such as synchronous rectification in mobile phone chargers (60–100V), load switching and buck-boost conversion in laptops and chargers (30V), and small appliances (100–120V). These devices feature low ON-resistance, optimized switching parameters, wide safe operating area, and strong avalanche ruggedness to reduce losses, improve efficiency, and ensure reliable protection.

Our IC products, especially our PMIC and charging solutions, deliver high efficiency, precise power regulation, and reliable performance, enhancing overall device functionality and user experience. These solutions are suitable for all portable devices, including tablets, smartphones, laptops, and IoT/wearables. Our Display solutions support a full spectrum of panel types and applications — from small to large panels, LCD to OLED, and smartphones to large-size, high-resolution TVs.

RESEARCH AND DEVELOPMENT

We are committed to innovation and focus on the R&D of our products and solutions.

The iteration of our products enables us to improve product reliability and manage cost effectively, as well as to expand the product portfolio and diversify application areas. Our products have evolved from consumer-grade to industrial-grade, and are advancing toward automotive-grade standards, thereby expanding their application coverage while meeting increasingly stringent quality requirements.

We invested significant resources into the R&D of our IC and power device products and technologies. To support our innovation capabilities, we established R&D centers in both China and Korea, and formed dedicated R&D teams that focus separately on different categories of power devices and PMICs. These centers play a key role in addressing the technical challenges, thereby enhancing the competitiveness of our product offerings. From time to time, we outsource non-core R&D tasks, such as IC layout design and failure analysis, to qualified third-party providers, including PMIC layout drawing service providers, under our specifications and oversight. Our R&D efforts have yielded notable results, including the development of proprietary technologies and the accumulation of industry know-how. As of the Latest Practicable Date, we had obtained 199 patents globally, covering critical areas in power devices and PMICs. See “— Intellectual Property.”

Importantly, our R&D efforts are demand-driven and highly targeted, and our R&D projects (particularly PMIC R&D projects) are typically initiated upon receipt of detailed customer specifications. During the Track Record Period, the PMIC conversion rate¹ was 83.3% in 2023, 90.5% in 2024, 81.8% in 2025 and 40.0% for the four months ended April 30, 2026, while the power

¹ PMIC conversion rate is calculated as the number of PMIC projects that achieved customer design-win in the relevant year/period and subsequently reached mass production as of April 30, 2026, divided by the total number of PMIC projects that achieved customer design-win in the same year/period. According to Frost & Sullivan, our calculation methodology for our PMIC conversion rate is in line with industry practice, and our PMIC conversion rate is healthy when benchmarked against comparable companies in the industry.

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device conversion rate² was 92.3% in 2023, 72.7% in 2024, 63.6% in 2025 and 20.0% for the four months ended April 30, 2026.³ Our R&D activities result in commercial products which, once adopted by customers and progressed into mass production, will contribute to revenue over a multi-year product life cycle.

We are supported by a robust R&D team of 337 dedicated employees as of April 30, 2026, many of whom are semiconductor industry veterans with profound expertise in technology and material innovation.

Core Technologies

MOSFET

Our core technological advantage lies in the deep integration of device design, process development, and manufacturing execution, enabling us to deliver highly competitive MOSFET solutions across three major product platforms: Super-Junction, Shielded Gate Trench, and Silicon Carbide. This full-stack capability not only enhances performance and cost efficiency but also serves as a critical technical competitiveness in sustaining long-term innovation and market leadership.

Super-Junction Technology

SJ MOSFETs represent a key area where our vertically integrated design and process innovation converge to deliver industry-class performance for high-voltage applications. Our Super-Junction platform is built upon the following core technology pillars:

Charge Balance Design Technology

SJ MOSFETs adopt a structure where P-type epitaxial columns with fixed spacing are introduced into the N-type epitaxial layer, forming an alternating arrangement of P-type and N-type columns. To achieve optimal charge balance, the doping concentration and column width must be precisely designed to satisfy specific relationships. This results in a near-uniform electric field distribution across the drift region, significantly improving breakdown voltage while reducing ON-resistance.

Super-Junction Structure Process Realization Technology

Our SJ products utilize a single deep trench epitaxial filling process. On a pre-formed N-type epitaxial layer, trenches are first defined through photolithography and then etched using dry etching to the required depth. Subsequently, P-type epitaxy is carried out to fill the trenches, forming alternating P-type and N-type columns. This process enables fine pitch scaling, lower specific ON-resistance, fewer process steps, and reduced manufacturing cost.

2 Power device conversion rate is calculated as the number of power device projects released in the relevant year/period and subsequently reached mass production as of April 30, 2026, divided by the total number of power device projects released in the same year/period. According to Frost & Sullivan, our calculation methodology for our power device conversion rate is in line with industry practice, and our power device conversion rate is healthy when benchmarked against comparable companies in the industry.

3 The conversion rates for more recent years may appear lower as newer projects have had less time to reach mass production by the cut-off date of April 30, 2026.

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Optimization Design Technology

We apply multi-level structural optimization, including:

- **Cell Shape and Size Optimization:** Through optimized cell geometry, we reduce cell pitch and increase cell density per unit area, resulting in lower ON-resistance without increasing chip size.
- **Doping Concentration and Distribution Control:** By precisely managing the doping concentration and spatial distribution of the P-type and N-type columns, we enhance charge balance, which improves breakdown voltage and overall device reliability.
- **Trench Geometry Optimization:** Fine control of trench sidewall angle and depth contributes to superior electric field management and enhanced voltage-blocking capabilities.

Terminal Technology

Field Limiting Ring (FLR): Multiple concentric P-type or N-type rings are implemented at the periphery of the device to effectively modulate the electric field distribution and prevent premature edge breakdown.

These advantages demonstrate the competitiveness of our SJ MOSFETs in terms of switching efficiency and thermal performance, and highlight our leadership in product design and process optimization.

Shielded Gate Trench (SGT) Technology

Shielded Gate Structure Design (General Technology Description of SGT)

A conductive layer (such as polysilicon) is introduced below the gate as a shielded gate. Through the electric field shielding effect, the gate is isolated from the conductive channel, effectively reducing the Miller capacitance (C_{gd}), decreasing the gate charge noise, shortening the switching time, and reducing switching losses.

Trench Structure (Process)

The vertical deeper trench allows more silicon volume to absorb single-pulse avalanche energy (EAS), enabling the device to better withstand avalanche breakdown and surge currents. Meanwhile, the trench structure converts the current path from horizontal to vertical, shortening the carrier migration distance and reducing the ON-resistance.

Charge Balance Design (Design)

The charge balance between the P-body region and the N-type drift region is optimized, transforming the device's electric field from a triangular distribution to an approximate rectangular distribution. With the same doping concentration of epitaxial materials, a higher breakdown voltage can be achieved.

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Parasitic Parameter Optimization (Design)

The ratio of gate-drain charge (Q_{gd}) and gate-source charge (Q_{gs}) affects the device's switching speed. Appropriately increasing Q_{gs} or decreasing Q_{gd} can prolong the rise and fall times, reduce the current change rate and voltage change rate, and further minimize EMI. Precisely controlling process parameters such as oxide layer thickness and doping concentration helps optimize the values of gate-source capacitance (C_{gs}) and gate-drain capacitance for an ideal Q_{gd}/Q_{gs} ratio.

Our SGT MOSFET products exhibit clear competitive advantages in key performance figures of merit, contributing to improved efficiency and reliability in fast-switching and high-power applications.

SiC Technology

Epitaxial Layer Design

The epitaxial layer growth begins with the deposition of a moderately doped Carbon-doped Silicon Layer (CSL) on the silicon carbide substrate, followed by the growth of a lightly doped epitaxial layer. The thickness, doping concentration, and crystal quality of each layer are strictly and precisely controlled to ensure the device meets the required breakdown voltage and on-state performance criteria.

P-Well and Source Region Design

P-Well Implantation: The P-well region is formed through ion implantation, typically using aluminum ions. A reverse doping profile is adopted, characterized by a low surface doping concentration and higher doping concentration deeper beneath the surface. This profile prevents excessive threshold voltage while maintaining sufficient breakdown voltage.

N⁺-Source Implantation: Nitrogen ions are implanted to create the N⁺-source region. By carefully controlling the implantation dose and energy, the depth and doping concentration of the N⁺-source region are precisely managed to reduce source contact resistance and enhance the device's on-state performance.

Gate Structure Design

Gate Oxide Growth: A high-quality gate oxide layer, generally silicon dioxide, is grown on the wafer surface. Optimization of oxidation process parameters improves the interface quality between the oxide layer and silicon carbide, reducing interface state density. This enhancement contributes to better threshold voltage stability and increased gate reliability.

Gate Electrode Fabrication: The gate electrode is fabricated using materials such as polysilicon. Photolithography and etching processes are employed to precisely control the gate's size and position, enabling effective control over the conductive channel.

Terminal Structure Design

Junction Termination Extension (JTE): To optimize electric field distribution at the device's edge and prevent edge breakdown, a JTE structure is implemented. The JTE region is formed by implantation on the CSL adjacent to the P-Well region, thereby improving the breakdown voltage of the device.

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Ohmic Contact Design

Metal Selection: Suitable metal materials, including nickel, titanium, and their alloys, are selected to form ohmic contacts on the P⁺ and N⁺ regions to minimize contact resistance.

Process Optimization: The metal layers are deposited using methods such as sputtering, followed by annealing. The annealing temperature, duration, and other parameters are carefully optimized to ensure a high-quality ohmic contact interface between the metal and silicon carbide.

Our product demonstrates significant performance advantages in key metrics compared to typical industry standards:

- The turn-off energy loss is lower, effectively reducing switching losses and enhancing efficiency.
- The total energy loss is improved, contributing to better device reliability and thermal management.
- Our FOM reflects a strong balance between conduction and switching performance.

These advantages highlight our commitment to delivering efficient and reliable solutions that surpass common market expectations.

PMIC

Mobility PMIC Design

Highly Integrated One-Chip IFPM: Our Integrated Function Power Management solution features a highly integrated chip design that seamlessly combines analog power blocks with digital control logic. This enables sophisticated and precise power management within a single chip.

Proprietary Switched Capacitor Charger Technology: Our unique, patented cascade switched capacitor topology supports multiple power conversion ratios (2:1, 3:1, and 4:1). This architecture maximizes efficiency by utilizing fewer internal FETs and external capacitors, while also allowing the use of lower voltage ratings.

Proprietary Fuel Gauge Algorithm: Our core fuel gauge IP enables advanced battery management with highly accurate State-of-Charge (SOC) and State-of-Health (SOH) measurements. It employs a triple-Coulomb counter and enhances accuracy through relaxation tracking and modeling, providing dynamic compensation under varying conditions and delivering reliable battery performance across the entire temperature range.

