

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our audited consolidated financial information included in “Appendix I — Accountant’s Report” to this document, together with the accompanying notes. Our consolidated financial information have been prepared in accordance with the IFRS Accounting Standards, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountant’s Report, and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance and involve risks and uncertainties. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. Our actual results may differ materially from those anticipated in these forward looking statements as a result of any number of factors. In evaluating our business, you should carefully consider all of the information provided in this document, including “Risk Factors” and “Business.”

Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a power semiconductor company that delivers efficient power management solutions through proprietary process technologies. We adopt an innovation-driven Virtual IDM model.

During the Track Record Period, our revenue remained broadly stable from 2023 to 2024, increased in 2025 and increased for the four months ended April 30, 2026 compared to the same period in 2025, mainly attributable to changes in product mix and variations in customer demand in our downstream markets. Our revenue amounted to RMB1,640.1 million, RMB1,574.5 million, RMB1,952.9 million, RMB571.1 million and RMB836.5 million for 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. We recorded a loss of RMB506.3 million, RMB697.1 million, RMB277.8 million, RMB159.5 million and a profit of RMB28.5 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. Our adjusted profit/(loss) (non-IFRS measures) amounted to a profit of RMB44.6 million, a loss of RMB86.7 million, and a loss of RMB97.0 million, a loss of RMB57.6 million and a profit of RMB56.3 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively.

BASIS OF PREPARATION

Please refer to Note 4 to the Accountant’s Report set out in Appendix I to this document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our Ability to Enhance Technology and Offer Cutting-edge Products

Our revenue and growth prospects depend on continuous technological advancements and the development of products and solutions that meet evolving customer needs. As a Virtual IDM company, we combine robust in-house R&D capabilities with a strategic investment in and collaboration with our partner wafer foundry, enabling seamless coordination across product development, process optimization, and manufacturing.

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Our success also depends on our ability to anticipate industry trends and develop PMICs and power device products with high performance that meet the evolving demands of our downstream customers. Our Virtual IDM model enables us to standardize key products for scalable manufacturing while retaining the flexibility to quickly respond to customized requirements from diverse customers. Our focus on customized power semiconductor solutions also provides distinct competitive advantages which typically deliver superior integration, enhanced performance, and optimized cost structures. This strategic focus differentiates us from traditional international players who predominantly compete in standardized product markets.

Our continued success depends significantly on our ability to advance our technologies and offer innovative high-performance products to cater to customers’ evolving demands. We also plan to further diversify our products and solutions to seize market opportunities in a broad range of application scenarios.

Our Ability to Control Costs and Improve Operational Efficiency

During the Track Record Period, we incurred operating expenses, primarily consisting of research and development expenses, selling and marketing expenses, and general and administrative expenses.

Our research and development expenses amounted to RMB335.6 million, RMB405.7 million, RMB417.1 million, RMB133.4 million and RMB134.9 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively, representing approximately 20.5%, 25.8%, 21.4%, 23.4% and 16.1% of our revenue for the respective years/periods. As a Virtual IDM company specializing in PMICs and power devices, we place strong emphasis on proprietary product development, system-level design optimization and co-development of process technologies with our invested wafer foundry partner. Our R&D efforts primarily focus on enhancing the performance, efficiency and reliability of our power semiconductor solutions, as well as expanding application coverage in diverse industries.

Our R&D expenses primarily reflect the high technological demands in our business, as well as our strategic initiatives to enhance and innovate our product lines. These investments are essential to maintaining our competitive edge and meeting the evolving requirements of downstream customers. We are well-positioned to capitalize on this by expanding their applications across diverse industries and we remain committed to advancing our R&D efforts to maintain our leadership and stay at the forefront of technological innovation in the power semiconductor industry. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our cost of sales amounted to approximately RMB1,091.9 million, RMB1,111.7 million, RMB1,422.6 million, RMB394.3 million and RMB617.0 million, respectively. We expect that by leveraging the benefits of our Virtual IDM model, we will be able to secure more favorable pricing and maintain stable production capacity. In addition, we plan to further enhance our in-house packaging and testing capabilities, which we believe will help us manage costs and improve profit margins. Furthermore, as our Greater China operations continue to grow, we expect to benefit more from economies of scale and to reduce manufacturing costs.

During the Track Record Period, we continued to invest in sales and marketing activities. Our selling and marketing expenses amounted to approximately RMB123.5 million, RMB137.5 million, RMB135.4 million, RMB42.0 million and RMB42.2 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. Our selling and marketing expenses increased from 2023 to 2024, primarily due to higher staff remuneration aligned with the growing number of sales personnel in China, decreased slightly in 2025, primarily due to a decrease in amortization expenses, and remained broadly stable for the four months ended April 30, 2026 compared to the same period in 2025, as increases in employee compensation and share-based compensation expenses were largely offset by a decrease in depreciation and amortization expenses. We have continued to implement budgetary controls linked to annual sales forecasts and maintain a rigorous performance evaluation system based on multi-dimensional KPIs to ensure efficient resource allocation.

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Our Customer Relationship and Sales Network

During the Track Record Period, we generated revenue through both direct sales and distribution models. Our direct sales model primarily serves large-scale and strategic customers. Revenue from direct sales customers amounted to RMB1,276.7 million, RMB1,182.9 million, RMB1,472.1 million, RMB434.9 million and RMB589.2 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. We have developed strong, long-term relationships with key direct sales customers by leveraging our technical strengths and industry know-how. These relationships serve as a foundation for continuous product improvement and strategic collaboration.

In parallel, we utilize distribution channels for standardized and high-volume products. Our revenue generated through the distribution model amounted to RMB363.4 million, RMB391.6 million, RMB480.7 million, RMB136.3 million and RMB247.3 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. The increase in 2024 and 2025, as well as the increase for the four months ended April 30, 2026 compared to the same period in 2025, was mainly driven by the rapid growth of our power device product line, which is primarily sold through distributors. The distribution model enables us to rapidly build regional networks and reach a broader customer base, especially in the Greater China power device market. We plan to optimize and expand our sales and distribution network and continue to explore collaboration opportunities with existing direct sales customers. By continually launching innovative products tailored for emerging application scenarios and deepening our technical engagement, we aim to solidify long-term partnerships and expand our influence in both Greater China and overseas markets. Our ability to effectively manage and balance both direct and distribution sales remains critical to our future growth. As our Greater China power devices business expands and customer demand becomes increasingly diversified, we will continue to refine our go-to-market strategy, optimize channel efficiency, and strengthen strategic account relationships.

Our Continual Investment in Technology and Talent

Our success is driven by our continuous innovation and strong capabilities in the PMIC and power device markets. We are supported by a robust R&D team with profound expertise in technology and material innovation, who played a critical role in maintaining our technological leadership. Meanwhile, we have deployed R&D resources internationally and established R&D teams in overseas countries, focusing on product design, R&D and reliability assessment to facilitate the understanding of local customers and achieve design-win. 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 PMICs and power devices. These centers enhance the competitiveness of our product offerings. Leveraging these advantages, we are well positioned to achieve greater breakthroughs in the power semiconductor market by delivering high value-added system solutions to our customers. While this strategy may elevate R&D expenses, it will position us closer to our leading international customers, enabling us to respond promptly to their requirements, expedite product launches and bolster customer retention.

Seasonality

Our results of operations are affected by seasonal fluctuations in demand for our products to be used in consumer electronics. In particular, due to the impacts of the public holidays such as the Spring Festival and the stocking and sales cycles of customers before or around holidays, we typically experience higher sales in the Summer and Winter throughout the year. These seasonal fluctuations may render our results of operations in certain given periods not indicative of our results of operations for the full year. As we continue to enrich our product portfolio and launch innovative products for novel applications in various industry sectors, we expect to reduce the impact of seasonality with this increased diversity.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Please refer to Note 4 to the Accountant’s Report in Appendix I to this document.

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RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of profit or loss, with each line item presented in absolute amounts and as a percentage of our revenue, for the years/periods indicated.

	Year ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue
	<i>(unaudited)</i>									
Revenue	1,640,125	100.0	1,574,471	100.0	1,952,855	100.0	571,146	100.0	836,508	100.0
Cost of sales	(1,091,934)	(66.6)	(1,111,734)	(70.6)	(1,422,560)	(72.8)	(394,254)	(69.0)	(616,988)	(73.8)
Gross profit	548,191	33.4	462,737	29.4	530,295	27.2	176,892	31.0	219,520	26.2
Selling and marketing expenses	(123,499)	(7.5)	(137,466)	(8.7)	(135,422)	(6.9)	(42,023)	(7.4)	(42,155)	(5.0)
General and administrative expenses	(143,746)	(8.8)	(166,922)	(10.6)	(189,675)	(9.7)	(47,620)	(8.3)	(56,214)	(6.7)
Research and development expenses	(335,607)	(20.5)	(405,664)	(25.8)	(417,110)	(21.4)	(133,387)	(23.4)	(134,878)	(16.1)
Net impairment reversal/(losses) on financial assets	201	0.0	(123)	(0.0)	(26)	(0.0)	(364)	(0.1)	(633)	(0.1)
Other income	10,748	0.7	28,639	1.8	38,548	2.0	8,559	1.5	8,187	1.0
Other gains/(losses) – net	33,415	2.0	51,356	3.3	8,440	0.4	(25,446)	(4.5)	35,396	4.2
Operating (losses)/gains	(10,297)	(0.7)	(167,443)	(10.6)	(164,950)	(8.4)	(63,389)	(11.1)	29,223	3.5
Finance income	66,137	4.0	40,078	2.5	18,820	1.0	7,007	1.2	6,271	0.7
Finance costs	(510,433)	(31.1)	(553,889)	(35.2)	(97,775)	(5.0)	(92,668)	(16.2)	(2,179)	(0.3)
Finance costs – net	(444,296)	(27.1)	(513,811)	(32.7)	(78,955)	(4.0)	(85,661)	(15.0)	4,092	0.4
Share of profit/(loss) from investments accounted for using the equity method	6,507	0.4	4,779	0.3	(3,051)	(0.2)	(3,632)	(0.6)	(2,883)	(0.3)
(Loss)/Profit before income tax	(448,086)	(27.4)	(676,475)	(43.0)	(246,956)	(12.6)	(152,682)	(26.7)	30,432	3.6
Income tax expense	(58,173)	(3.5)	(20,630)	(1.3)	(30,817)	(1.6)	(6,808)	(1.2)	(1,954)	(0.2)
(Loss)/Profit for the year/period	(506,259)	(30.9)	(697,105)	(44.3)	(277,773)	(14.2)	(159,490)	(27.9)	28,478	3.4

NON-IFRS MEASURES

To supplement our consolidated financial statements prepared in accordance with IFRS, we also present adjusted profit/(loss) (Non-IFRS measures) for the years/periods. We believe this Non-IFRS measure facilitates comparisons of our operating performance by excluding the impact of certain non-operating or non-recurring items. It is presented as additional information to help investors understand and evaluate our results of operations. However, this Non-IFRS measure is not a measure required by, or presented in accordance with, IFRS, may not be comparable to similarly titled measures used by other companies, and should not be considered in isolation from, or as a substitute for, our results of operations or financial condition as reported under IFRS.