Min Selector Loop Design: Our charger features an advanced minimum selector loop that manages Constant Current (CC), Constant Voltage (CV), and Constant Impedance (CI) transitions. By accurately sensing both voltage and current, the system dynamically determines the optimal regulation mode for efficient and safe battery charging.

Proprietary Water Detection: This advanced technology uses precise sensing to detect the presence of moisture. Coupled with our detection algorithm, it dynamically disables power and data to prevent damage, significantly improving product reliability — particularly for Type-C connectors.

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PMIC for Display

We offer a comprehensive portfolio of LCD and OLED PMICs for display applications ranging from smartphones to large-size televisions. The following core technologies — developed and refined through extensive PMIC R&D — enable our solutions to deliver superior performance, efficiency, and reliability in large display panel applications:

Accurate Auto Zero Current Detection (ZCD): Improves converter efficiency by minimizing detection circuit offset, reducing the need for trim bits.

Error Amplifier Offset Cancellation: Ensures precise output voltages over wide temperature ranges, enhancing performance in both low and high temperature conditions.

Spread Spectrum Frequency Modulation (SSFM): Reduces EMI by spreading the switching frequency and slope spectrum which can be programed by Registers’ setting.

Additional IP Enhancements: Our display PMICs are further enhanced by a suite of proprietary technologies, including Predictable Ripple Compensation (PRC), programmable level shifters, and parasitic operation reduction techniques.

In OLED PMIC design, we hold distinct advantages over competitors in efficiency, line and load transient response, and output ripple. We have also been at the forefront of developing PMICs for oxide panels — poised to become the flagship panel technology of our key customer — positioning us to maintain our leadership in next-generation display solutions.

Process and Evaluation

Before adopting the Virtual IDM model, we built deep expertise in BCD technology. We have collaborated with leading BCD foundries worldwide — often serving as their initial customer — and provided guidance on device architecture, ESD protection, PDK development, and Ron reduction methods, helping validate new processes. Our internal Device, PDK, and Product Engineering teams actively develop specialized ESD devices. Using detailed characteristic evaluations, we generate tailored DfR (Design for Reliability) guidelines based on each product’s functionality — offering differentiated value for high-reliability applications.

With deep experience in layout design — covering customized guard rings, isolation, and latch-up prevention — we are uniquely equipped to suppress parasitic effects. Applying this know-how to the Virtual IDM model, we optimize BCD process design by minimizing the number of mask layers, thereby reducing wafer costs without compromising performance.

R&D Process

We have established a systematic and standardized R&D management system for both our PMICs and power device product lines. This ensures that our R&D activities are compliant, sustainable, and capable of meeting the differentiated technical requirements of various product types and downstream customers.

Our product development process for both IC and power device products typically begins with customer requirements and market trends identified by our marketing and application engineering teams. Unlike peers that focus primarily on standardized, off-the-shelf products, we adopt a customer-oriented co-development model, tailoring product design and optimization to meet specific customer needs.

Following initial customer engagement, our application engineering team works closely with customers to define technical specifications, performance targets, and reliability requirements. These market-facing demands are translated into quantifiable design parameters, which serve as the technical foundation for project evaluation. We conduct preliminary feasibility analyses and simulations, considering application scenarios, cost structures, and pricing strategies. Upon management approval, the project enters the formal development phase.

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During development, our cross-functional R&D teams — including device engineering, circuit design, epitaxial material development, packaging, reliability, and manufacturing teams — collaborate to ensure a comprehensive and executable technical solution. Multiple rounds of simulation, joint design reviews, and iterative optimization are conducted to refine device structures and circuit performance.

Once initial prototypes are produced through pilot manufacturing, our application engineers perform system-level validation tests to assess reliability, performance, and key electrical parameters under real-world operating conditions. After successful customer sampling, qualification, and yield optimization, the product enters volume production in accordance with our product release procedures.

PRODUCTION

We do not operate our own manufacturing facilities but follow a Virtual IDM model by investing in our wafer fabrication partner. Under this structure, we retain in-house capabilities for product design, R&D, application engineering, and quality assurance, while cooperating with our strategic partners for photomask manufacture, wafer fabrication, assembly, and testing. We work closely with our supply chain partners to monitor production schedules, manage quality control, and ensure a consistent supply to meet customer demands. Comprehensive supplier management and regular audits are conducted to maintain high standards across the entire production process.

We have established long-term, stable partnerships with multiple reputable wafer foundries. See “— Our Suppliers” for more information about the key terms of the agreements with our foundry partners. During the Track Record Period, the COVID-19 pandemic did not have a material adverse impact on our business operations or financial performance.

QUALITY CONTROL

We have comprehensive policies and detailed procedures in place to ensure product quality.

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 various internal IT systems, including our QMS (Quality Management System) and DPMS (Development Process Management System).

Development Quality

We manage development quality — which determines the final product quality—through a defined, systematic development process that reflects customer requirements to ensure product performance. At each stage, we conduct necessary evaluations and review the results. Using our DPMS, we control and monitor all development processes — from design and performance evaluation to reliability testing — to meet the quality levels required by our customers.

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.

BUSINESS

Manufacturing Quality

As all production is outsourced, we work closely with our outsourcing partners to develop optimized manufacturing processes that minimize quality issues during mass production. We monitor process data and use statistical process control (SPC) techniques to identify 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. We conduct regular audits of our outsourcing partners to ensure stable manufacturing quality.

Document Management

We have established and operate a document management system essential for quality management activities. All our quality management activities are governed by documented procedures. We manage procedures, quality records, intellectual property outputs, and internal and external documents through an electronic document management system with controlled access permissions. We regularly review the validity of documents to ensure proper maintenance and management.

Monitoring and Continuous Improvement of Quality Management

We select key monitoring items essential for quality management and conduct regular reviews. We review resource allocation to achieve quality objectives and carry out continuous improvement activities to raise quality levels. We perform regular internal audits to ensure the effective operation of our quality management systems and the efficient conduct of quality management activities. In addition, we continuously monitor and improve our quality management through audits conducted by specialized certification organizations (such as ISO 9001 and ISO 27001) and customer audits.

Product Return & Exchange Policy

We are committed to customer satisfaction and long-term partnerships. Where products fail to meet performance requirements due to defects, we handle returns and exchanges through a formal customer complaint procedure, including root-cause analysis and corrective actions to prevent recurrence. If the root cause is determined to be a product defect, the customer may request a product return, and the return process proceeds under terms mutually agreed upon with the customer. Returned products are managed according to established procedures, including return material receipt, analysis and evaluation, and rework review. Based on these results, products may either be discarded or reused after defect removal.

Customer losses from returns are handled under our product exchange policy, with the scope determined by mutual agreement based on defect cause. Exchanges due to product defects must occur within the product warranty period or within a warranty period agreed upon with the customer. The customer must have complied with the product’s storage and usage conditions prior to use, and the defect must be attributable to our product design or manufacturing. These factors are reviewed before proceeding with any exchange.

During the Track Record Period, we did not have any material product recalls or experience any product exchanges.

SALES AND MARKETING

We have an experienced and highly trained sales and marketing team, consisting of approximately 86 members as of April 30, 2026, who proactively identify market opportunities and design sales strategies. Our products are sold through both direct sales and distribution.

BUSINESS

Our Greater China sales team works closely with leading local customers to address their evolving needs and provide tailored solutions, ensuring continuous business growth and customer satisfaction. Meanwhile, our overseas sales team actively explores and expands into global markets, driving our presence and influence beyond domestic borders. This synchronized approach enables us to leverage both local expertise and global reach, positioning our Company as a competitive player in the market and enhancing our ability to meet diverse customer demands.

Pricing Policy

We adopt a market-oriented pricing strategy that takes into account factors such as product cost, market demand, competition, and customer positioning. Prices are regularly reviewed and adjusted to ensure competitiveness while maintaining reasonable margins. For strategic accounts and long-term partners, customized pricing arrangements may be offered based on order volume, payment terms, and forecast commitments.

Sales model

Our sales approach combines a direct sales model with a distribution model, applied according to customer preferences and market conditions.

Direct sales

For strategic customers with high service requirements, complex technical needs, and a need for close support, we adopt a direct sales model. This approach allows us to (i) maintain close communication with customers to better understand their evolving technical requirements; (ii) provide timely and high-quality customer support and after-sales service; (iii) accelerate the design-in process and improve customer satisfaction; and (iv) capture first-hand market intelligence and technological trends to facilitate the development of customized chip products.

In 2023, 2024, and 2025 and for the four months ended April 30, 2026, we generated revenue from 67, 92, 114 and 63 direct sales customers, respectively. In 2023, 2024 and 2025 and for the four months ended April 30, 2026, revenue from direct sales amounted to RMB1,276.7 million, RMB1,182.9 million, RMB1,472.1 million and RMB589.2 million, respectively, representing 77.8%, 75.1%, 75.4% and 70.4% of our total revenue for the respective periods.

We adopt direct sales for our IC products in South Korea in light of the relatively concentrated customer base for these products. We typically reach our direct sales customers through marketing activities such as visiting from time to time, QTR (Quarterly Tech Review), QBR (Quarterly Business Review), exhibitions, forums and seminars. The adoption of direct sales enables us to precisely understand and respond to customer requirements, allowing us to offer tailored products and services that meet our customers’ specific needs. We acquire direct sales customers primarily by capitalizing on our robust brand reputation and substantial industry influence established through long-term, comprehensive and in-depth collaboration with top-tier companies across diverse application areas, together with other marketing activities.

Distribution

In line with industry norm, for markets that are mature, well-defined in demand, and where the products are relatively easy to introduce and maintain, we adopt a distribution model. We sell our products to distributors, who in turn supply them to end-device manufacturers or module brand. This model helps us expand market coverage efficiently and leverage the local market knowledge and customer networks of our distribution partners.

BUSINESS

We generally sell both our PMIC products and power devices through a distribution model in Greater China due to their wide range of applications and the diverse industries in which our end customers operate. The distribution model is widely adopted in the semiconductor industry, particularly for standardized and high-volume products. This approach allows us to streamline our administration and logistics, efficiently managing the large number of end customers across various industries. The distributorship also facilitates rapid establishment of regional sales networks, thereby enhancing our market penetration swiftly. The distributors are not exclusively engaged to distribute our products. Revenue is recognized upon delivery of goods to the distributor and transfer of significant risks and rewards of ownership. Our return policy for distributors is generally in line with industry practice and applies to circumstances where, upon inspection by the distributor in accordance with the agreed terms, any damage, loss or other defects attributable to the products supplied by us are identified, in which case the distributor may, following mutually agreed procedures, return the affected products and request replacement with non-defective products or delivery of the shortfall.

We had 32, 32, 54 and 48 distributors as of December 31, 2023, 2024 and 2025, and as of April 30, 2026, respectively. In 2023, 2024 and 2025, and for the four months ended April 30, 2026, revenue from our distributors amounted to RMB363.4 million, RMB391.6 million, RMB480.7 million, and RMB247.3 million respectively, representing 22.2%, 24.9%, 24.6% and 29.6% of the total revenue for the respective years/period. In 2023, 2024 and 2025, and for the four months ended April 30, 2026, we engaged 2, 8, 25 and 10 new distributors, respectively. Revenue from these new distributors amounted to RMB0.1 million, RMB25.3 million, RMB51.3 million and RMB50.7 million for the same years/period, respectively. During the Track Record Period and up to the Latest Practicable Date, we have no material unresolved disputes or lawsuits with our distributors.

We select the distributors for the sales of PMIC products and power devices based on a comprehensive set of criteria, mainly including key customer preferences and prevailing market demand. We actively manage these distributors throughout the duration of our partnerships. Decisions regarding the continuation or termination of contractual relationships are made based on our internal evaluation procedure. This procedure includes a formal project reporting mechanism, detailed performance assessments against agreed targets, and random inspections of the distributors' customer base to ensure compliance and the maintenance of service standards. We offer incentive schemes to selected distributors based on their sales performance, and may provide volume-based or long-term cooperation discounts as commercially appropriate. However, during the Track Record Period we did not grant any discounts or rebates to our distributors. During the Track Record Period, our distributors did not engage any sub-distributors in the sale and distribution of our products.

We recognize that managing the risks of channel stuffing and cannibalization among distributors is essential to ensuring the authenticity of sales and maintaining a healthy distribution network. To address these risks, we have formulated and implemented comprehensive internal control policies and measures, including:

Sales Target Management: We do not impose minimum purchase requirements, encouraging distributors to place orders based on actual market demand. Additionally, we do not set mandatory purchase quotas, allowing distributors the flexibility to align procurement with genuine market needs. Our sales personnel regularly review distributors' sales plans and targets, offering tailored advice to optimize their sales performance and prevent inventory accumulation.

Sales Territory Management: To prevent internal competition among distributors, our agreements explicitly define each distributor's designated sales territory. Sales outside the designated territory are prohibited without our prior written consent, enabling transparent and effective monitoring of distributor activities.

BUSINESS

Inventory and Sales Monitoring: We accept product returns only in cases of quality defects or for reasons not attributable to distributors. This policy discourages over-purchasing and mitigates the risk of channel stuffing. In addition, our major distributors are required to submit regular reports on their sales and inventory levels, as well as to register information regarding their end customers and the corresponding types of products sold. Maintaining close communication with distributors allows us to assist in sales planning and inventory management, thereby reducing the risk of excess stock.

On-Site Inspections and Violation Handling: Our sales and marketing teams also conduct regular site inspections to promptly identify and address non-compliance, with serious breaches potentially leading to termination of distribution agreements.

The salient terms of our standard distribution agreements with distributors during the Track Record Period are set forth below:

- *Duration.* The duration of the distribution agreements is typically one year.
- *Payment.* In terms of payment, we grant credit terms to distributors on a case-by case basis.
- *Pricing.* The price of the contract products supplied by us to the distributor is determined with reference to market conditions and changes in product costs.
- *Minimum purchase amount.* We do not impose any sales targets or minimum purchase amount requirements for our distributors.
- *Sub-distribution.* There is no specific provision regarding sub-distribution or mandatory pricing.
- *Return policy.* The distributors are not allowed to return products to us unless there are defects in the relevant products.
- *Termination.* The agreement may be terminated if the counterparty commits a breach and fails to cure such breach within a specified period, in the event of a material and irremediable breach, bankruptcy, significant changes in major assets, or cessation of business operations.

The below table sets forth the movement of our distributors by geographic region during the Track Record Period.

	For the year ended December 31,			For the four months ended April 30,
	2023	2024	2025	2026
Number of distributors at the beginning of the year/period:				
Greater China ⁽¹⁾	27	27	30	49
Overseas ⁽²⁾	5	5	4	5
Number of new distributors for the year/period:				
Greater China	2	8	24	10
Overseas	0	0	1	0
Number of terminated distributors for the year/period:				
Greater China	2	7	5	15
Overseas	0	1	0	1

BUSINESS

	For the year ended December 31,			For the four months ended April 30,
	2023	2024	2025	2026
Net increase (or decrease) in number of distributors for the year/period:				
Greater China	0	1	19	(5)
Overseas	0	(1)	1	(1)
Number of distributors at the end of the year/period:				
Greater China	27	28	49	44
Overseas	5	4	5	4
Total	32	32	54	48

Notes:

- (1) In the context of our business operations, “Greater China” refers to Chinese Mainland, Hong Kong, Macau, and Taiwan, China
- (2) Overseas mainly includes South Korea and Japan.

While some of our sales may be one-off or project-based, the majority of our distributor sales are recurring in nature, reflecting the ongoing demand from repeat customers in downstream markets. Nevertheless, any fluctuations in distributor ordering patterns, driven by changes in end-market demand or inventory adjustments, could impact our short-term sales performance.

To the best of our knowledge, all of our distributors are Independent Third Parties. The distributors are not connected to any of our Company, our subsidiaries, our shareholders, directors, senior management or any of their respective associates. To our best knowledge, besides the ordinary course distribution arrangement with us, there is 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.

In order to maintain our competitiveness, adapt our products to evolving demand trends and to avoid our inventories becoming obsolete, we have taken measures to optimize our inventory level, including minimizing inventory backlog in the process of inventory management. In addition, we have established internal submission and approval procedures to optimize the logistics of our inventory management and standard of purchase orders of our patterned wafer products. We standardize our inventory management through our digital warehousing system. Each of the inventories is given a unique identification code at the time of storage. This way, we are able to keep track of all inventories at all stages. We maintain sufficient level of inventories as a result of our effective inventory management.

INTELLECTUAL PROPERTY

Our success and competitive advantages depend in part on our ability to develop and protect our core technologies and intellectual property. We own a large portfolio of intellectual property, including patents, IC layout designs, registered trademarks, confidential technical information and expertise in the development of PMICs and power devices technologies in Asia.

We rely on a combination of patents, IC layout designs, copyrights, trademark law, trade secret protection and confidentiality agreements with customers, suppliers and employees to protect our intellectual property rights. We have also adopted a comprehensive set of internal rules for intellectual property management. These guidelines set out the obligations of our employees and create a reporting mechanism in connection with the protection of our intellectual property.

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As of the Latest Practicable Date, our R&D efforts had accumulated 199 patents (which consisted of 179 invention patents) and 188 patent applications in the world. As of the same date, we had 30 registered trademarks, and 54 registered IC layout designs in the PRC.

For our portfolio of material intellectual property rights for our core technological strengths of which we are the registered owner as of the Latest Practicable Date, please see “Appendix VII — Statutory and General Information — B. Further Information about our Business — 2. Our Intellectual Property Rights.” As of Latest Practicable Date, we owned all of our patents as well as patent applications and had several co-own or co-share arrangements of our patent applications with third parties.

DATA COMPLIANCE AND DATA SECURITY

Data Compliance Policies and Procedures

In recent years, data privacy and cybersecurity have emerged as critical governance priorities for companies worldwide. This is particularly pertinent as the PRC legislature and government authorities regularly introduce new cybersecurity, data security and privacy laws and regulations. Consequently, our practices regarding the collection, use, storage, disclosure and transfer of various types of data may come under increased administrative scrutiny. See “Risk Factors — Risks Relating to Our Business and Industry — Security breaches and other disruptions could compromise our confidential and proprietary information, which could cause our business and reputation to suffer” and “Risk Factors — Risks Relating to Our Business and Industry — 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 the course of our business operations, we collect, store and process business data and transaction data. Given that we only make transactions with enterprises, our business generally does not involve the collection or processing of customers’ personal information.

Given that we have overseas operations, cross-border data transfers and related business activities are involved in our operations. All principal business and customer data of our Company and our subsidiaries are stored on servers located within Chinese Mainland and South Korea.

The types of data we collect and process primarily include business data such as customer information, supplier details, materials, employee data, and financial accounts; transactional data encompasses sales orders, purchase orders, and contractual documents. To support our daily operations and overseas businesses, certain data are transferred across borders to our overseas operations.

To ensure data security and regulatory compliance, we have established and continuously enhance a robust information technology management system and cybersecurity protection measures, including but not limited to:

- Multi-layered cybersecurity protection: We implement multiple technical security measures such as firewalls, intrusion detection systems, and secure gateways, combined with role-based access control to strictly restrict unauthorized access, thereby ensuring the security of our network perimeter and internal systems in compliance with the requirements of the PRC Cybersecurity Law.

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- Data backup and recovery management: We develop and execute regular data backup plans, utilizing offsite backups and disaster recovery mechanisms to ensure the integrity and availability of critical business data, thereby safeguarding business continuity and complying with the PRC Data Security Law.
- Data classification, grading, and confidentiality policies: In accordance with the Personal Information Protection Law of the People’s Republic of China (PRC PIPL) and relevant standards, we implement data classification and grading systems. Employee data, and other sensitive information are assigned appropriate protection levels, with stringent data usage, access, and transmission controls to ensure security and compliance throughout data collection, storage, processing, and transfer.
- Compliance training and risk assessment: We conduct regular training programs for employees on data privacy and cybersecurity laws and regulations to enhance compliance awareness. Simultaneously, we carry out periodic risk assessments and security audits to promptly identify and mitigate potential security risks, safeguarding data privacy and cybersecurity.
- Cross-border data transfer management: For cross-border data transfers, we strictly comply with the relevant provisions of the PRC Cybersecurity Law and PRC PIPL, conducting necessary security assessments and compliance reviews to ensure that such transfers are lawful and protect the rights of data subjects.

We have engaged our PRC Legal Adviser to review our compliance with data privacy and cybersecurity laws during the Track Record Period and up to the Latest Practicable Date, and they have confirmed that we have complied with the relevant laws and regulations in applicable countries including the PRC, such as the PRC Cybersecurity Law, PRC Data Security Law, and PRC PIPL, particularly in respect of cross-border data transfers, by strictly adhering to the legal and regulatory requirements.

We develop our information security management systems in compliance with the requirements of mandatory national standard for information security management systems, so as to achieve our commitment to maintaining the integrity, availability and confidentiality of data.

To reinforce our data security and protection measures, we established comprehensive internal policies. These policies facilitate our data management and provide detailed requirements in relation to the classification, storage, access, transmission, encryption and disposal of data.

Moreover, we implemented a robust information backup management system, which sets forth the guiding principles, detailed procedures and mechanisms for data recovery. In addition, we formulated internal policies on cyber and information security management to set out the general guidance and principles of our cyber and information security management, under which we established a series of policies and procedures, including among others, policies on system operation management, password management and corporate trade secret protection and procedures on document control and confidentiality management. These systems, policies and procedures collectively form a solid framework that safeguards our data and upholds our stringent standards for information security.