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The following table reconciles loss/profit for the years/periods to adjusted profit/(loss) (non-IFRS measures) for the years/periods indicated:

	For the Year Ended December 31,			For the four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Reconciliation of loss/profit for the year/period to adjusted profit/(loss) (Non-IFRS measures) for the year/period:					
(Loss)/Profit for the year/period	(506,259)	(697,105)	(277,773)	(159,490)	28,478
Add back:					
Share-based compensation expenses	47,890	64,117	55,619	11,755	23,018
Interest expenses related to redemption liabilities	502,974	546,296	90,101	90,101	—
[REDACTED] expenses . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted profit/(loss) (Non-IFRS measures) for the year/period	44,605	(86,692)	(96,971)	(57,634)	56,301

We derive our adjusted profit/(loss) (Non-IFRS measures) during the Track Record Period by eliminating the impact of the following non-cash items: (i) share-based compensation expenses represent the non-cash employee benefit expenses incurred in connection with our award to key employees. Such expenses in any specific period are not expected to result in future cash payments. (ii) interest expenses related to redemption liabilities were recorded purely because of the redemption rights we granted to some of our investors in our previous financing rounds, and such redemption rights had been terminated effective on February 27, 2025 as agreed by us and the relevant investors, and will no longer affect our financial performance going forward. (iii) [REDACTED] expenses were incurred in connection with the [REDACTED].

Our adjusted profit/(loss) (Non-IFRS measures) turned from a profit of RMB44.6 million in 2023 to a loss of RMB86.7 million in 2024, primarily due to a decrease in gross profit and an increase in research and development expenses. Our adjusted loss (Non-IFRS measures) increased from RMB86.7 million in 2024 to RMB97.0 million in 2025, primarily reflecting fair value losses on investments in unlisted companies, and our adjusted profit/(loss) (Non-IFRS measures) turned from a loss of RMB57.6 million for the four months ended April 30, 2025 to a profit of RMB56.3 million for the four months ended April 30, 2026. Before such adjustments, we had already turned from a loss for the period to a profit for the period, primarily due to higher shipment volume of our products, which drove revenue growth, the increased revenue contribution from higher-margin products within our product portfolio, as well as fair value gains on investments in unlisted companies and net foreign exchange gains recorded during the period. After adding back non-cash share-based compensation expenses and [REDACTED] expenses, our adjusted profit further increased.

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PATH TO PROFITABILITY

During the Track Record Period, we recorded net losses primarily due to (i) pricing pressure on certain mature PMIC products amid competitive market conditions, which affected our segment gross profit margin from time to time, (ii) early-stage economics of our power device business prior to scale, (iii) sustained R&D investment to support our PMIC design-wins and product platforms, and (iv) finance costs associated with redemption liabilities up to late February 2025.

We incurred net losses of RMB506.3 million, RMB697.1 million, RMB277.8 million, RMB159.5 million and recorded a net profit of RMB28.5 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. However, as illustrated in the paragraphs headed “— Non-IFRS Measures” above, after eliminating the effect of certain non-cash items (particularly the “interest expenses related to redemption liabilities”, which were recorded purely because of the redemption rights we granted to some of our investors in our previous financing rounds, and such redemption rights had been terminated effective on February 27, 2025 as agreed by us and the relevant investors), we generated adjusted profit/(loss) (Non-IFRS measures) of a profit of RMB44.6 million, a loss of RMB86.7 million, a loss of RMB97.0 million, a loss of RMB57.6 million and a profit of RMB56.3 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026.

Notwithstanding the foregoing, we plan to implement certain initiatives to further improve our financial performance, and to achieve profitability through sustainable revenue growth, improved gross profit profile, and enhanced operating efficiency.

Our overall strategy to achieve profitability is to focus on R&D-led growth and translate that into higher-quality revenue, improving gross profit margin and operating leverage. We prioritize R&D to continuously launch new products and iterate existing products, which helps us retain and expand business with existing customers, win new customers, and broaden application coverage, particularly in emerging sectors, including application areas of telecommunications and computing and automotive electronics where we have seen sustained growth in adoption and shipment volumes. At the same time, we manage profitability at the product level by emphasizing the gross profit margin profile of new products and product iterations, and by optimizing product mix and pricing discipline as volumes scale. On this basis, we will further enhance operating efficiency through disciplined cost and expense management, including tighter control of overheads, continuous process and system improvements, and improved working capital management.

Achieving Sustained Revenue Growth

We seek to achieve sustained overall revenue growth through the following measures:

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

We aim to accelerate market penetration, continually refine our product portfolio, and deepen our presence in emerging sectors, including application areas of telecommunications and computing and automotive electronics to strengthen our overall competitiveness. During the Track Record Period, our revenue from selected emerging end markets, including telecommunications and computing (such as AI applications and memory, 5G networks, cloud services and data centers) and automotive electronics increased from RMB37.2 million in 2023 to RMB53.7 million in 2024 and RMB96.3 million in 2025, and increased to RMB47.7 million for the four months ended April 30, 2026 from RMB22.5 million for the four months ended April 30, 2025. Over the same periods, our power device shipment volume into these emerging end markets increased significantly and exhibited a sustained upward trend, reflecting growing customer adoption and broader deployment across application scenarios. Based on the continued expansion in both revenue and shipment volume, we are positive about the growth prospects of these emerging end markets and will continue to conduct product development and customer engagement to capture further opportunities in these application areas. Particularly, we plan to further penetrate the following application

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scenarios: (i) automotive: 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. (ii) artificial intelligence: We have released 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. (iii) robotics and UAVs: 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.

We plan to expand our product portfolio coverage within existing top accounts across the three priority segments and leverage our proven track record, drawing on successful deployments and volume production with current customers, as a reference point to win new customers in these industries. We expect these initiatives to support operating cash generation by improving our product mix toward higher-margin offerings, accelerating product iteration and broadening portfolios at existing customers to shorten the order-to-cash cycle.

Strengthening our overseas customer base while enhancing market penetration in Greater China

Overseas market strategy: We have successfully supplied the leading global brand customers with industry leading customized PMICs. Leveraging our accumulated IP portfolio and extensive, high-volume customization and integration experience in display PMIC and mobility PMIC products for leading customers, we plan to further deepen these relationships and broaden our product offerings, thereby enhancing our market penetration and share in overseas markets. 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.

Greater China market strategy: According to Frost & Sullivan, as of December 31, 2025, the localization rate of PMICs in Chinese Mainland was approximately 17%, while the localization rate of power devices was approximately 36%, indicating significant room for domestic substitution. In response to the growing demand for display applications in consumer electronics and other sectors, as well as the rapid expansion of power devices across diversified application scenarios, we will focus on achieving key breakthroughs in the Greater China market and capturing the localization opportunity by providing customized PMIC solutions to Chinese Mainland TV/panel makers and smartphone OEMs. We believe there is strong demand in Chinese Mainland for customized display power solutions as Chinese Mainland TV/panel makers continue to gain market share, while the number of Chinese Mainland fellow market players capable of designing and supporting complex, highly integrated PMIC solutions remains limited.

To secure design-wins and overcome barriers to entry in a competitive market, we adopt a three-dimensional approach of “technology customization + localized service + localization opportunities” supported by continued R&D investment. We accelerate domestic customization processes and gradually increase our market penetration in Greater China. In addition, for our power device business under our Virtual IDM model, we integrate and closely couple chip design, wafer process development and optimization and packaging/testing with customers’ application scenarios, which enables faster product iteration, performance optimization and improved price–performance competitiveness. We plan to further strengthen our dual-ecosystem approach for the Greater China and overseas markets, aiming to achieve more balanced growth across our global businesses.

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

Improving Gross Profit Margin

We plan to optimize our gross profit profile by, among other things, (i) developing differentiated products targeted at high-end markets, (ii) improving our cost structure and supply chain efficiency, and (iii) managing product mix and pricing with discipline.

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Increase R&D investment to establish technical competitiveness

We focus on developing high-performance, high-reliability products customized for global leading customers to meet their specific needs in different application scenarios. Our R&D efforts have supported both product expansion and customer acquisition. As a result of the foregoing, during the Track Record Period, we introduced, on average, approximately 37 new PMIC SKUs per year in 2023, 2024 and 2025, and introduced 21 new PMIC SKUs for the four months ended April 30, 2026. Our total PMIC SKU base remained broadly stable at over 113 in 2023 and 2024, increased to 133 in 2025 and was 106 as of April 30, 2026. Continuous product iteration supports broader customer adoption and helps us acquire new customers, thereby underpinning the continued stability and positive development of our PMIC business. For our power device product line, total SKUs increased from 51 in 2023 to 118 in 2025, and total power device customers increased from 68 in 2023 to 131 in 2025, reflecting the rapid growth of our power device business during the years. As of April 30, 2026, total SKUs were 83, and total power device customers were 78. Going forward, we will continue to invest in our R&D initiatives to enhance our product performance and reliability, and to enrich and optimize our product portfolio with a focus on high profit margin, high entry barrier sectors such as automotive, AI, robotics and UAVs, thereby driving product iterations and increasing product value.

To address the intensified competition and to strengthen our market position, we intend to: (i) further develop differentiated solutions featuring higher integration; (ii) further enrich and optimize our product portfolio through differentiated product categories and customized solutions; (iii) continuously iterate our key products to maintain technological leadership and a healthy margin level. Through these measures, we aim to enhance customer relationships, stabilize our unit pricing and increase overall gross profit margins.

Optimizing Cost Structure

A well-structured supply chain strategy ensures that we can mitigate cost fluctuations while maintaining competitive pricing. We plan to further leverage the benefits of our Virtual IDM model, to enhance our supply chain management capabilities and to achieve more flexible production framework, thereby ensuring more dynamic optimization of capacity allocation and product mix. We also plan to deepen our relationship with Fullsemi Semiconductor and other foundry partners, to secure more favorable pricing and stable production capacity. We believe such measures can help us improve both our cost efficiency and our pricing flexibility.

In addition to leveraging our Virtual IDM model to optimize supply chain management, we are implementing targeted initiatives to enhance cost efficiency. Specifically, for suitable products, our design and process optimization plans include reducing design layers by approximately one to three layers. We expect these measures to reduce unit wafer processing costs, corresponding to an overall product-level cost reduction of approximately 5% to 15%. Furthermore, with our planned expansion of in-house packaging and testing capabilities, based on our internal cost assessment, for product lines that can be processed by our in-house packaging and testing facilities, we expect in-house packaging and testing costs per unit to be approximately 10% to 20% lower than those of third-party outsourced semiconductor assembly and test providers. We anticipate that this will translate into an additional overall cost reduction for the relevant products, which we believe will also help us manage costs and improve profit margins.

Furthermore, as our operations in Greater China continue to grow, we expect to benefit more from the economies of scale and to reduce manufacturing costs.

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Disciplined Management of Product Mix and Pricing

We will manage product mix and pricing with discipline. We will phase out sub scale and persistently low margin stock keeping units and shift the mix toward higher performance PMIC and power devices with defensible specifications. We will adopt value-based pricing for differentiated performance levels and we will review prices periodically against input costs and market conditions. We will set product-family profitability thresholds for launch and continuation, benchmarking against relevant market levels; where a sustained variance from such benchmarks is observed, we will consider repricing, cost-down measures, specification repositioning or orderly discontinuation. In parallel, we will continue to introduce new products targeting higher-value propositions, where industry practice allows greater pricing flexibility. We will introduce end of life plans for legacy items so that resources are reallocated to products with stronger margins and clearer demand visibility.

Improving Operating Efficiency

We expect to efficiently manage our expenses to enhance our operating efficiency.

Our R&D expenses accounted for 20.5%, 25.8%, 21.4%, 23.4% and 16.1% of our total revenue in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. In recent years, we had made substantial R&D investments in product design and development and our production process technology in line with our business strategy. These investments have strengthened our core technologies and positioned us to scale our product offerings effectively. Going forward, we plan to (i) streamline and standardize our R&D processes and methods to boost efficiency and optimize resource utilization, and (ii) maintain a stable R&D team that matches our business needs. While we expect to continue incurring significant R&D expenses in absolute terms to support product innovation and enhance product competitiveness, the historical upward trend in such expenses during the Track Record Period is anticipated to moderate. Over time, with projected revenue growth, we expect R&D expenses to decrease as a percentage of total revenue, ultimately contributing to improved operating efficiency and supporting our long-term financial growth.

Our selling and marketing expenses accounted for 7.5%, 8.7%, 6.9%, 7.4% and 5.0% of our total revenue in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. In the coming years, we expect to experience continual improvement of marketing efficiency, benefiting from our established brand name, solid industry reputation and diverse product offerings. Going forward, we plan to (i) leverage our existing sales force to deepen penetration among existing customers, expand the breadth of products sold to each customer and further identify and address customers' needs, and (ii) manage the growth of our headcount and other discretionary selling and marketing expenses.

Our general and administrative expenses accounted for 8.8%, 10.6%, 9.7%, 8.3% and 6.7% of our total revenue in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively, and remained relatively stable throughout the Track Record Period. Excluding the [REDACTED] expenses incurred in 2025 and the four months ended April 30, 2026, general and administrative expenses as a percentage of total revenue decreased to 7.9% in 2025, from 10.6% in 2024, and was 6.1% for the four months ended April 30, 2026 compared to 8.3% for the same period in 2025. In recent years, we had invested heavily in expanding and strengthening our administrative team and have established a solid organizational structure to support long-term growth and scalable operations, and our management team is now stable. Going forward, we plan to manage general and administrative expenses more effectively by optimizing our team structure and deploying intelligent systems and software, including artificial intelligence, to streamline workflows, reduce personnel expenses and improve operating efficiency. We also plan to optimize day-to-day administrative procedures to reduce recurring office and administrative costs. Our objective is for general and administrative expenses, as a percentage of revenue, to trend back toward approximately 6%.

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KEY COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

Our revenue was primarily generated from sales of (i) PMIC products and (ii) power device products.

Revenue by product category

The following table sets forth our revenue breakdown by product category. Revenue under “Others” primarily represents technical service revenue, mainly testing services provided to third parties.

	For the Year Ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000	%
PMIC	1,597,422	97.4	1,428,228	90.7	1,459,071	74.7	496,144	86.9	534,531	63.9
Mobility	830,758	50.7	763,716	48.5	644,608	33.0	251,011	44.0	230,764	27.6
Display										
– OLED	466,148	28.4	447,642	28.4	556,238	28.5	163,463	28.6	201,968	24.1
– LCD	300,516	18.3	216,870	13.8	258,225	13.2	81,670	14.3	101,799	12.2
Power device	38,768	2.4	146,037	9.3	493,564	25.3	74,970	13.1	301,977	36.1
Others	3,935	0.2	206	0.0	220	0.0	32	0.0	–	0.0
Total	1,640,125	100.0	1,574,471	100.0	1,952,855	100.0	571,146	100.0	836,508	100.0

Our revenue from PMIC products decreased from 2023 to 2024 primarily because of the softening of downstream consumer demand and industry-wide headwinds in the consumer electronics market faced by our overseas customers. In 2025, revenue from PMIC products improved, mainly driven by increased sales of Display products, and further increased by 7.7% from RMB496.1 million for the four months ended April 30, 2025 to RMB534.5 million for the four months ended April 30, 2026, primarily due to increased shipment volume. In particular, revenue from our Display products, including both OLED and LCD products, increased, while revenue from our Mobility products slightly decreased as intensified market competition and pricing pressure led to a decrease in average selling price, despite higher sales volume. Revenue from power device products increased primarily as a result of our strengthened market position in the power device segment and expanding market demand, and further increased from RMB75.0 million for the four months ended April 30, 2025 to RMB302.0 million for the four months ended April 30, 2026, primarily attributable to increased shipment volume as our power device business continued to ramp up, as well as changes in product portfolio, including increased sales volume and revenue contribution from products with relatively higher selling prices and gross profit margins.

Revenue by customers’ downstream industry

The following table sets forth a breakdown of our revenue by our customers’ downstream industry, in absolute amounts and as a percentage of total revenue, for the years/periods indicated:

	For the Year Ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000	%
Consumer electronics . . .	1,576,025	96.1	1,401,037	89.0	1,409,362	72.2	482,297	84.4	513,894	61.4
Industrial applications . .	22,952	1.4	119,479	7.6	446,935	22.9	66,290	11.6	274,906	32.9
Automotive electronics . .	32,427	2.0	40,673	2.6	74,839	3.8	19,284	3.4	34,548	4.1
Telecommunications and computing	4,786	0.3	13,076	0.8	21,499	1.1	3,243	0.6	13,160	1.6
Service	3,935	0.2	206	0.0	220	0.0	32	0.0	–	0.0
Total	1,640,125	100.0	1,574,471	100.0	1,952,855	100.0	571,146	100.0	836,508	100.0

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Revenue by sales channel

The following table sets forth a breakdown of our revenue by sales channel, in absolute amounts and as a percentage of our revenue, for the years/periods indicated:

	For the Year Ended December 31,						For the four months ended April 30,					
	2023		2024		2025		2025		2026			
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	(unaudited)	
Direct sale . . .	1,276,713	77.8	1,182,883	75.1	1,472,141	75.4	434,895	76.1	589,229	70.4		
Distribution . . .	363,412	22.2	391,588	24.9	480,714	24.6	136,251	23.9	247,279	29.6		
Total	1,640,125	100.0	1,574,471	100.0	1,952,855	100.0	571,146	100.0	836,508	100.0		

Revenue by geographic regions

The following table sets forth a breakdown of our revenue by geographic region⁽¹⁾, in absolute amounts and as a percentage of total revenue, for the years/periods indicated:

	For the Year Ended December 31,						For the four months ended April 30,					
	2023		2024		2025		2025		2026			
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	(unaudited)	
Greater China	424,510	25.9	502,514	31.9	819,656	42.0	177,002	31.0	405,655	48.5		
Chinese Mainland	87,316	5.3	180,030	11.4	497,815	25.5	75,572	13.2	312,092	37.3		
Hong Kong, Macau and Taiwan	337,194	20.6	322,484	20.5	321,841	16.5	101,430	17.8	93,563	11.2		
Overseas	1,215,615	74.1	1,071,957	68.1	1,133,199	58.0	394,144	69.0	430,853	51.5		
East Asia ⁽²⁾	342,290	20.8	280,040	17.8	351,986	18.0	116,324	20.4	137,686	16.4		
South Asia ⁽³⁾	265,639	16.2	138,379	8.8	97,558	5.0	39,939	7.0	49,094	5.9		
Southeast Asia ⁽⁴⁾	519,164	31.7	568,013	36.1	597,789	30.6	206,901	36.2	210,028	25.1		
Other Regions ⁽⁵⁾	88,522	5.4	85,525	5.4	85,866	4.4	30,980	5.4	34,045	4.1		
Total	1,640,125	100.0	1,574,471	100.0	1,952,855	100.0	571,146	100.0	836,508	100.0		

- (1) The geographic information is presented based on shipping destinations, being the delivery locations designated by customers. As a significant portion of our overseas sales is shipped to customer designated locations, such destinations primarily reflect our customer's global manufacturing and logistics arrangements rather than our overseas sales strategy or operating presence.
- (2) Comprise revenue generated from South Korea and Japan.
- (3) Comprise revenue generated from India.
- (4) Comprise revenue generated from Vietnam, Indonesia and Thailand.
- (5) Comprise revenue generated from Brazil, Europe and the United States.

Cost of Sales

Our cost of sales primarily comprises costs related to PMIC and power device products. Our cost of sales increased during the Track Record Period, primarily because of the increased cost of sales in relation to our power device products, which was generally in line with the expansion of our power device product line; partially offset by the decrease in cost of sales for our PMIC products.

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By nature

The following table sets forth the breakdown of our cost of sales by nature in absolute amounts and as a percentage of our total cost of sales for the years/periods indicated.

	For the Year Ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000	%
Raw materials and										
outsourcing expenses . . .	1,057,221	96.8	1,063,647	95.7	1,392,225	97.9	383,707	97.3	608,987	98.7
Inventory impairment . . .	5,461	0.5	22,451	2.0	18,126	1.3	3,470	0.9	1,021	0.2
Employee benefit										
expenses	5,823	0.5	5,753	0.5	5,919	0.4	1,892	0.5	1,897	0.3
Others	23,429	2.2	19,883	1.8	6,290	0.4	5,185	1.3	5,083	0.8
Total	1,091,934	100.0	1,111,734	100.0	1,422,560	100.0	394,254	100.0	616,988	100.0

Our outsourcing expenses primarily comprise fees for outsourced packaging and testing services.