BUSINESS

OUR CUSTOMERS

Top Customers

We provide our products to customers from various industries including automotive electronics, telecommunications and computing, consumer electronics and industrial applications. Through years of deep collaboration with our key customers, we have established stable and long-term relationships, which form a solid foundation for the sustainable growth of our business.

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

Customer	Primary Solutions/ Services provided	Credit terms	Commencement of business relationship ⁽¹⁰⁾	Payment method	Amount of sales ⁽¹¹⁾	% of our total revenue for the year/ period
					RMB'000	
For 2023						
Customer A ⁽¹⁾	Mobility PMIC	10-30 days	over 10 years	T/T Notes	1,077,999	65.7%
	Display PMIC					
Customer B ⁽²⁾	Mobility PMIC	30-45 days	2019	T/T	94,946	5.8%
	Display PMIC					
Customer D ⁽⁴⁾	Mobility PMIC	45 days	2018	T/T	86,129	5.3%
	Display PMIC					
Customer C ⁽³⁾	Mobility PMIC	30-45 days	2019	T/T	80,450	4.9%
	Display PMIC					
Customer E ⁽⁵⁾	Display PMIC	90 days	over 10 years	T/T Notes	47,980	2.9%
Total					1,387,504	84.6%
For 2024						
Customer A	Mobility PMIC	15-30 days	over 10 years	T/T Notes	966,251	61.4%
	Display PMIC					
Customer D	Mobility PMIC	45 days	2018	T/T	85,255	5.4%
	Display PMIC					
Customer B	Mobility PMIC	30 days	2019	T/T	57,141	3.6%
	Display PMIC					
Customer E	Display PMIC	45-90 days	over 10 years	T/T Notes	56,887	3.6%
Customer C	Mobility PMIC	45 days	2019	T/T	56,105	3.6%
	Display PMIC					
Total					1,221,639	77.6%
For 2025						
Customer A ⁽⁶⁾	Mobility PMIC	15-30 days	over 10 years	T/T Notes	966,252	49.5%
	Display PMIC					
Customer F ⁽⁷⁾	Power device	N/A	2025	T/T Notes	82,198	4.2%
Customer C	Mobility PMIC	30-45 days	2019	T/T	77,386	4.0%
	Display PMIC					
Customer D	Mobility PMIC,	45 days	2018	T/T	75,481	3.9%
	Display PMIC					
Customer E	Display PMIC	45-90 days	over 10 years	T/T Notes	66,581	3.4%
Total					1,267,898	64.9%

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Customer	Primary Solutions/ Services provided	Credit terms	Commencement of business relationship ⁽¹⁰⁾	Payment method	Amount of sales ⁽¹¹⁾	% of our total revenue for the year/ period
<i>RMB'000</i>						
<i>For the four months ended April 30, 2026</i>						
Customer A	Mobile PMIC	15-30 days	over 10 years	T/T Notes	358,942	42.9%
	Display PMIC					
Customer F	Power device	N/A	2025	T/T Notes	59,191	7.1%
Customer G ⁽⁸⁾	Power device	N/A	2024	T/T	36,554	4.4%
Customer D	Mobile PMIC	45 days	2018	T/T	34,142	4.1%
	Display PMIC					
Customer H ⁽⁹⁾	Power device	N/A	2024	T/T Notes	30,267	3.6%
Total					519,096	62.1%

Notes:

- (1) Customer A is a multinational major appliances and consumer electronics group listed on the Korea Exchange and headquartered in East Asia, primarily engaged in the research, development, manufacturing, and sales of consumer electronics, with manufacturing, sales, and research and development networks spanning more than 70 countries and regions worldwide.
- (2) Customer B is a Hong Kong-based private company primarily engaged in the distribution, trading, and wholesale of electronic products, including semiconductors, mobile phones, and related electronics.
- (3) Customer C is a Hong Kong-based private company primarily engaged in the distribution of semiconductor products and electronic components for LCD products, mobile phones, and electronic security systems. It is a subsidiary of a company listed on the Hong Kong Stock Exchange.
- (4) Customer D is a Taiwan-based private company primarily engaged in the wholesale distribution of electronic parts, computers, and office machinery equipment.
- (5) Customer E is a multinational company headquartered and incorporated in South Korea, principally engaged in the development and manufacture of advanced display technologies and products. It is listed on the Korea Exchange and the New York Stock Exchange.
- (6) Customer A is a long-term customer of ours, and during the Track Record Period, it purchased our products through several different subsidiaries/divisions.
- (7) Customer F is a private company registered in China, primarily engaged in the manufacturing of semiconductor discrete devices, as well as the research, development and manufacturing of integrated circuits. It is a subsidiary of a company listed on the ChiNext Board of the Shenzhen Stock Exchange.
- (8) Customer G is a private company registered in China, primarily engaged in the research, development and sales of power supply products and the trading of electronic products and equipment.
- (9) Customer H is a private company registered in China, primarily engaged in the packaging and testing of semiconductor discrete devices, the manufacturing and sales of integrated circuit chips and electronic components.
- (10) We were incorporated in 2019. The commencement time set forth in this table refers to the commencement time of the business relationships between the relevant counterparties and established SMI, our subsidiary. We acquired SMI in 2020, and this acquisition marked the beginning of our relationship with SMI.
- (11) The amount of sales includes the total transaction volume between our Group and the customers listed above as well as their subsidiaries within the scope of consolidation as of the corresponding year-end.

Revenue generated from our five largest customers in each year/period of the Track Record Period amounted to RMB1,387.5 million, RMB1,221.6 million, RMB1,267.9 million and RMB519.1 million, respectively, representing 84.6%, 77.6%, 64.9% and 62.1% of our total revenue for the same years/period. Revenue generated from our largest customer in each year/period of the Track Record Period amounted to RMB1,078.0 million, RMB966.3 million, and RMB966.3 million and RMB358.9 million, respectively, representing 65.7%, 61.4%, 49.5% and 42.9% of our total revenue for the same years/period.

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Relationship with Customer A

According to Frost & Sullivan, Customer A is one of the world’s largest manufacturers of smartphones, tablets, OLED display panels, and other consumer electronics, in terms of total shipment volume in 2025. Given Customer A’s dominant position in the consumer electronics market, it is common for leading providers of mobility PMIC, OLED PMIC and Display PMIC products to have a relatively high level of reliance on Customer A, according to Frost & Sullivan.

As illustrated in the paragraphs headed “— Our Products and Solutions” above, the products we provide to Customer A are highly bespoke and customized, and during the Track Record Period, we were one of the largest suppliers of Customer A for OLED PMIC, Display PMIC, and smartphone PMIC products, according to Frost & Sullivan. In addition, we have entered into long-term agreements, and established stable relationship with Customer A. Termination of these agreements is limited to certain exceptional circumstances, such as force majeure or serious breaches. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with Customer A. As at the Latest Practicable Date, and to the best of our knowledge, there had not been any material change, delay or cancellation of the outstanding purchase orders issued by Customer A. We believe that our relationship with Customer A is institutional in nature, anchored in product performance, qualification processes, and framework arrangements, and managed through cross-functional teams on both sides; it is therefore not dependent on any single individual. Products developed for Customer A are the collective work of our R&D team and are not proprietary to any individual. All relevant intellectual property, including patents, design blueprints, and key process know-how, is fully owned by the Company and duly protected under domestic and international registrations. We were also not involved in Customer A’s product development. Our R&D and production functions are supported by a mature hierarchy and a clear division of responsibilities. Decisions regarding technology development and product iteration, which are among the most critical drivers of cooperation in our industry, are made by our R&D Committee rather than any single individual. Internal knowledge transfer and team training mechanisms further ensure continuity of technical capabilities and seamless customer interfacing. Accordingly, our Directors do not expect the departure of any one individual to materially and adversely affect the relationship. Moreover, according to our Directors and Frost & Sullivan, Customer A maintains a highly selective supplier admission process, and supplier changes are not made lightly. Considering the above, we believe the risk that Customer A will terminate or otherwise materially and adversely change our cooperation relationship is low. During the Track Record Period, we did not have any material product recalls or experience any product exchanges.

We have consistently endeavored to broaden our revenue and customer base. Over the Track Record Period, we invested more commercial and technical resources toward end-markets with distinct demand, such as drivers—automotive electronics, telecommunications equipment, data-center infrastructure (including AI servers) and industrial applications, prioritizing solution positioning and account development in those verticals. In parallel, we reshaped our customer portfolio by engaging a wider spectrum of consumer-electronics customers across sizes and geographies, including OEM/ODM partners, with the aim of rebalancing concentration risk and smoothing demand cyclicity through a broader pipeline of opportunities. Complementing these initiatives, we advanced our product and technology roadmap in emerging technologies, underpinned by sustained R&D investment and disciplined execution, so that our offerings address a wider range of customer needs and use cases.

Subject to ordinary-course fluctuations and the evolving nature of these initiatives, based on our operating results during the Track Record Period, the revenue contribution from Customer A decreased to a certain extent, and our overall customer mix became more balanced. Over the same period, our Greater China operations showed improvement in business scale and financial performance.

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Salient Terms of Agreements with Major Customers

Set forth below is a summary of the key terms of the agreements with our major customers:

- *Contract Term.* Contract terms are typically three to five years. In addition, we have entered into framework agreements with certain major customers that are valid for one year from execution and automatically renew for successive one-year periods on the same terms unless either party gives notice at least one month prior to expiry.
- *Exclusivity.* The arrangement does not impose exclusivity and does not unduly restrict normal dealings with third parties.
- *Warranty Period.* The warranty period for defects is typically two years.
- *Credit terms:* Credit terms are generally 30 to 45 days.
- *Minimum purchase commitment.* There is generally no minimum purchase commitment under our customer contracts.
- *Termination, defaults, and remedies.* Our customer contracts customarily set out events of default (including delayed delivery, failure to meet specifications and late payment) and corresponding remedies, which may include price adjustments, late-payment interest, liquidated damages, termination and compensation for losses. Under certain agreements, late-payment interest and liquidated damages for our delivery delay. Either party may terminate for material breach or upon the occurrence of adverse financial or business circumstances affecting the counterparty. Following termination, the parties remain subject to customary post-termination obligations, including settlement of outstanding amounts, return of materials and cessation of use of the other party’s property, in accordance with the contract terms and applicable law.
- *Price adjustment.* The product price is generally determined based on individual purchase orders agreed between the parties from time to time.
- *Renewal.* The renewal clauses generally provide for automatic renewal for successive one-year terms, unless either party provides written notice of non-renewal to the other party within the agreed advance notice period prior to the expiry of the then-current term.
- *Termination.* We may terminate the agreement with written notice in cases such as mutual agreement, uncured material breach, insolvency, change of control, or non-compliance with relevant laws. The customer may terminate the agreement for our uncured material breach, insolvency, non-compliance with laws, change in control, or upon its own bankruptcy event, and may seek cumulative legal remedies. For the purposes of the agreement, a material breach generally includes: (i) failure to cure breach: the breaching party fails to remedy a material breach within the specified cure period after receiving written notice. (ii) bankruptcy or financial distress: the breaching party files for bankruptcy, has bankruptcy filed against it, becomes insolvent, enters liquidation or receivership, or is otherwise unable to pay its debts, and fails to resolve such situation within a specified timeframe. (iii) failure to perform key obligations: includes delayed deliveries, delivery of defective or non-conforming products, failure to perform as agreed, or failure to provide reasonable assurances of future performance when requested. (iv) unauthorized assignment: assignment or disposal of contractual obligations without prior written consent from the other party. (v) material adverse impact: any breach or delay causing a material adverse effect on the achievement of the contract’s purpose or the other party’s business operations.