Gross Profit and Gross Profit Margin

Our gross profit represented our revenue less our cost of sales. Our gross profit margin represented our gross profit as a percentage of our revenue.

By product segments

The table below sets forth a breakdown of our gross profit and gross profit margin by product type for the years/periods indicated:

	For the Year Ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	gross profit margin	RMB'000	gross profit margin	RMB'000	gross profit margin	RMB'000 (unaudited)	gross profit margin	RMB'000	gross profit margin
PMIC	576,984	36.1%	469,359	32.9%	482,783	33.1%	171,651	34.6%	189,343	35.4%
Mobility	285,979	34.4%	223,396	29.3%	140,404	21.8%	73,407	29.2%	57,495	24.9%
Display	291,005	38.0%	245,963	37.0%	342,379	42.0%	98,244	40.1%	131,848	43.4%
Power device	(28,846)	(74.4%) ⁽¹⁾	(6,789)	(4.6%)	47,305	9.6%	5,222	7.0%	30,177	10.0%
Others	53	1.3%	167	81.1%	207	94.1%	19	59.4%	–	–
Total	548,191	33.4%	462,737	29.4%	530,295	27.2%	176,892	31.0%	219,520	26.2%

Note:

- (1) We had a significant negative gross profit margin for our power devices in 2023, primarily because our power devices business was still at an early stage of development and certain early-stage power device products were not successfully launched into the market. As a result, we recorded a full inventory impairment loss for such products.

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For our PMIC segment, our PMIC portfolio is diversified and subject to continuous product iteration. Accordingly, our PMIC gross profit margin remained relatively higher than that of our power device products and fluctuated due to changes in product mix, pricing dynamics and the ramp-up pace of new products. Specifically:

- **Mobility.** The gross profit margin was 34.4%, 29.3%, 21.8%, 29.2% and 24.9% in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. The decline during the Track Record Period was primarily attributable to pricing pressure in the smartphone market, particularly on mid- to low-end products, customers’ cost control measures across their supply chains and changes in product mix. Notwithstanding the foregoing, the Mobility business remained gross profit-making throughout the Track Record Period.
- **Display.** The gross profit margin was 38.0%, 37.0%, 42.0%, 40.1% and 43.4% in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. The fluctuations in the gross profit margin of our Display business were primarily driven by changes in product mix, product life cycle progression, pricing dynamics in certain markets and the ramp-up of newly introduced products across our display product portfolio. Overall, the gross profit margin of our Display business remained relatively stable during the Track Record Period, with period-to-period movements mainly reflecting changes in product portfolio.

For our power device segment, we commenced our power device business in 2021, and the segment experienced a typical ramp-up pattern during the Track Record Period. The gross profit margin of our power device segment was approximately -74.4%, -4.6%, 9.6%, 7.0% and 10.0% in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. The significantly negative margin in 2023 was primarily due to the early stage of the business and inventory impairment relating to certain products. The subsequent improvement was mainly driven by increased shipment volume and initial economies of scale, as well as product iteration and portfolio expansion.

Gross profit and gross profit margin by geographic regions

The following table sets forth a breakdown of our gross profit and gross profit margin by geographic region⁽¹⁾, in absolute amounts and as a percentage of total revenue, for the years/periods indicated:

	For the Year Ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	gross profit margin	RMB'000	gross profit margin	RMB'000	gross profit margin	RMB'000	gross profit margin	RMB'000	gross profit margin
							(unaudited)			
Greater China	111,728	26.3%	108,036	21.5%	187,398	22.9%	49,727	28.1%	80,977	20.0%
– Chinese Mainland . . .	(13,638)	(15.6%)	(3,892)	(2.2%)	48,130	9.7%	5,533	7.3%	32,183	10.3%
– Hong Kong, Macau and Taiwan	125,366	37.2%	111,928	34.7%	139,268	43.3%	44,194	43.6%	48,794	52.2%
Overseas	436,463	35.9%	354,701	33.1%	342,897	30.3%	127,165	32.3%	138,543	32.2%
Total	548,191	33.4%	462,737	29.4%	530,295	27.2%	176,892	31.0%	219,520	26.2%

Note:

- (1) The geographic information is presented based on shipping destinations, being the delivery locations designated by customers. As a significant portion of our overseas sales is shipped to customer-designated locations, such destinations primarily reflect our customer’s global manufacturing and logistics arrangements rather than our overseas sales strategy or operating presence.

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Under the Greater China segment, the decline in gross profit margin from 2023 to 2024 was mainly attributable to changes in product mix, in particular the increased contribution from power devices. Gross margin improved in 2025 primarily as margins of power devices improved with increased scale, together with a higher contribution from certain higher-margin PMIC products.

Gross profit and gross profit margin by downstream industry

The table below sets forth a breakdown of our gross profit and gross profit margin by our customers’ downstream industry for the years/periods indicated:

	For the Year Ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	gross profit margin	RMB'000	gross profit margin	RMB'000	gross profit margin	RMB'000 (unaudited)	gross profit margin	RMB'000	gross profit margin
Consumer electronics	546,320	34.7%	445,461	31.8%	443,026	31.4%	160,011	33.2%	173,366	33.7%
Industrial applications	(19,304)	(84.1%)	(3,664)	(3.1%)	43,128	9.6%	5,064	7.6%	25,024	9.1%
Automotive electronics	22,124	68.2%	21,134	52.0%	41,565	55.5%	11,651	60.4%	18,549	53.7%
Telecommunications and computing	(1,002)	(20.9%)	(361)	(2.8%)	2,369	11.0%	147	4.5%	2,581	19.6%
Service	53	1.3%	167	81.1%	207	94.1%	19	59.4%	–	–
Total	548,191	33.4%	462,737	29.4%	530,295	27.2%	176,892	31.0%	219,520	26.2%

Gross profit and gross profit margin by sales channel

The table below sets forth a breakdown of our gross profit and gross profit margin by sales channel for the years/periods indicated:

	For the Year Ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	gross profit margin	RMB'000	gross profit margin	RMB'000	gross profit margin	RMB'000 (unaudited)	gross profit margin	RMB'000	gross profit margin
Direct Sales	432,179	33.9%	352,111	29.8%	372,846	25.3%	131,144	30.2%	148,327	25.2%
Distribution	116,012	31.9%	110,626	28.3%	157,449	32.8%	45,748	33.6%	71,193	28.8%
Total	548,191	33.4%	462,737	29.4%	530,295	27.2%	176,892	31.0%	219,520	26.2%

By sales channel, both PMIC and power devices are sold under direct sales and distribution models, and their margin profiles differ. Overall gross profit margin under each sales model was primarily influenced by product mix. Gross margin under the distribution model improved in 2025, mainly due to a higher proportion of certain higher-margin PMIC products sold through distributors. For the four months ended April 30, 2026, our gross profit margin under the direct sales model decreased from 30.2% to 25.2% compared to the same period in 2025, primarily due to a higher revenue contribution from products with relatively lower gross profit margins, mainly our power device products, whose revenue increased and accounted for a higher percentage of our total revenue. Our gross profit margin under the distribution model decreased from 33.6% to 28.8% compared to the same period in 2025, primarily due to the same reason.

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Selling and Marketing Expenses

Our selling and marketing expenses consisted of employee compensation, depreciation and amortization, share-based compensation and others, including travel and transportation expenses, office expenses, rental expenses, welfare expenses and other expenses. The following table sets forth a breakdown of our selling and marketing expenses both in absolute amount and as a percentage of our total selling and marketing expenses for the years/periods indicated.

	For the Year Ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Employee compensation . . .	61,648	49.9	75,460	54.9	80,366	59.3	25,816	61.4	27,657	65.6
Depreciation and amortization	41,956	34.0	40,867	29.7	32,683	24.1	12,981	30.9	4,284	10.2
Share-based compensation . . .	9,444	7.6	10,970	8.0	8,876	6.6	(793)	(1.9)	5,832	13.8
Others	10,451	8.5	10,169	7.4	13,497	10.0	4,019	9.6	4,382	10.4
Total	123,499	100.0	137,466	100.0	135,422	100.0	42,023	100.0	42,155	100.0

The increase in employee compensation was primarily driven by the continued expansion of our sales team and higher employee compensation. Depreciation and amortization primarily related to trademark rights and customer relationships arising from acquisitions.

General and administrative expenses

Our administrative expenses primarily consisted of employee compensation, [REDACTED] expenses, share-based compensation, professional service expenses (incurred primarily in relation to our legal, accounting and tax professional advisers), depreciation and amortization, software usage and maintenance, office expenses, travel expenses and others (including business entertainment expenses, rental and property management fees, recruitment expenses and taxes and surcharges). Our general and administrative expenses increased over the Track Record Period. This increase was primarily attributable to the recognition of Hong Kong [REDACTED]-related intermediary fees in 2025 and higher employee compensation in 2024, in line with the expansion of our Greater China business operations. The following table sets forth a breakdown of our administrative expenses both in absolute amount and as a percentage of our total administrative expenses for the years/periods indicated.

	For the Year Ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Employee compensation . .	75,904	52.8	84,685	50.7	83,604	44.1	27,769	58.3	27,469	48.9
[REDACTED] Expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Share-based compensation . .	19,660	13.7	27,610	16.5	26,384	13.9	7,001	14.7	10,132	18.0
Professional service expenses	15,901	11.1	17,183	10.3	12,632	6.7	2,588	5.4	3,332	5.9

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	For the Year Ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000	%
Depreciation and amortization. . .	9,972	6.9	11,955	7.2	13,289	7.0	4,322	9.1	4,081	7.3
Software usage and maintenance. . .	4,574	3.2	4,045	2.4	3,697	1.9	1,259	2.6	1,806	3.2
Office expenses . .	3,179	2.2	4,319	2.6	2,212	1.2	540	1.1	488	0.9
Travel expenses . .	3,088	2.1	2,639	1.6	2,163	1.1	517	1.1	929	1.7
Others	11,468	8.0	14,486	8.7	10,612	5.6	3,624	7.7	3,172	5.6
Total	143,746	100.0	166,922	100.0	189,675	100.0	47,620	100.0	56,214	100.0

Research and Development Expenses

Our research and development expenses primarily consisted of employee compensation, materials, testing and verification expenses, depreciation and amortization, share-based compensation, outsourced R&D expenses, office expenses and others. Our outsourced R&D expenses primarily include fees paid to third parties for IC layout outsourcing, failure analysis and other ancillary outsourced services. The following table sets forth a breakdown of our research and development expenses both in absolute amount and as a percentage of our total research and development expenses for the years/periods indicated.