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To the best of our knowledge, all of our five largest customers for each period during the Track Record Period are independent third parties. None of our Directors, their respective associates, or any Shareholders (which to the best knowledge of our Directors owned more than 5% of our share capital as at the Latest Practicable Date), has any interest in any of our five largest customers for each period during the Track Record Period.

During the Track Record Period, we did not experience any material breach of agreements with our customers and any material services and products return from our customers.

OUR SUPPLIERS

Top Suppliers

We maintain a stable and diversified supplier network to support the manufacturing and development of our PMICs and power device products. Our key suppliers include photomask manufacturers, wafer foundries and semiconductor assembly and testing service providers. During the Track Record Period, our regular photomask manufacturers were mainly located in the PRC and South Korea, with a limited number in the United States and Taiwan in 2023 and 2024; our wafer foundries were mainly located in the PRC, Taiwan and South Korea, with a limited number in the United States in 2023 and 2024; and our semiconductor assembly and testing service providers were mainly located in the PRC, South Korea and Japan. In 2023, 2024 and 2025, and for the four months ended April 30, 2026, we engaged eight, eight, six and six regular photomask manufacturers, respectively, and eight, eight, six and six wafer foundries, respectively, during the corresponding years/periods. In addition, we worked with fifteen, sixteen, sixteen and seventeen regular semiconductor assembly and testing service providers in 2023, 2024 and 2025, and for the four months ended April 30, 2026, respectively. In particular, we have established a strategic partnership with our key wafer foundry through equity investment, and we are its sole industrial shareholder. This strategic alignment enables us to secure stable wafer capacity, foster deeper technical collaboration, and enhance supply chain resilience. Our close cooperation allows us to jointly address challenges in process development, yield improvement, and production scalability, which in turn supports the competitiveness and quality of our products.

Our major suppliers are suppliers of photomask manufacturers, wafer foundries and semiconductor assembly and testing service providers. Purchases from each of our largest suppliers accounted for approximately 22.0%, 16.3%, 25.9% and 33.5% of our total purchases in 2023, 2024 and 2025, and for the four months ended April 30, 2026, respectively. Purchases from our five largest suppliers accounted for approximately 74.1%, 63.7%, 67.0% and 70.3% of our total purchases for the same years/periods, respectively.

The following tables set forth details of our top five suppliers in each year/period during the Track Record Period:

Supplier	Products/ services purchased	Credit terms	Commencement of business relationship ⁽⁸⁾	Payment method	Amount of purchases ⁽⁹⁾	% of total purchases for the year/period
					RMB'000	
For 2023						
Supplier A ⁽¹⁾ . . .	Wafer	60 days	over 10 years	T/T	208,087	22.0%
Supplier C ⁽³⁾ . . .	Wafer	45 days	over 10 years	T/T	149,676	15.8%
Supplier B ⁽²⁾ . . .	Wafer	30 days	2020	T/T	142,686	15.1%
Supplier D ⁽⁴⁾ . . .	Package and testing	30 days	over 10 years	T/T	142,482	15.0%
Supplier E ⁽⁵⁾ . . .	Package and testing	30 days	over 10 years	T/T	59,038	6.2%
Total					701,969	74.1%

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Supplier	Products/ services purchased	Credit terms	Commencement of business relationship ⁽⁸⁾	Payment method	Amount of purchases ⁽⁹⁾	% of total purchases for the year/period
					RMB'000	
For 2024						
Supplier C	Wafer	45 days	over 10 years	T/T	204,902	16.3%
Supplier B	Wafer	60 days	2020	T/T	182,621	14.5%
Supplier F ⁽⁶⁾	Wafer	30 days	2021	T/T	146,994	11.7%
Supplier G ⁽⁷⁾	Wafer and Testing	0-90 days	2023	T/T	134,532	10.7%
Supplier D	Package and testing	30 days	over 10 years	T/T	132,062	10.5%
Total					801,111	63.7%
For 2025						
Supplier G	Wafer and Testing	0-90 days	2023	T/T	434,253	25.9%
Supplier C	Wafer	45 days	over 10 years	T/T	252,736	15.1%
Supplier B	Wafer	30-60 days	2020	T/T	196,290	11.7%
Supplier D	Package and testing	30 days	over 10 years	T/T	142,553	8.5%
Supplier F	Wafer	30 days	2021	T/T	96,615	5.8%
Total					1,122,447	67.0%
For the four months ended April 30, 2026						
Supplier G	Wafer and Testing	0-90 days	2023	T/T	231,499	33.5%
Supplier C	Wafer	45 days	over 10 years	T/T	99,067	14.3%
Supplier B	Wafer	30-60 days	2020	T/T	89,385	12.9%
Supplier D	Package and testing	30 days	over 10 years	T/T	38,572	5.6%
Supplier A	Wafer	60 days	over 10 years	T/T	27,856	4.0%
Total					486,379	70.3%

Notes:

- (1) Supplier A is a company headquartered in South Korea specializing in the manufacturing and sale of semiconductor products, and is listed on the Korea Exchange. It is a significant player in the global semiconductor market, supplying memory chips for various applications.
- (2) Supplier B is a South Korea-based IT marketing company in the semiconductor industry, with its shares listed on the Korea Exchange. It primarily engages in the distribution of IT products, including semiconductors, displays, and PC/storage products.
- (3) Supplier C is DB HiTek Co., Ltd., a South Korea-based semiconductor contract manufacturing and design company, with its shares listed on the Korea Exchange. It is a world leader in specialty foundry services, providing analog and mixed-signal foundry solutions.
- (4) Supplier D is Nepes Corporation, a South Korea-based company with its shares listed on the Korea Exchange. It specializes in wafer level packaging and provides full turnkey solutions including 8” and 12” flip-chip bumping and testing services.
- (5) Supplier E is a member of a Taiwan-based global semiconductor group. It provides turnkey semiconductor packaging and testing solutions to leading companies worldwide, and is a subsidiary of a company listed on the Taiwan Stock Exchange and the New York Stock Exchange.
- (6) Supplier F is SK Hynix System IC (Wuxi) Co., Ltd. (SK海力士系統集成電路(無錫)有限公司), a system IC manufacturer based in Wuxi, China. In 2023, Supplier A and Supplier F were aggregated for reporting purposes due to their shareholding relationship. Since 2024, Supplier F has been reported as a separate supplier following the transfer of shares from Supplier A.
- (7) Supplier G is Fullsemi Semiconductor. It is a private company based in Hangzhou, China, manufacturing high-end analog integrated circuits and power semiconductors. We pursued a Virtual IDM strategy and explored investing in wafer fabrication capacity in 2019, which aligned with the local government’s initiative to promote the construction of a new wafer fabrication facility. We therefore established Fullsemi Semiconductor in 2019 and were its initial sole shareholder. In 2021, new shareholders (primarily government-backed investment vehicles) were introduced through capital increases under the project funding arrangement, which diluted our shareholding. After making all reasonable enquiries, save for our equity investment in and ordinary-course dealings with Fullsemi Semiconductor, we confirm that we have no other relationship with the new shareholders or their related parties. As of the Latest Practicable Date, we held a 16.76% equity interest in Fullsemi Semiconductor. We are entitled to nominate one supervisor of Fullsemi Semiconductor, who is appointed by its shareholders’ meeting in accordance with PRC law. The supervisor performs

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statutory supervisory functions and is also a senior management member of our Group, but this does not give us control over Fullsemi Semiconductor’s day-to-day operations. Our transactions with Fullsemi Semiconductor were conducted on an arm’s length basis and on terms comparable to those offered by other suppliers providing similar services to us during the Track Record Period.

- (8) We were incorporated in 2019. The commencement time set forth in this table refers to the commencement time of the business relationships between the relevant counterparties and SMI, our subsidiary. We acquired SMI in 2020.
- (9) The amount of purchases includes the total transaction volume between our Group and the suppliers listed above as well as their subsidiaries within the scope of consolidation as of the corresponding year-end.

To the best of our knowledge, save as disclosed above, all of our five largest suppliers for each period during the Track Record Period are independent third parties. None of our Directors, their respective associates, or any Shareholders (which to the best knowledge of our Directors owned more than 5% of our share capital as at the Latest Practicable Date), has any interest in any of our five largest suppliers for each period during the Track Record Period.

We have standardized procedures and internal rules for selecting and vetting suppliers. We prefer suppliers that are well-established reliable corporates. We evaluate potential suppliers with our selection procedures. Our internal policy clearly defines the rationale and criteria for onboarding new suppliers. The decision takes into account a range of factors, including technology capabilities, production capacity, cost, quality, and service. A dedicated supplier introduction committee conducts an initial assessment by scoring candidates against these comprehensive requirements. If they pass those procedures, we add them as of potential suppliers in engineering stage. A secondary scoring is conducted for potential suppliers, taking into account retrospective outcomes, delivery timelines, and quality management performance. Suppliers that pass this assessment are formally introduced into our supply chain for small volume production. We ultimately engage suppliers from our list of qualified suppliers. We will select suitable suppliers based on our business needs at different stages and for different services and products. We will also evaluate the price and quality provided by our current suppliers and compare them with alternatives in the market. To mitigate supplier concentration risk, we adopt a multi-sourcing strategy. For procurement categories with large volumes, we ensure that at least two qualified suppliers are engaged.

Agreements with Suppliers

Set forth below is a summary of the key terms of the agreements with our major suppliers:

- *Material.* We shall list out the type, specifications, and quantity of required materials.
- *Payment, credit term and delivery.* Our purchase prices are determined on a case-by-case basis, depending on the specific order and the prevailing market conditions at the time of procurement. In terms of payment, we are generally granted a credit term of approximately 30 to 90 days by our suppliers, which typically commences upon the issuance of a letter of acceptance. Our suppliers are responsible for arranging the delivery of the goods to our designated locations.
- *Quality Guarantee.* Our suppliers generally provide a quality guarantee for a specified period. We are entitled to claim compensation in the event that the products fail to meet the technical specifications or contractual standards.
- *Warranty Period.* Warranty periods vary by supplier, typically ranging from two to three years.
- *Confidentiality.* Both parties are required to maintain the confidentiality of technical know-how, trade secrets, and the terms of cooperation, and not to disclose such information to any third party without prior written consent.