	For the Year Ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000	%
Employee compensation . . .	163,135	48.6	211,616	52.1	233,256	55.9	75,328	56.5	79,208	58.7
Materials, testing and verification expenses	57,864	17.2	75,329	18.6	74,682	17.9	22,193	16.6	22,587	16.8
Depreciation and amortization	60,311	18.0	60,731	15.0	59,277	14.2	20,940	15.7	16,235	12.0
Share-based compensation . . .	18,786	5.6	25,538	6.3	20,360	4.9	5,547	4.2	7,052	5.2
Outsourced R&D expenses . .	26,229	7.8	22,351	5.5	19,273	4.6	6,256	4.7	6,053	4.5
Office expenses	4,342	1.3	4,181	1.0	4,383	1.1	1,359	1.0	1,254	0.9
Others	4,940	1.5	5,918	1.5	5,879	1.4	1,764	1.3	2,489	1.9
Total	335,607	100.0	405,664	100.0	417,110	100.0	133,387	100.0	134,878	100.0

Net impairment reversal/(losses) on financial assets

We recognized net impairment reversal/(losses) on financial assets related to trade and note receivables. Specifically, we recorded a net impairment reversal of RMB0.2 million in 2023, a net impairment loss of RMB0.1 million in 2024, and a net impairment loss of RMB0.03 million in 2025 and net impairment losses of RMB0.4 million and RMB0.6 million for the four months ended April 30, 2025 and 2026, respectively.

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Other Income

Our other income primarily consisted of government grants, interest income, and other miscellaneous income. In 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026, our other income amounted to RMB10.7 million, RMB28.6 million, and RMB38.5 million, RMB8.6 million and RMB8.2 million, respectively. The following table sets forth a breakdown of our other income, both in absolute amounts and as a percentage of total other income, for the years/periods indicated:

	For the Year Ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Interest income	7,619	70.9	23,882	83.4	27,131	70.4	7,358	86.0	6,054	73.9
Government grants . . .	3,065	28.5	4,601	16.1	11,192	29.0	976	11.4	1,855	22.7
Others	64	0.6	156	0.5	225	0.6	225	2.6	278	3.4
Total	10,748	100.0	28,639	100.0	38,548	100.0	8,559	100.0	8,187	100.0

Other gains/(losses) — net

Our other gains/(losses) — net primarily consisted of net fair value gains/(losses) on financial assets at FVPL, net fair value gains/(losses) on derivative financial instruments, dilution gains/(losses) of investments using equity method, net foreign exchange gains/(losses) and other miscellaneous items. We recorded net gains of RMB33.4 million, RMB51.4 million and RMB8.4 million in 2023, 2024 and 2025, respectively, and net losses of RMB25.4 million and net gains of RMB35.4 million for the four months ended April 30, 2025 and 2026, respectively. The following table sets forth a breakdown of our other gains/(losses) — net, both in absolute amounts and as a percentage of total other gains/(losses) — net, for the years/periods indicated:

	Year ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Fair value changes of financial assets at FVPL	13,777	41.2	19,287	37.5	(13,635)	(161.6)	(29,936)	117.7	21,518	60.8
Net fair value (losses)/gains on derivative financial instruments	—	—	(44,602)	(86.8)	32,881	389.6	15,094	(59.3)	8,037	22.7
Dilution gains/(losses) of investments using equity method	17,498	52.4	13,389	26.1	(1,701)	(20.2)	—	0.0	—	—
Gains on disposal of a subsidiary	—	—	—	—	2,679	31.7	—	0.0	—	—
Net foreign exchange gains/(losses)	3,763	11.3	63,874	124.4	(11,418)	(135.3)	(8,812)	34.6	6,459	18.2
Others	(1,623)	(4.9)	(592)	(1.2)	(366)	(4.2)	(1,792)	7.0	(618)	(1.7)
Total	33,415	100.0	51,356	100.0	8,440	100.0	(25,446)	100.0	35,396	100.0

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Finance (income)/costs — net

Finance (income)/costs — net primarily comprises finance income net of finance costs. Our finance income primarily consisted of interest income from bank deposits. Our finance costs primarily consisted of interest expenses on redemption liabilities, lease liabilities, and long-term payables and long-term employee benefits.

In 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026, our finance income was RMB66.1 million, RMB40.1 million, and RMB18.8 million, RMB7.0 million and RMB6.3 million, respectively. We recorded finance costs of RMB510.4 million, RMB553.9 million, and RMB97.8 million, RMB92.7 million and RMB2.2 million in 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026, respectively. The following table sets forth a breakdown of our finance costs, as well as finance costs — net, both in absolute amount and as a percentage of our total finance costs for the years/periods indicated.

	For the Year Ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Finance income	66,137	–	40,078	–	18,820	–	7,007	–	6,271	–
Finance costs	(510,433)	100.0	(553,889)	100.0	(98,287)	100.0	(92,668)	100.0	(3,066)	100.0
– Interest expenses on redemption liabilities . . .	(502,974)	98.6	(546,296)	98.7	(90,101)	91.7	(90,101)	97.2	–	–
– Interest expenses on lease liabilities	(2,242)	0.4	(1,865)	0.3	(1,109)	1.1	(430)	0.5	(214)	7.0
– Interest expenses on long-term payables and long-term employee benefits . .	(5,217)	1.0	(5,728)	1.0	(6,565)	6.7	(2,137)	2.3	(1,965)	64.1
– Interest expenses on bank loans	–	–	–	–	(512)	0.5	–	–	(887)	28.9
Amounts capitalized in qualifying assets of construction in progress . .	–	–	–	–	512	–	–	–	887	–
Finance costs — net	<u>(444,296)</u>	<u>–</u>	<u>(513,811)</u>	<u>–</u>	<u>(78,955)</u>	<u>–</u>	<u>(85,661)</u>	<u>–</u>	<u>4,092</u>	<u>–</u>

Share of profit/(loss) from investments accounted for using the equity method

We have interests in a number of associates that are accounted for using the equity method. The aggregate carrying amount of these associates was RMB108.9 million, RMB123.3 million, and RMB118.0 million as of December 31, 2023, 2024 and 2025, respectively, and RMB113.5 million as of April 30, 2026. Our share of profit from these associates was RMB6.5 million and RMB4.8 million in 2023 and 2024, respectively. Our share of loss from these associates was RMB3.1 million for 2025 and our share of losses was RMB3.6 million and RMB2.9 million for the four months ended April 30, 2025 and 2026, respectively.

Income Tax Expense

Our income tax expense primarily consisted of current income tax and deferred income tax expenses. In 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026, we recorded income tax expenses of RMB58.2 million, RMB20.6 million, RMB30.8 million, RMB6.8 million and RMB2.0 million, respectively.

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Chinese Mainland

Pursuant to the PRC Enterprise Income Tax Law (the “**EIT Law**”) and the respective regulations, our subsidiaries operating in the PRC are subject to enterprise income tax at a rate of 25% on the taxable income, except for those that enjoyed preferential income tax treatments. Our Company is qualified as “High and New Technology Enterprises” (“**HNTes**”) under the relevant PRC laws and regulations. Accordingly, our Company has been entitled to a preferential income tax rate of 15% since 2023. This status is subject to a requirement that they reapply for HNTes status every three years.

South Korea

Under Korean Special Tax Treatment Control Law, companies presently elect to claim a tax credit in relation to qualifying R&D expenditure which could be utilized to deduct tax payables. Our subsidiary could claim R&D expenditure at either (i) 8% of the current qualified R&D expenses or (ii) 40% of the incremental portion of current year R&D expenditures over the R&D expenses of the previous year when the R&D expenses for the prior year exceed the average R&D expenses for the previous four years. The unused credit can be carried forward for the next ten years.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Four Months Ended April 30, 2026 Compared to Four Months Ended April 30, 2025

Revenue

Revenue increased by 46.5% from RMB571.1 million for the four months ended April 30, 2025 to RMB836.5 million for the four months ended April 30, 2026, mainly driven by the increased shipment volumes of both PMIC and power device products.

Cost of sales

Cost of sales increased by 56.5% from RMB394.3 million for the four months ended April 30, 2025 to RMB617.0 million for the four months ended April 30, 2026, primarily reflecting higher shipment volumes and the expansion of our overall business scale during the period.

Gross profit and gross profit margin

Gross profit increased by 24.1% from RMB176.9 million for the four months ended April 30, 2025 to RMB219.5 million for the four months ended April 30, 2026, primarily due to revenue growth driven by higher shipment volumes. Gross profit margin decreased from 31.0% for the four months ended April 30, 2025 to 26.2% for the four months ended April 30, 2026, primarily because revenue contribution from Power Device products, which generally carry a lower gross profit margin than PMIC products, increased as a percentage of total revenue, while the gross profit margin of our PMIC products remained relatively stable overall despite pricing pressure on certain mature Mobility products.

Selling and marketing expenses

Selling and marketing expenses remained broadly stable at RMB42.0 million for the four months ended April 30, 2025 and RMB42.2 million for the four months ended April 30, 2026. The slight increase was primarily due to increases in employee compensation and share-based compensation expenses, as share-based compensation expenses were negative in the four months ended April 30, 2025 mainly due to the departure of certain employees, while the amount recorded in the four months ended April 30, 2026 reflected the normal course of share-based compensation arrangements. Such increases were largely offset by a decrease in depreciation and amortization expenses during the same period.

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General and administrative expenses

General and administrative expenses increased from RMB47.6 million for the four months ended April 30, 2025 to RMB56.2 million for the four months ended April 30, 2026, primarily due to [REDACTED] expenses recognized during the period and higher share-based compensation expenses.

Research and development expenses

R&D expenses remained broadly stable at RMB133.4 million for the four months ended April 30, 2025 and RMB134.9 million for the four months ended April 30, 2026.

Net impairment losses on financial assets

We recorded net impairment losses on financial assets of RMB0.6 million for the four months ended April 30, 2026, compared to RMB0.4 million for the four months ended April 30, 2025, primarily due to the increase in trade receivables and the corresponding increase in impairment provision.

Other income

Other income remained broadly stable at RMB8.6 million for the four months ended April 30, 2025 and RMB8.2 million for the four months ended April 30, 2026.

Other gains/(losses) – net

Other gains/(losses) — net changed from net losses of RMB25.4 million for the four months ended April 30, 2025 to net gains of RMB35.4 million for the four months ended April 30, 2026, primarily due to fair value gains on investments in unlisted companies, reflecting the favorable industry outlook and valuation improvement of certain semiconductor companies in which we invested, and net foreign exchange gains, compared to fair value losses on investments in unlisted companies and net foreign exchange losses in the same period in 2025.

Finance costs – net

Finance costs changed from net finance costs of RMB85.7 million for the four months ended April 30, 2025 to net finance income of RMB4.1 million for the four months ended April 30, 2026, primarily attributable to the substantial decrease in finance costs following the termination of redemption rights in February 2025, after which we no longer recorded interest expenses related to redemption liabilities.

Share of loss from investments accounted for using the equity method

Share of loss from investments accounted for using the equity method remained broadly stable at RMB3.6 million for the four months ended April 30, 2025 and RMB2.9 million for the four months ended April 30, 2026.

Income tax expense

We recorded income tax expenses of RMB6.8 million and RMB2.0 million for the four months ended April 30, 2025 and 2026, respectively. The decrease was primarily because the estimated taxable profits of SMI for 2026 were higher than previously expected, which supported the recognition of deferred tax benefits relating to deductible temporary differences and qualifying R&D expenditure. Such deferred tax benefits partially offset our current tax expenses during the period.

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Profit/(loss) for the period

As a result of the foregoing, we turned from a loss of RMB159.5 million for the four months ended April 30, 2025 to a profit of RMB28.5 million for the four months ended April 30, 2026 primarily due to revenue growth and improved gross profit driven by higher shipment volume of our products, together with an increase in other gains, including higher net foreign exchange gains and fair value gains on investments in unlisted companies.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Revenue increased by 24.0% from RMB1,574.5 million in 2024 to RMB1,952.9 million in 2025, mainly driven by a substantial ramp-up in power device products on broader customer adoption and scale effects, with a modest uplift in PMIC products.

Cost of sales

Cost of sales increased broadly in line with revenue, from RMB1,111.7 million in 2024 to RMB1,422.6 million in 2025, reflecting higher shipment volumes, particularly in power devices, and activity levels associated with our expanding China operations.

Gross profit and gross profit margin

Gross profit increased from RMB462.7 million in 2024 to RMB530.3 million in 2025, primarily due to increased shipment volumes of our power device products, which generated economies of scale and lowered unit manufacturing costs, while gross profit from our PMIC products remained relatively stable. The gross profit margin decreased from 29.4% in 2024 to 27.2% in 2025.

For our PMIC segment, the gross profit margin increased from 32.9% in 2024 to 33.1% in 2025. The improvement from 2024 to 2025 was mainly attributable to the improved profitability of our Display business, supported by the ramp-up of newly introduced products and a more favorable product mix, despite continued average selling price pressure and margin pressure in our Mobility segment. Specifically:

- Mobility. The gross profit margin was 29.3% in 2024 and 21.8% in 2025. The decrease was mainly attributable to a less favorable product mix and pricing pressure on certain mature product categories as they moved into a later stage of their product life cycles.
- Display. The gross profit margin was 37.0% in 2024 and 42.0% in 2025. The improvement from 2024 to 2025 was mainly driven by the ramp-up of newly introduced products with improved profitability and a more favorable product mix across our display product portfolio.

Gross profit margin of our power device segment was -4.6% in 2024 and 9.6% in 2025. The improvement was primarily due to product iteration and the continued scale-up of our power device business, which supported overall improvements in pricing and cost efficiency.

Selling and marketing expenses

Selling and marketing expenses decreased slightly from RMB137.5 million in 2024 to RMB135.4 million in 2025, primarily attributable to the slight fluctuation of our operations in Chinese Mainland to support business development and sales growth.

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General and administrative expenses

General and administrative expenses increased from RMB166.9 million in 2024 to RMB189.7 million in 2025, primarily due to [REDACTED]-related intermediary fees recognized during the year.

Research and development expenses

R&D expenses rose from RMB405.7 million in 2024 to RMB417.1 million in 2025, reflecting continued investment in product development and the recruitment of R&D personnel to support innovation and pipeline execution.

Net impairment losses on financial assets

We had a net impairment loss on financial assets of RMB0.1 million in 2024, and a net impairment loss of RMB0.03 million in 2025.

Other income

Other income increased from RMB28.6 million in 2024 to RMB38.5 million in 2025, primarily attributable to an increase in income-related government grants recognized in profit or loss, as certain government grant projects reached partial acceptance during the year.

Other gains/(losses) – net

Other gains decreased from a net gain of RMB51.4 million in 2024 to a net gain of RMB8.4 million in 2025, primarily due to net foreign exchange losses and fair value changes of unlisted investments. These items are subject to market conditions, valuation assumptions and currency movements, and may fluctuate from period to period. To mitigate other losses arising from private equity valuation fluctuations and foreign exchange movements, we have implemented targeted practices aimed at monitoring and managing these exposures. For private equity valuation volatility, we diversify our investments across industries, geographies and stages to reduce concentration risk. We also strengthen pre-investment due diligence and conduct post-investment monitoring to identify potential underperformance at an early stage. Valuations are prepared using consistent methodologies and are subject to annual third-party validation, and we plan to negotiate protective clauses for new investments to safeguard downside value. In managing foreign exchange risks, we utilize natural hedges to reduce foreign exchange exposures, conduct regular reviews of our foreign currency positions, and adjust operational or financial strategies in response to changes in market conditions.

Finance costs – net

Finance costs-net narrowed significantly from RMB513.8 million in 2024 to RMB79.0 million in 2025. This improvement was mainly attributable to a reduction in interest expenses on redemption liabilities.

Share of profit/(loss) from investments accounted for using the equity method

Share of profit/(loss) from investments accounted for using the equity method changed from a share of profit of RMB4.8 million in 2024 to a share of loss of RMB3.1 million in 2025, primarily due to the deterioration in the financial performance of such investees.

Income tax expense

Income tax expense increased from RMB20.6 million in 2024 to RMB30.8 million in 2025, primarily due to business growth at our overseas subsidiaries, resulting in higher taxable income.

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Loss for the year

As a result of the foregoing, loss for the year narrowed from RMB697.1 million in 2024 to RMB277.8 million in 2025.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2024

Revenue

Our revenue decreased by 4.0% from RMB1,640.1 million in 2023 to RMB1,574.5 million in 2024. The overall decrease was primarily attributable to lower revenue from PMIC products, despite significant growth in power device sales.

Revenue from PMIC products declined from RMB1,597.4 million in 2023 to RMB1,428.2 million in 2024. This was mainly because (i) the softening of downstream consumer demand and industry-wide headwinds in the consumer electronics market faced by our overseas customers; and (ii) we iterated our product offerings and reduced the sales of certain obsolete products in 2024.

Revenue from power device products rose substantially to RMB146.0 million in 2024 from RMB38.8 million in 2023, driven by increased customer adoption, faster qualification cycles, and our production ramp-up.

Cost of sales

Our cost of sales remained relatively stable, increasing marginally from RMB1,091.9 million in 2023 to RMB1,111.7 million in 2024. This reflected: (i) PMIC: The decreased cost was generally in line with the decreased revenue from PMIC products. (ii) Power devices: The increased cost was primarily due to our expansion into the China market.

Gross profit and gross profit margin

From 2023 to 2024, total gross profit decreased to RMB462.7 million, with gross profit margin dropping from 33.4% to 29.4%. Key reasons include:

PMIC products: Revenue was impacted by reduced demand from overseas customers. To offset this, we expanded into the China market, which has a lower profit margin, contributing to the overall margin decline. Our gross profit margin for PMIC products decreased from approximately 36.1% in 2023 to 32.9% in 2024. This was mainly due to (i) the intensified competition in overseas markets; and (ii) the expansion of our China operations, which had a relatively lower profit margin level. Specifically:

- **Mobility.** The gross profit margin decreased from 34.4% in 2023 to 29.3% in 2024. The decrease was primarily attributable to pricing pressure in the smartphone market, particularly for mid- to low-end products, as well as customers’ cost control measures across their supply chains and changes in product mix.
- **Display.** The gross profit margin decreased from 38.0% in 2023 to 37.0% in 2024. The slight decrease from 2023 to 2024 was primarily due to changes in product mix.

Power device products: Our gross profit margin for power device improved significantly from approximately -74.4% in 2023 to -4.6% in 2024. This segment experienced a notable improvement in gross profit margin, driven by enhanced cost control measures and increased economies of scale, which led to reduced unit costs. We also achieved deeper penetration with existing customers and added new customers, increasing volumes; the resulting scale effects supported growth in both revenue and gross profit.

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Selling and marketing expenses

Selling and marketing expenses increased from RMB123.5 million in 2023 to RMB137.5 million in 2024. This increase was primarily driven by the continued expansion of our sales team and higher employee compensation from RMB61.6 million to RMB75.5 million, particularly in our operations in Greater China, as we deepened our presence in the Greater China power device market. The average salary per sales employee remained broadly consistent with the prior year. Other expense items, such as advertising and promotion, remained generally stable.

General and administrative expenses

General and administrative expenses increased from RMB143.7 million in 2023 to RMB166.9 million in 2024. The increase in 2024 was primarily driven by higher staff compensation, reflecting the hiring of new employees to support our business expansion in China. Depreciation and amortization expenses also rose due to additional investments in office facilities and IT infrastructure. Other operational expenses grew moderately in line with business expansion.

Research and development expenses

Our R&D expenses increased by 21%, from RMB335.6 million in 2023 to RMB405.7 million in 2024. This rise was primarily driven by ongoing recruitment of R&D personnel, and sustained growth in R&D spending to support product development and innovation.

Net impairment reversal/(losses) on financial assets

We had a net impairment reversal on financial assets of RMB201.0 thousand in 2023 and net impairment losses on financial assets of RMB123.0 thousand in 2024.

Other income

Other income increased from RMB10.7 million in 2023 to RMB28.6 million in 2024. This increase was primarily attributable to the rise in interest income from time deposits.

Other gains/(losses) — net

Other gains (net) rebounded from RMB33.4 million in 2023 to RMB51.4 million in 2024. This rebound was primarily due to a significant increase in net foreign exchange gains, which rose from RMB3.8 million in 2023 to approximately RMB63.9 million in 2024, driven by exchange rate fluctuations.

Finance costs — net

Finance income decreased from RMB66.1 million in 2023 to RMB40.1 million in 2024. The decline was mainly attributable to changes in our cash management strategy. In 2024, we allocated more cash to structured deposit products issued by reputable banks. Our finance costs increased from RMB510.4 million in 2023 to RMB553.9 million in 2024. The increase was primarily driven by higher interest expenses on redemption liabilities, which grew from RMB503.0 million to RMB546.3 million.

Share of profit from investments accounted for using the equity method

Share of profit from investments accounted for using the equity method decreased from RMB6.5 million in 2023 to RMB4.8 million in 2024, which was generally in line with the performances of the underlying investees.

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Income tax expense

From 2023 to 2024, income tax expenses declined to approximately RMB20.6 million, which was generally in line with our business performance.

Loss for the year

As a result of the foregoing, our loss for the year increased from RMB506.3 million in 2023 to RMB697.1 million in 2024.