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- *Product return.* We reserve the right to inspect and accept goods delivered under the contract. For any non-conforming products identified within the warranty period, we are entitled to return the products, request replacements, and claim compensation for any losses and applicable penalties due to breach of contract.
- *Termination.* We have the right to terminate the agreement in the event of a material breach by the supplier. For the purposes of the agreement, a material breach generally includes: (i) failure to perform key obligations: such as significant delivery delays, or failure to cure a breach within a specified period following written notice; (ii) bankruptcy or insolvency: including liquidation, insolvency, or similar proceedings that are not resolved within a specified period.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

Customer A was the largest purchaser of our products during the Track Record Period. In the meantime, Supplier B, one of our principal wafer suppliers, is a distributor that procures wafers under the distribution channel of Customer A’s foundry division. While there is no direct shareholding relationship between Customer A and Supplier B, the wafer procurement from Supplier B is regarded by some as part of Customer A’s foundry division. We consider such dual relationship to be conducted on normal commercial terms, in the ordinary and usual course of business. Our transactions with Customer A are on an arm’s length basis and do not materially differ from those with independent third parties. We are not reliant on Supplier B as our sole source of wafers or revenue. We have implemented internal control measures to ensure that procurement and sales transactions with Customer A are handled independently by separate teams, and all terms remain commercially reasonable and in line with prevailing market practices.

Our sales and purchases with overlapping customer and supplier were not inter-conditional with each other. According to Frost & Sullivan, it is not uncommon for companies in the semiconductor industry to have overlapping customers and suppliers. All of our sales to and purchases from overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and on an arm’s length basis. The general terms with overlapping customers and suppliers were comparable to those with other suppliers and customers. Save as disclosed above, to the best of our knowledge, none of our five largest customers/suppliers during the Track Record Period was a supplier/customer of us.

COMPETITION

The power semiconductor industry in which we operate is highly 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.

Within this dynamic environment, the global PMIC market is relatively competitive. This is primarily because PMICs encompass a broad range of product types and are widely deployed across consumer electronics, automotive, telecommunications, and industrial applications. Coupled with rapid product iteration and high customization demands, the industry remains fragmented, featuring numerous participants.

In contrast, the global MOSFET market is more concentrated. The top five companies — mainly from the United States and Europe — account for almost half of global sales revenue. These companies lead in core technologies and have long dominated high-end applications such as automotive electronics, industrial controls, and emerging AI sectors, thus forming a stable international supply framework.

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Meanwhile, Chinese companies, although relatively smaller in scale, have rapidly expanded their market share and now together they contribute most to the global MOSFET sales, driven largely by domestic demand and manufacturing scale. 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 components. See “Industry Overview” for more information about the competitive landscape we face.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established a risk management and internal control system and continuously review and improve its effectiveness. We are committed to ensuring compliance of our operations, safeguarding our assets, and maintaining the accuracy and completeness of our financial reporting and related information.

We established an internal audit department tasked with independent audit supervision of the business operations and internal control of our Company and our subsidiaries in accordance with applicable laws and regulations and the principles of objectivity, impartiality and prevention.

Our Board is collectively responsible for establishing and implementing such risk management mechanisms and overseeing our overall risk management.

Operational Risk Management

We take a comprehensive approach with regard to operational risk management and implement a mechanism with detailed and decentralized responsibilities and clear rewards and punishment systems. Our information technology, human resources, finance and operations departments are collectively responsible to ensure the compliance of our operations with internal procedures. In the event of a major adverse event, the matter will be escalated to our CEO to take appropriate measures. Through effective operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing operational risks to reduce potential losses.

Compliance Risk Management

We have established compliance risk management procedures to achieve effective identification and management of compliance risk, and ensure that our operations are in compliance with applicable laws and regulations. Our legal department reviews contracts with customers and suppliers, as well as relevant supporting documents, including all necessary due diligence materials and the licenses and permits obtained by the relevant counterparty to perform its obligations under the relevant contract, before we enter into such arrangements.

In addition, we continually monitor changes in relevant laws and regulations as well as the regulatory environment to ensure compliance in our business operations. We delegate the responsibility of monitoring compliance in specific business areas to representatives from those areas. In addition, we have an internal control department that continuously supervises compliance efforts within departments and reports to our CEO. We also have an internal audit department that regularly evaluates and supervises our compliance efforts and reports to our general manager and the Board.

Intellectual Property Risk Management

To ensure proper management of our intellectual property and avoid litigation concerning intellectual property infringement, we have implemented various internal policies and established an internal intellectual property management system.

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PROPERTIES

Owned Properties

We currently own one parcel of land in the PRC with a total site area of approximately 19,895 sq.m., located in Hangzhou. This land parcel is designated for industrial use and is currently under development. Upon completion, it is expected to support our future business operations. This property is used for non-property activities as defined under Rule 5.01(2) of the Listing Rules.

As of the Latest Practicable Date, we did not own any completed buildings. All of our existing business operations are conducted in leased premises.

Our PRC Legal Adviser has confirmed that, (i) as of the Latest Practicable Date, we had obtained the land use rights certificate for the above-mentioned land parcel, and (ii) we had obtained all necessary approvals for the development of the project on such land, in accordance with applicable PRC laws and regulations and the progress of construction.

Except for the property interest described above, our Group had no other owned property interest that forms part of our non-property activities and that has a carrying amount of 15% or more of our total assets as required under Rule 5.01B(2)(b) of the Listing Rules. As such, a valuation report is not included in this document.

Leased Properties

As of Latest Practicable Date, we had leased an aggregate of 17 properties with a total gross floor area of approximately 14,920.8 square meters for our business operations, including six properties in the PRC with a total gross floor area of approximately 5,189.5 square meters, and eleven properties in South Korea with a total gross floor area of approximately 9,731.3 square meters. The properties we lease are mainly used as office space. These lease agreements had standard terms, including payment of rent, payment of security deposit, maintenance and repairment, and early termination upon advance notice and payment of liquidated damages.

We believe that our existing facilities are generally adequate to meet our current needs, and additional space can be obtained on commercially reasonable terms to meet our future needs. We do not anticipate undue difficulty in renewing our leases upon their expiration.

As of the Latest Practicable Date, we had not obtained the registration of lease agreements for two of our leased properties in China. The relevant registration processes for such properties are in progress.

As advised by our PRC Legal Adviser, failure to complete the registration and filing of lease agreements will not affect the validity of such leases or result in us being required to vacate the leased properties. However, the relevant government authorities may order us to complete registration or filing formalities and may impose a fine ranging from RMB1,000 to RMB10,000 for each unregistered agreement due to our failure to complete such registration or filing in prescribed period. We believe the likelihood that we will be punished due to failure to register and file all the relevant lease agreements at the same time is very remote.

For risks regarding our leased properties, see “Risk Factors — Risks Relating to Our Business and Industry — We may be liable for failure to register and file our lease agreements, which may subject us to penalties.”

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SEASONALITY

Our results of operations are subject to seasonal fluctuations, primarily driven by the product launch cycles of consumer electronics brands and production scheduling trends in the industrial and automotive sectors. These seasonal trends have not posed any material operational or financial challenges to us in recent years. However, the seasonality of our business may vary from year to year depending on changes in customer demand patterns, industry cycles, and broader macroeconomic conditions.

EMPLOYEES

As of December 31, 2023, 2024, and 2025, and as of April 30, 2026 we had 481, 588, 574 and 581 full-time employees, respectively. As of April 30, 2026, 44.6% and 55.4% of our employees are based in China and South Korea, respectively. The following table sets forth the number of our employees categorized by function and percentage of our total number of employees as of April 30, 2026:

Function	As of April 30, 2026	
	Number of Employees	% of Total
Research and Development	337	58.0
Sales and marketing	86	14.8
Operation and quality control	80	13.8
General and administrative	78	13.4
Total	581	100.0

Our success depends on our ability to attract, retain and motivate qualified personnel. We recruit primarily through job fairs, recruitment websites and internal referrals, and offer competitive remuneration (including base salaries, allowances and performance-based incentives) supported by an annual performance evaluation system for salary adjustments, bonuses and promotions. We also provide onboarding and on-the-job training to enhance employees’ industry knowledge, skills and performance. We enter into standard labor contracts with employees, and confidentiality and non-compete arrangements with senior management and key personnel, including a two-year post-termination non-compete covenant. None of our employees are currently represented by labor unions. We believe that we maintain a good working relationship with our employees and we did not experience any significant labor disputes or any difficulty in recruiting staff for our operations.

INSURANCE

We maintain insurance policies in accordance with relevant laws and regulations and based on our assessment of the needs of our operations and industry practices. We have maintained product liability insurance, directors and officers liability insurance, and commercial medical insurance for our employees. We also provide social security insurance including pension, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance, and housing fund plans for our employees. We consider our insurance coverage to be sufficient for our business operations in China.

In line with general market practice, we do not maintain any business interruption insurance or key-man life insurance, which are not mandatory under PRC Laws. See “Risk Factors — Risks Relating to Our Business and Industry — We may not have sufficient insurance coverage to cover our potential liability or losses.” During the Track Record Period, we did not make any material insurance claims in relation to our business.

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EXPORT CONTROL IMPLICATIONS

U.S. Export Controls

In recent years, the United States has increased export control restrictions on China through the Export Administration Regulations, administered by the Bureau of Industry and Security of the U.S. Department of Commerce, which includes the Entity List. The restrictions imposed by the EAR, and the Entity List in particular, are transfer restrictions that primarily apply to Chinese technology companies. These restrictions cover not only products produced in the United States and transferred to a purchaser in final form, but also transfers of (i) non-U.S. produced items manufactured using certain U.S. software, technology or manufacturing equipment, and (ii) items produced with U.S. technologies that are destined to be sold to persons on the Entity List, regardless of whether the listed entity is the purchaser, consignee or end-user of such products. The trade restrictions under the Entity List may also extend to our suppliers (regardless of whether they are U.S. or non-U.S. suppliers) if they have utilized the specified U.S. software, technology or manufacturing equipment in products that are ultimately used by a company on the Entity List.

During the Track Record Period, we did not, directly or indirectly, deliver products subject to the EAR to any customers that are listed on the Entity List. Therefore, our business operations do not present a risk that we have engaged in transactions that would constitute either (i) Primary Sanctioned Activity or (ii) Secondary Sanctioned Activity within the meaning defined in Chapter 4.4 of the Guide for New Listing Applicants. As advised by our Export Control and Sanctions Counsel, (i) our activities during the Track Record Period do not implicate restrictions under the EAR, including restrictions imposed on persons named on the Entity List; (ii) our dealings with our customers and suppliers also do not implicate any restrictions related to the Entity List and the NS-CMIC List; and (iii) our exposure to U.S. trade restrictions and the impact of relevant trade restrictions on our operations is not material.