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated.

	As of December 31,			As of April 30,	As of May 31,
	2023	2024	2025	2026	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current assets:					
Inventories	330,591	344,060	427,055	443,275	441,588
Prepayments and other receivables . .	7,217	12,827	12,963	6,477	136,028
Trade and note receivables	140,520	156,433	188,186	247,490	251,979
Financial assets at fair value through profit or loss	—	891,022	600,414	931,299	936,801
Time deposits	514,042	315,578	913,785	814,152	727,536
Restricted cash	28,602	40,100	23,172	8,337	8,342
Cash and cash equivalents	2,501,479	1,538,672	1,207,952	791,147	802,398
Derivative financial assets	—	—	—	—	440
Other current assets	31,692	46,162	38,484	40,611	55,603
Total current assets	3,554,143	3,344,854	3,412,011	3,282,788	3,360,715
Current liabilities:					
Derivative financial liabilities	—	39,847	—	5,308	—
Trade payables	135,285	165,890	289,187	238,334	324,460
Contract liabilities	6,346	8,551	15,395	26,966	25,242
Accrued expenses and other payables	168,850	156,266	226,065	202,773	194,483
Redemption liabilities-current portion	—	8,161,732	—	—	—
Provisions	91	362	4,433	2,458	1,638
Lease liabilities	19,028	18,351	12,203	18,942	18,880
Total current liabilities	329,600	8,550,999	547,283	494,781	564,703
Net current assets/(liabilities)	3,224,543	(5,206,145)	2,864,728	2,788,007	2,796,012

Our net current assets decreased from RMB3,224.5 million as of December 31, 2023 to a net current liability position of RMB5,206.1 million as of December 31, 2024. As at 31 December 2024, we were in a net current liabilities position, primarily because the redemption liabilities, arising from redemption rights granted to investors under certain investment agreements, were reclassified from non-current to current.

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Our net current position moved from a net current liability of RMB5,206.1 million as of December 31, 2024 to net current assets of RMB2,864.7 million as of December 31, 2025, primarily due to the termination of redemption rights effective in February 2025.

Our net current assets remained broadly stable at RMB2,864.7 million as of December 31, 2025 and RMB2,788.0 million as of April 30, 2026.

Our net liabilities increased from RMB1,817.3 million as of December 31, 2023 to RMB2,670.0 million as of December 31, 2024, primarily due to (i) a net loss of RMB697.1 million, (ii) other comprehensive loss of RMB221.8 million, (iii) shareholder contributions of RMB2.0 million, and (iv) reserves of RMB64.1 million for share-based compensation in 2024.

Our net liabilities of RMB2,670.0 million as of December 31, 2024 turned into net assets of RMB5,335.4 million as of December 31, 2025, primarily due to (i) the derecognition of redemption liabilities due to investors of RMB8,251.8 million following the termination of redemption rights, (ii) a net loss of RMB277.8 million, (iii) other comprehensive loss of RMB23.2 million, and (iv) reserves of RMB55.6 million for share-based compensation during 2025. Our net assets remained broadly stable at RMB5,335.4 million as of December 31, 2025 and RMB5,238.0 million as of April 30, 2026, primarily because the profit recorded for the period was largely offset by other comprehensive loss, including fair value change of financial assets and exchange differences on translation of foreign operations.

Property, Plant and Equipment

Our property, plant and equipment mainly comprises machinery and equipment, electronic devices, office furniture, and leasehold improvements. The balance increased significantly from RMB40.9 million as of December 31, 2023 to RMB133.9 million as of December 31, 2024. The increase in 2024 was primarily attributable to the construction of our power module and testing production lines. The balance increased from RMB133.9 million as of December 31, 2024 to RMB297.4 million as of December 31, 2025, mainly driven by continued investment in production-related facilities. The balance increased slightly at RMB297.4 million as of December 31, 2025 and RMB316.4 million as of April 30, 2026 primarily due to our continued fixed asset investment, including additional testing equipment, to support the expansion of our business scale, enhance in-house testing capabilities and improve cost efficiency. The significant increase in our property, plant and equipment and related capital commitments during the Track Record Period primarily related to the establishment and build-out of Hangzhou Xintong, our wholly-owned subsidiary for the R&D, manufacturing, packaging and testing of high-power modules, including packaging and assembly lines and testing and reliability systems.

Right-of-use Assets

Our right-of-use assets primarily consist of buildings, vehicles and land-use right. Right-of-use assets increased from RMB39.7 million as of December 31, 2023, to RMB43.3 million as of December 31, 2024, mainly driven by new office and vehicle leases and depreciation over the year. Right-of-use assets decreased from RMB43.3 million as of December 31, 2024 to RMB32.0 million as of December 31, 2025, mainly due to scheduled depreciation and lease maturities. Right-of-use assets increased from RMB32.0 million as of December 31, 2025 to RMB41.0 million as of April 30, 2026 primarily due to new and renewed leases of buildings to support our expanded business operations.

Intangible Assets

Intangible assets decreased from RMB225.2 million as of December 31, 2023 to RMB141.0 million as of December 31, 2024. The decrease over the years primarily reflects ongoing amortization. Intangible assets decreased from RMB141.0 million as of December 31, 2024 to RMB78.1 million as of December 31, 2025, mainly due to the scheduled amortization of these

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assets. Intangible assets increased to RMB112.0 million as of April 30, 2026, primarily due to purchases of computer software during the period, partially offset by scheduled amortization. Our other intangible assets mainly consist of golf club memberships with indefinite useful lives, which we purchase for business and employee benefit purposes. We test intangible assets with indefinite useful lives for impairment annually and whenever there is an indication of impairment by comparing their carrying amounts with their recoverable amounts. The recoverable amount of our golf club memberships is the higher of fair value less costs of disposal and value in use.

Deferred Income Tax Assets

Deferred tax assets decreased from RMB40.3 million as of December 31, 2023 to RMB35.3 million as of December 31, 2024, and further declined to RMB30.7 million as of December 31, 2025. Deferred tax assets increased to RMB37.5 million as of April 30, 2026. Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rates expected to be applied at the time of reversal of the temporary differences. The changes during the Track Record Period mainly reflected temporary differences and losses that were eligible to be recognized as deferred income tax assets, which are probable to be available for utilization in the foreseeable future.

Investments Accounted for Using the Equity Method

Investments accounted for using the equity method rose from RMB108.9 million as of December 31, 2023 to RMB123.3 million as of December 31, 2024, mainly due to the dilution gains generated from Iron Device, one of our associated companies. Investments accounted for using the equity method decreased from RMB123.3 million as of December 31, 2024 to RMB118.0 million as of December 31, 2025, primarily due to the increased share of loss from equity-accounted investees during the year. Investments accounted for using the equity method decreased slightly at RMB118.0 million as of December 31, 2025 and RMB113.5 million as of April 30, 2026 primarily due to our share of loss from the relevant equity-accounted investee during the period.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income were RMB1,540.8 million as of December 31, 2023, RMB1,500.3 million as of December 31, 2024 and RMB1,499.4 million as of December 31, 2025. These mainly reflect our long-term equity investments in Fullsemi Semiconductor, which decreased from RMB1,500.3 million as of December 31, 2024 to RMB1,499.4 million as of December 31, 2025, reflecting the fair value change in long-term equity investments. Financial assets at fair value through other comprehensive income further decreased from RMB1,499.4 million as of December 31, 2025 to RMB1,434.7 million as of April 30, 2026, primarily due to fair value changes in long-term equity investments.

Financial assets at fair value through profit or loss (non-current)

Financial assets at fair value through profit or loss were RMB228.2 million as of December 31, 2023, RMB240.1 million as of December 31, 2024 and RMB209.9 million as of December 31, 2025. These primarily include investments in unlisted companies. Financial assets at fair value through profit or loss (non-current) decreased from RMB240.1 million as of December 31, 2024 to RMB209.9 million as of December 31, 2025, due to fair value changes in unlisted investments. Financial assets at fair value through profit or loss (non-current) increased slightly from RMB209.9 million as of December 31, 2025 to RMB226.1 million as of April 30, 2026 primarily due to a net increase in the valuation of certain unlisted companies in which we invested.

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Restricted Cash (non-current)

Restricted cash declined from RMB50.4 million as of December 31, 2023 to RMB46.5 million as of December 31, 2024, which reflected our guarantee deposits with maturities over one year. Restricted cash decreased from RMB46.5 million as of December 31, 2024 to RMB44.0 million as of December 31, 2025. Restricted cash remained broadly stable at RMB44.0 million as of December 31, 2025 and RMB44.2 million as of April 30, 2026.

Goodwill

Goodwill was RMB330.7 million, RMB296.1 million, RMB291.5 million and RMB276.3 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. The decreases during the Track Record Period were primarily due to the impact of exchange rate fluctuations involving the Korean won (KRW).

Other Non-current Assets

Our other non-current assets mainly consist of rental and other security deposits, prepayments for property, plant and equipment and others. Other non-current assets decreased from RMB38.6 million as of December 31, 2023 to RMB14.6 million as of December 31, 2024, mainly due to fluctuations in rental and other security deposits and prepayments for fixed assets. Other non-current assets increased from RMB14.6 million as of December 31, 2024 to RMB22.2 million as of December 31, 2025, mainly due to an increase in deductible input VAT. Other non-current assets increased to RMB38.6 million as of April 30, 2026, primarily due to the same reason.

Inventories

Our inventories primarily consisted of work in process, raw materials, finished goods and contract fulfilment cost. As of December 31, 2023, 2024 and 2025, our total inventories amounted to RMB330.6 million, RMB344.1 million and RMB427.1 million, respectively. As of April 30, 2026, our total inventories were RMB443.3 million. Our inventory balances remained relatively stable from December 31, 2023 to December 31, 2024. The increase in 2025 was primarily due to an increase in inventories of our power device products. Our inventories increased slightly at RMB427.1 million as of December 31, 2025 and RMB443.3 million as of April 30, 2026 primarily in line with our revenue growth and expansion of business scale, which led to a corresponding increase in inventory levels. Changes among different categories of inventories primarily represented movements between stages of production and finished goods. The table below sets forth our inventories by nature as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Work in process	216,689	217,026	281,126	300,679
Raw materials	112,096	114,305	121,915	87,670
Finished goods	53,442	69,739	80,768	86,892
Contract fulfilment cost	—	14	45	47
	382,227	401,084	483,854	475,288
Less: allowance for impairment of inventories	(51,636)	(57,024)	(56,799)	(32,013)
Total	330,591	344,060	427,055	443,275

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The following table sets forth our inventory turnover days for the years/periods indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	<i>days</i>			
Inventory turnover days ⁽¹⁾ . . .	144.8	110.7	98.9	84.6

Notes:

- (1) We calculate inventory turnover days using the average of the beginning and ending balances of total inventories for a year/period, divided by the corresponding total cost of sales for the same year/period and multiplied by the number of days in such year/period.