As such, our Directors are of the view and the Sole Sponsor concurs that the current export control measures would not impact our sales or revenue, thereby resulting in a material and adverse impact on our business, financial condition or results of operation.

Tariffs and Trade Policy Measures

As advised by our Export Control and Sanctions Counsel, in recent years the U.S. government has imposed trade policies or taken actions relating to tariffs and investigations in the semiconductor industry. For example, trade and tariff tensions between the United States and China intensified starting in early 2025 and negotiations on tariffs between the two countries are still ongoing, creating uncertainties for trade and exports between the United States and China. As of the Latest Practicable Date, other than a baseline tariff of 10%, several of the announced tariffs have been paused pending trade negotiations. It remains unclear whether additional new tariffs will be imposed by the U.S. government on imported goods and, if so, at what level and for how long. In addition, other countries may implement retaliatory tariffs on U.S. goods, and the United States may respond with additional tariffs or export controls. There is also significant uncertainty as to whether countries will be able to successfully reach any trade deals with the United States that would reduce tariffs.

During the Track Record Period, we recorded sales to customers in the U.S. of RMB19.4 million in 2023, RMB0.3 million in 2024, RMB0.03 million in 2025, and nil for the four months ended April 30, 2026, representing 1.2%, 0.02%, 0.001% and 0.0% of our total sales, respectively. During the same years/periods, our purchases from suppliers in the United States amounted to RMB1.4 million in 2023, RMB1.2 million in 2024, RMB1.3 million in 2025, and nil for the four months ended April 30, 2026, representing 0.1%, 0.1%, 0.1% and 0.0% of our total purchases, respectively. These sales and purchases each represented an immaterial portion of our total revenue and total procurement, respectively. Further, tariffs do not place any legal restrictions on our ability to sell or deliver products to the U.S. or other countries. During the Track Record Period, our sales

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to customers in the EU were 0.2%, 1.2%, 2.4% and 2.2% in 2023, 2024 and 2025, and for the four months ended April 30, 2026, respectively, and represented an immaterial portion of our revenue. Accordingly, our Export Control and Sanctions Counsel is of the view that there is no material direct or indirect exposure and impact from (i) the recent introduction of new tariffs on various goods traded among the U.S., the EU and other countries (including China) and (ii) corresponding tariff policies introduced by the EU affecting our supply chain. While various tariffs have created uncertainty in export markets generally, we have not experienced any material adverse impact on our financial performance resulting from U.S., EU or other tariffs to date.

As such, our Directors are of the view, and the Sole Sponsor concurs, that the current trade policy measures are not expected to have a material adverse impact on our sales or revenue and, consequently, would not be expected to materially and adversely affect our business, financial condition or results of operations.

U.S. Overseas Investment Regulations and the Final Rule

On August 9, 2023, the United States issued an executive order and an advanced notice of proposed rule-making (the “ANPRM”) setting out a conceptual framework for outbound investment controls focused on China, including Hong Kong and Macau. Following the ANPRM, on June 21, 2024, the U.S. Department of the Treasury issued a proposed rule, and on October 28, 2024, the U.S. Department of the Treasury issued the Final Rule to implement the executive order of August 9, 2023. The Final Rule, which implements U.S. Executive Order 14105, became effective on January 2, 2025, and it imposes investment prohibition and notification requirements on U.S. persons for certain investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to (i) semiconductor and microelectronics, (ii) quantum information technologies and (iii) AI systems.

As we (i) conduct semiconductor-related activities, (ii) are headquartered in, organized under the laws of, or have a principal place of business in a country of concern (China is a country of concern within the meaning of the Final Rule), and (iii) are owned or controlled by persons of a country of concern, it is likely that we would be considered to be a “Covered Foreign Person.” U.S. persons are prohibited from making, or required to report, certain investments in Covered Foreign Persons, including certain acquisitions of equity interests, certain debt financings, joint ventures and certain investments as a limited partner in a non-U.S. person pooled investment fund.

Despite these factors, the Final Rule is very unlikely to have any impact on the [REDACTED]. First, the Final Rule contains exceptions for certain investments, including those in publicly traded securities, except where a U.S. person investor secures rights that go beyond standard minority shareholder protections (the “Publicly Traded Securities Exemption”). While the United States has not issued regulations or rules that expressly clarify the application of the Publicly Traded Securities Exemption, our Export Control and Sanctions Counsel is of the view that were any H Shares to be acquired by U.S. persons in the [REDACTED], such purchase would qualify for the Publicly Traded Securities Exemption. More importantly, the [REDACTED] is only being made available to non U.S. persons in reliance on Regulation S under the U.S. Securities Act.

Nevertheless, our Export Control and Sanctions Counsel notes that, in the future, the Final Rule may increase the compliance burden of U.S. investors and negatively impact investor sentiment and our ability to raise capital, and may introduce new hurdles and uncertainties for cross-border collaborations, investments and funding opportunities of China-based issuers including us.

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Internal Control and Mitigation Measures

We have implemented a Group-wide trade controls compliance framework to comply with applicable international and local export control and sanctions requirements. We conduct risk-based sanctions and restricted-party screening on customers and key suppliers at onboarding, periodically and upon relevant risk triggers. For higher-risk counterparties, where appropriate, we obtain compliance confirmations and end-use or end-user undertakings and include trade controls compliance provisions in selected commercial agreements. Our legal function coordinates day-to-day compliance, maintains records of screenings and material determinations, provides relevant staff training and escalates higher-risk matters to senior management. Where necessary, we also assess whether products or technologies in our supply chain are subject to the EAR or other applicable regimes and seek advice from external export control and sanctions counsel.

To mitigate supply chain and pricing risks, we seek to maintain and reasonably diversify alternative suppliers and include price-adjustment mechanisms in certain supply agreements. We will continue to monitor regulatory and market developments and update our compliance controls, training, contractual arrangements and supply chain measures as appropriate to support ongoing compliance and business continuity.

LICENSES AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all material licenses, approvals, consents, registrations and permits that were required for our business operations in the PRC, and such licenses, approvals, consents, registrations and permits had remained in full effect. All of our licenses which have expiration dates are valid for a fixed period and subject to renewal upon expiry. Our Directors do not expect any impediment in the renewal of our licenses.

The following table sets out a list of licenses and permits that are, in the opinion of our Directors, material to our operation in the PRC, as of the Latest Practicable Date:

<u>License/Filing/Permit</u>	<u>Entity holding the license/filing/permit</u>	<u>Date of grant/filing</u>	<u>Date of expiry</u>
Customs Import and Export Consignee and Consignor Registration Receipt (Customs Code: 330133009A; Inspection and Quarantine Filing No.: 3383501282)	Silicon Magic	August 26, 2020	Long term
Foreign Trade Operator Filing Registration (Registration No.: 03453751)	Silicon Magic	July 22, 2022	Long term

In addition to the licenses and registrations set out above, relevant members of our Group have obtained certifications covering quality, information security, intellectual property, compliance, environmental and occupational health and safety management. These include ISO 9001 quality management system certifications covering the design, development, outsourced manufacturing, production, packaging and testing of semiconductor products, including MOSFETs, diodes, PMICs, signal chain ICs and SiC power chips; ISO 27001 information security management system certifications covering semiconductor product design, outsourced processing, sales and supply chain management; a GB/T 29490 intellectual property management system certification; an ISO 37301 compliance management system certification; and ISO 14001 environmental management and ISO 45001 occupational health and safety management system certifications relating to the design and production of SiC power chips. Such certifications remained valid as of the Latest Practicable Date.

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LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against our Group or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

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

ENVIRONMENTAL SOCIAL AND CORPORATE GOVERNANCE

Sustainable development is one of our core strategic priorities, and we are committed to integrating environmental, social and governance (ESG) considerations into all aspects of our business to create long-term value for our stakeholders. We aim to achieve sustainable growth while remaining compliant with industry standards, regulatory requirements and ethical responsibilities.

ESG Governance and Management Framework

Our Board has the collective and overall responsibility for establishing, adopting and reviewing the ESG vision, policy and target of our Group, and evaluating, determining and addressing our ESG-related risks at least once a year. The Board members have rich experience in overall business and corporate governance management. They also participate in ESG training to enhance their awareness of and capabilities to deal with ESG matters.

The Board will assume the responsibilities to (i) guide and formulate our ESG vision, strategy and structure and ensure that they are compatible with our needs and the relevant laws, regulations and standards; (ii) supervise the development and implementation of our ESG vision, strategy and structure through ESG policies; (iii) review our ESG policies and ensure their applicability and compliance with the relevant laws, regulations and standards, and (iv) review and approve our ESG reports and other ESG-related disclosures. Our Board will regularly discuss the material ESG risks that could affect our operations and long-term sustainable development, provide views and suggestions to the implementation groups, and monitor and strengthen our overall ESG system.

When identifying material ESG issues, our Board considers the relevant laws, regulations and standards, such as the ESG Reporting Code provided in the Listing Rules, etc., as well as current major economic, social and environmental issues, communicate with various stakeholders (such as our employees, sellers and buyers), and discuss and analyze the core ESG issues with our management, including what specific ESG issues to be prioritized. In particular, our Board will consider issues of common concern to internal and external stakeholders, impact on our operations and sustainable business development, and issues arising from recent legal and regulatory development. Our Board will: (i) analyze legal and regulatory requirements, macro-policies and industry practice, giving reference to international standards, ESG rating systems and outstanding practices of peer companies; (ii) communicate with internal and external stakeholders to understand their core concerns; (iii) conduct materiality assessment through matrix assessment; and (iv) classify issues into high, medium and low-importance categories.

Our senior management will monitor and manage matters related to ESG issues and confirm with our Board regarding the effectiveness of our ESG system. Our senior management may assess or engage Independent Third Parties to evaluate the ESG risks and review our existing strategy, target and internal controls. Necessary improvement will then be implemented to mitigate the risks. Our senior management will convene meetings and communicate regularly to report and present the implementation progress and key results. The execution of our ESG policies will involve personnel of key departments, such as supply chain management, human resources, sales, legal, R&D and others.

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Identification, Assessment and Mitigation of ESG Risks

We recognize that our business will be affected by ESG-related risks and therefore continually optimize our ESG risk management and opportunity identification system. During the Track Record Period, we have not been subject to any fines or other penalties due to non-compliance in relation to environmental, social and governance related matters, which had materially and adversely affected our financial condition or business operations.

We monitor environmental, social and climate-related risks and opportunities that may impact on our business, strategy and financial performance and evaluate the magnitude of resulting impact over the short, medium and long-term horizon. We take these issues into account when developing our business strategy and may adjust our strategy in a particular country, region or city in response to changing environmental, social and climate-related landscape.

Employee care and benefits: Risks related to employee care and benefits, such as employee satisfaction decreased or non-compliance with labor laws or regulations, could harm our reputation and operational stability. To address the risk, we consistently adhere to applicable labor laws and labor standards. We strive to improve employee benefits to meet their needs and provide sufficient training to help them grow.

R&D and technological innovation: We prioritize green and sustainable research and development and technological innovation, including some key areas like NEV applications. We develop environmentally friendly and intelligent products to contribute to global greenhouse gas reduction initiatives and support broader societal goals, including China’s carbon peaking and carbon neutrality targets. Additionally, we provide intellectual property (IP) related training for employees and undertake certification of our IP management system to protect our R&D achievements.

Customer rights protection: Failures in protecting our customer rights could adversely affect customer satisfaction, harm our reputation and potentially lead to legal or regulatory liabilities. To mitigate this risk, we have implemented measures, including customer satisfaction surveys to assess service quality and identify areas for improvement. Through these measures, we aim to enhance customer satisfaction, maintain high service standards and strengthen our reputation for product and service excellence.

Information security and privacy protection: We face ESG risks related to information security and privacy protection, including potential breaches of trade secrets, customer data and personal information, which could result in reputational harm, regulatory penalties or operational disruptions. To mitigate these risks, we have implemented robust measures, including confidentiality system, access controls for sensitive customer data and confidentiality agreements with customers and employees. We also provide regular employee training on information security to further strengthen awareness and compliance.

Environmental Protection

As a Virtual IDM semiconductor design company, we do not operate our own wafer fabs or manufacturing facilities. Nevertheless, we recognize our responsibility in minimizing environmental impact across our operations and supply chain. We work closely with foundries, packaging and testing partners to encourage environmentally sustainable practices and compliance with relevant environmental laws and regulations. We have implemented energy-saving measures in our R&D offices and business operations, including: (i) turning off the lights when natural light is sufficient; (ii) default double-sided printing and digital workflow to reduce paper usage; (iii) automatic shutdown systems for idle IT equipment; (iv) indoor temperature control to reduce power consumption; (v) promotion of economy class air travel for business travel, and online or railway solution instead of airplane travel.

As we have been operating in the leased offices, there is no separate measurement on the water consumption due to the limits of facility providers. However, we still promote water conservation to staff via slogans in the offices.

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For waste management, we don’t have hazardous waste due to the nature of our business and we promote the waste classification for non-hazardous waste in line with local authorities’ requirement and provide classified garbage bins at office areas for our staff, and then all transferred to property service providers for further handling with local bureau.

	For the year ended December 31,			For the four months ended April 30,
	2023	2024	2025	2026
Generation amount of non-hazardous waste ¹ (t)	32.6	40.2	39.0	12.9
Generation intensity of non-hazardous waste (t per CNY million of revenue)	0.02	0.03	0.02	0.02

Metrics and Targets

We are committed to further improving our resource efficiency and reducing greenhouse gas emissions. We actively promote carbon reduction and environmental protection principles by implementing a series of environmental protection measures to address environmental risks such as climate change and energy shortages.

The following table sets forth metrics on our greenhouse gas emission, energy consumption during the Track Record Period:

	For the year ended December 31,			For the four months ended April 30,
	2023	2024	2025	2026
Electricity consumption (MWh) . . .	1,181.6	1,583.2	1,902.1	625.2
Gasoline consumption (L)	7,877.0	8,286.0	8,288.0	2,484.0
Diesel consumption (L)	172.0	114.0	23.0	0
Comprehensive energy consumption (MWh)	1,252.2	1,656.8	1,974.8	646.9
Comprehensive energy consumption intensity (MWh per CNY million of revenue)	0.76	1.05	1.0	0.8
Total GHG emissions ² (Scope 1 and Scope 2) (tCO ₂ equivalent) . .	602.3	809.8	974.5	320.8
Direct GHG emissions (Scope 1) (tCO ₂ equivalent)	17.6	18.3	18.0	6.1
Indirect GHG emissions (Scope 2) (tCO ₂ equivalent)	584.7	791.5	956.5	314.6
GHG emission intensity (tCO ₂ equivalent per CNY million of revenue)	0.37	0.51	0.50	0.38

¹ The statistical category for the generation amount of non-hazardous waste is municipal solid waste (MSW). The generation amount is based on our per capita daily generation and calculated based on statutory working days and the number of employees.

² GHG emission factors refer to the “Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors” and the relevant emission factors issued by the Korea Energy Agency.

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During the Track Record Period, we experienced an increase in electricity consumption and greenhouse gas emissions from 2023 to 2025, as a result of the business expansion.

We have set a three-year target that energy consumption intensity of 2025 to 2027 will not exceed that of 2024, if there is no significant change of our business operation, and our planned approach includes: (i) purchase energy vehicles when replacing current vehicles with new ones; (ii) promote public transportation and continue to optimize route of business travel; (iii) consider renting office in green buildings such as buildings that obtained LEED certificates upon the completion of current leasing contracts; (iv) optimise office area setting or reduce renting area/floor in the existing offices; (v) purchase energy-efficient equipment or carbon-neutral equipment in our office when there is replacement or addition; (vi) encourage energy saving ideas from employees to further explore energy saving potential.

We will also consider the usage of green electricity or carbon offsetting tools to reduce GHG emissions.

We have been conducting the applicability research for 15 categories of Scope 3 GHG emissions. Following an assessment of applicability and feasibility, we have already calculated the relevant Scope 3 GHG emissions for Category 6 in accordance with the GHG Protocol.

The following table sets forth metrics on our Scope 3 GHG emissions during the Track Record Period:

	For the year ended December 31,			For the four months ended April 30,
	2023	2024	2025	2026
Indirect GHG emissions (Scope 3) (tCO ₂ equivalent) ³	955.61	1,252.62	1,413.50	486.94
Intensity of Indirect GHG emissions (Scope 3) (tCO ₂ equivalent per CNY million of revenue)	0.58	0.80	0.72	0.58

We have set a three-year target to reduce intensity of indirect GHG emissions (Scope 3):

2025	Not exceed that of 2024
2026	Reduce by 2 % based on that of 2024
2027	Reduce by 5% based on that of 2024

We will take measures below to achieve the reduction target: (i) reduce business travel for internal meetings; (ii) reconsider the necessity of business travel in the client-facing activities; (iii) regulate transportation methods for business trip, e.g. no more air travel for distance under 1,000 km.

In addition, we will encourage employees to adopt green commuting and actively work with suppliers to take energy saving measures or enhance the energy consumption efficiency to further reduce wider scope of GHG emissions (Scope 3).

3 Indirect GHG emissions (Scope 3) here refers to Category 6 Business Travel, including hotel stay and air travel, with emission factors referenced from IPCC AR5, 2013 and EXIOBASE. Scope 3 data only includes the operations in China.

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Climate Change and Response

The major risks posed by climate change to our business include physical risks and transformation risks, among which, physical risks mainly arise from the risks of physical impacts that may be caused by extreme weather, such as heavy rainfall or natural disasters such as floods, which may disrupt or interrupt upstream production.

Corporate Social Responsibility

We are committed to corporate social responsibility and meeting the society’s changing needs.

Employee Wellbeing

Our employees are integral to our success. We are committed to providing a safe, inclusive, and empowering workplace. We have also formulated internal management systems that stipulate provisions for employee onboarding, attendance, transfer, performance appraisal, promotion, remuneration, incentives, benefits and allowances. We are committed to fostering an inclusive and equitable workplace. We embrace diversity in hiring, provide equal employment opportunities and strictly prohibit discrimination based on gender, age, race, religion or physical status.

Employee Safety and Health

We have established management systems related to occupational health and safety, such as the Safety and Health Management Regulations. We strive to ensure that employees work in a safe environment. We also place great emphasis on enhancing employees’ safety awareness and their ability to handle emergency situations. During the Track Record Period, there were no incidents related to occupational safety or employee disputes and hence zero work-related fatalities or injuries, reflecting our commitment to maintaining a harmonious and compliant workplace.

Professional Development

We have established management systems, such as the Employee Training Process. Our training programs cover a wide range of topics, including corporate culture and values, safety production and compliance, professional technical skills, etc. The forms of employee training include teaching style (specialist lecture), experiential style, case study, etc., promoting a culture of continuous learning and knowledge sharing.

Supply Chain Management

We have implemented a comprehensive supply chain management system that encompasses the entire lifecycle of supplier engagement, including inspection, admission, performance evaluation, auditing and exit. We have signed a corporate social responsibility agreement with the supplier to promote supplier to actively undertake social responsibility.

Anti-Corruption and Anti-Bribery

We have implemented a strict management policy which is designed to prevent and prohibit any form of corruption or bribery, ensuring that our employees adhere to high standards of integrity and transparency in all business activities. We maintain a zero-tolerance approach to corruption and bribery and strictly enforce internal controls to enhance employees’ legal awareness and ethical principles. All reports are thoroughly investigated, and the rights of whistleblowers are fully protected.

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Industry development and charity activities

We support and participate in socially responsible projects that align with our core values and mission and that promote the development of the semiconductor industry generally. We actively support university collaboration programs and talent development initiatives aimed at building a strong domestic IC talent pipeline, in alignment with China’s long-term goals for semiconductor self-reliance. We actively support government-lead public welfare programs, e.g. provide training venue for free to “Hangzhou Entrepreneur Training Program”. We actively participate in other charity works, including donations, as well as establishing scholarships for students for the development of the industry, among others.

AWARDS AND RECOGNITION

During the Track Record Period, we received awards and recognition in respect of our products, technology, and innovation, significant ones of which are set forth below:

Date	Award/Recognition	Awarding Institution
2023	Gazelle Enterprise	District Bureau of Economy and Information Technology
2023	Hangzhou Patent Pilot Enterprise	Hangzhou Municipal Administration for Market Regulation
2023	Hangzhou High-tech Enterprise R&D Center	Hangzhou Municipal Bureau of Science and Technology
2023	Zhejiang Provincial Specialized, Sophisticated, Distinctive and Innovative Small and Medium-sized Enterprise	Economy and Information Technology Department of Zhejiang
2023	National High-tech Enterprise (NHE)	Department of Science and Technology of Zhejiang Province
2023	National Specialized, Sophisticated, Distinctive and Innovative “Little Giant” Enterprise	Ministry of Industry and Information Technology of the People’s Republic of China (MIIT)
2024	Hangzhou Enterprise Technology Center	Hangzhou Municipal Bureau of Economy and Information (Hangzhou Municipal Bureau of Digital Economy)
2024	Provincial Postdoctoral Workstation	Zhejiang Province Human Resources and Social Security Department
2024	Zhejiang Provincial High-tech Enterprise R&D Center	Economy and Information Technology Department of Zhejiang
2025	Five-Star ESG Rating (Outstanding Level among Large Enterprises)	China Supplier ESG Rating Platform
2025	Hangzhou Intellectual Property Advantageous Enterprise	Hangzhou Municipal Administration for Market Regulation (Hangzhou Intellectual Property Office)