Our inventory turnover days decreased from 144.8 days in 2023 to 110.7 days in 2024, and further to 98.9 days in 2025, primarily attributable to our enhanced inventory management and control, which led to the continuous improvement in inventory turnover. Our inventory turnover days changed from 98.9 days for the year ended December 31, 2025 to 84.6 days for the four months ended April 30, 2026, primarily due to the increase in cost of sales and improved inventory turnover as our revenue and business scale increased during the period.

The following table sets forth the aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	308,538	371,839	440,951	443,564
Over 1 year	73,689	29,245	42,903	31,724
	<u>382,227</u>	<u>401,084</u>	<u>483,854</u>	<u>475,288</u>

As of May 31, 2026, inventories of RMB194,842.2 million, representing 41.0% of the inventories balance as of April 30, 2026, had been subsequently utilized.

Trade and note receivables

Our trade and note receivables primarily arose from trade receivables and note receivables. The following table sets forth our trade and note receivables as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	136,807	147,571	124,517	209,105
Note receivables	5,293	10,499	65,323	40,634
Less: loss allowance	(1,580)	(1,637)	(1,654)	(2,249)
Total	<u>140,520</u>	<u>156,433</u>	<u>188,186</u>	<u>247,490</u>

Our trade and note receivables generally moved in line with the business scale of our China operations. Our trade receivables amounted to RMB136.8 million, RMB147.6 million and RMB124.5 million as of December 31, 2023, 2024 and 2025, respectively, and RMB209.1 million as of April 30, 2026. Note receivables increased from RMB5.3 million as of December 31, 2023 to RMB10.5 million as of December 31, 2024, mainly attributable to expansion of the power devices

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business during the year. Note receivables increased from RMB10.5 million as of December 31, 2024 to RMB65.3 million as of December 31, 2025, mainly due to the expansion of the power devices business, which led to a gradual increase in settlement by notes. Our trade and note receivables increased from RMB188.2 million as of December 31, 2025 to RMB247.5 million as of April 30, 2026, primarily due to the increase in trade receivables in line with the growth of our revenue and business scale during the period, partially offset by the decrease in note receivables.

Our typical credit term is from 0 to 90 days. The following table sets forth the aging analysis of our trade and note receivables based on the revenue recognition date as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	142,100	158,070	189,840	249,739
Less: loss allowance	(1,580)	(1,637)	(1,654)	(2,249)
Total	140,520	156,433	188,186	247,490

The following table sets forth our trade receivables turnover days for the years/periods indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	days			
Trade receivables turnover days ⁽¹⁾	29.1	33.9	31.8	31.2

Note:

- (1) We calculate trade receivables turnover days using the average of the beginning and ending balances of total trade receivables for a year/period, divided by the corresponding total revenue for the same year/period, multiplied by the number of days in such year/period.

Our trade receivables turnover days remained largely stable at 29.1 days in 2023, 33.9 days in 2024 and 31.8 days in 2025. Our trade receivables turnover days decreased to 31.2 days for the four months ended April 30, 2026. As of May 31, 2026, RMB147.0 million, representing 58.9% of our trade and note receivables as of April 30, 2026, had been subsequently settled.

Prepayments and Other Receivables

Our prepayments and other receivables primarily consisted of prepayments to suppliers and other receivables. Our prepayments and other receivables then increased from RMB7.2 million as of December 31, 2023 to RMB12.8 million as of December 31, 2024, primarily due to an increase in prepayments made for wafer procurement. Our prepayments and other receivables increased slightly from RMB12.8 million as of December 31, 2024 to RMB13.0 million as of December 31, 2025, and remained broadly stable. Our prepayments and other receivables decreased from RMB13.0 million as of December 31, 2025 to RMB6.5 million as of April 30, 2026, primarily reflecting timing differences in prepayments for routine procurements. As of May 31, 2026, RMB1.2 million, representing 18.5% of our prepayments and other receivables as of April 30, 2026, had been subsequently settled.

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Financial Assets at FVPL (current portion)

Financial assets at FVPL represented structured deposit we purchased in 2024 as part of our cash management strategy. These structured deposit products are financial assets purchased from reputable banks, with a maturity of within one year, featuring floating yields linked to specific exchange rates or gold prices, and with the principal secured. After [REDACTED], our investments in financial products will be subject to compliance with Chapter 14 of the Listing Rules.

Financial assets at fair value through profit or loss decreased from RMB891.0 million as of December 31, 2024, to RMB600.4 million as of December 31, 2025, mainly due to changes in our cash management arrangements. Financial assets at fair value through profit or loss increased to RMB931.3 million as of April 30, 2026, mainly due to our placement of additional cash into structured deposits under our cash management arrangements.

Cash management policy

We have established management systems that specify the approval authority, information disclosure, authorization management, operation processes, financial accounting, supervision and risk control procedures of our wealth management activities, so as to standardize our financial product investments. The types of wealth management products we choose are low-risk products with high safety and good liquidity. Adhering to prudent investment principles, we conduct investment activities with an aim to improve capital utilization efficiency and investment returns on cash assets. Our finance department manages our wealth management portfolio, primarily including the preparation of our annual wealth management plan, handling wealth management products and conducting daily management and accounting procedures. It ensures timely processing and verification of accounting records by the finance department, with timely reporting to senior management. In addition, we adhere to all applicable laws, regulations and management policies regarding the proper disclosure of investment information.

Our investment policies and strategies with respect to financial products mainly include: (i) proposed investments must not interfere with our business operations or capital expenditures; (ii) investment in high-risk financial products is not permitted; (iii) we minimize financial risks by matching the maturities of our portfolio with anticipated operating cash needs, with an emphasis on preserving principal while generating reasonable returns; and (iv) the financial products we invest in should be issued by reputable banks. We make investment decisions relating to financial products on a case-by-case basis after thoroughly considering a range of factors, including but not limited to the macroeconomic environment, general market conditions, the risk control and credit profiles of the issuing banks, our working capital needs and the expected profit or potential loss of the investment. To monitor and control the investment risks associated with our financial product portfolio, we have adopted a comprehensive set of internal procedures for managing such investments. Under the supervision of our chief financial officer, our investment panel — comprising members of our finance department with financial and cash management expertise as well as prior experience in investment funds and financial institutions — is responsible for analyzing, evaluating, and determining investment plans for financial products in accordance with our cash management policies and internal approval processes.

Restricted cash — current portion

Restricted cash primarily represents guarantee deposits. We recorded current restricted cash of RMB28.6 million, RMB40.1 million, RMB23.2 million and RMB8.3 million as of December 31, 2023, 2024, 2025 and April 30, 2026, respectively. The increase was primarily due to the reclassification from a portion of long-term restricted cash. Restricted cash, current decreased from RMB40.1 million as of December 31, 2024 to RMB23.2 million as of December 31, 2025, and further to RMB8.3 million as of April 30, 2026, mainly reflecting the release of guarantee deposits upon expiry.

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Cash and cash equivalents

Our Group’s cash and cash equivalents represent cash at banks. The following table sets forth the composition of our cash and cash equivalents:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Cash at banks	3,094,542	1,940,814	2,188,917	1,657,842
Less: Restricted cash	(79,021)	(86,564)	(67,180)	(52,543)
Less: Time deposits with maturity over 3 months	(514,042)	(315,578)	(913,785)	(814,152)
Cash and cash equivalents	2,501,479	1,538,672	1,207,952	791,147

From December 31, 2023 to December 31, 2024, our cash and cash equivalents decreased from RMB2,501.5 million to RMB1,538.7 million. The decrease was primarily due to our Company’s investment of RMB891.0 million in structured deposits as part of our cash management measures.

From December 31, 2024 to December 31, 2025, our cash and cash equivalents decreased from RMB1,538.7 million to RMB1,208.0 million, mainly due to allocation of funds into time deposits under our cash management arrangements.

From December 31, 2025 to April 30, 2026, our cash and cash equivalents decreased from RMB1,208.0 million to RMB791.1 million, mainly due to the allocation of a portion of our cash into structured deposits under our cash management arrangements and the impact of exchange rate fluctuations.

Other current assets

Our other current assets primarily consisted of VAT input to be deducted or refunded, and income tax refund receivables. From December 31, 2023 to December 31, 2024, our other current assets increased from RMB31.7 million to RMB46.2 million. This increase was primarily driven by our VAT input to be deducted or refunded. From December 31, 2024 to December 31, 2025, our other current assets decreased from RMB46.2 million to RMB38.5 million. This decrease was primarily due to a decrease in recoverable and refundable input VAT. Our other current assets increased to RMB40.6 million as of April 30, 2026, primarily due to an increase in deductible input VAT.

Long-term payables

Long-term payables decreased significantly from RMB18.9 million as of December 31, 2023 to RMB1.7 million as of December 31, 2024 due to the settlements made pursuant to the relevant payment terms. Long-term payables increased from RMB1.7 million as of December 31, 2024 to RMB2.9 million as of December 31, 2025, mainly due to higher payables for software purchases. Long-term payables increased to RMB31.5 million as of April 30, 2026, mainly due to increased payables for software purchases under three-year payment arrangements.

Long-term employee benefits

Long-term employee benefits mainly include payables for defined benefit plans, other long-term benefits, long-term bonus incentives and related employee benefit liabilities. Long-term employee benefits rose from RMB20.9 million as of December 31, 2023 to RMB23.1 million as of December 31, 2024. The rise was mainly due to the increase in the expected obligation related to

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the defined benefit plans. Long-term employee benefits decreased from RMB23.1 million as of December 31, 2024 to RMB19.3 million as of December 31, 2025, mainly due to a decrease in obligations under the defined benefit plan. Long-term employee benefits increased to RMB24.1 million as of April 30, 2026, mainly due to changes in obligations recognized in accordance with the relevant benefit payment arrangements.

Provisions — non-current portion

Provisions (non-current) mainly include restoration liabilities and warranty provisions. Provisions remained stable at RMB2.4 million as of December 31, 2023 and 2024. Provisions decreased from RMB2.4 million as of December 31, 2024 to RMB1.8 million as of December 31, 2025, mainly due to the reclassification of the restoration liabilities from non-current portion to current portion. Provisions (non-current) increased from RMB1.8 million as of December 31, 2025 to RMB4.2 million as of April 30, 2026, reflecting movements in restoration liabilities and warranty provisions.

Derivative financial liabilities

Derivative financial liabilities primarily arose from fair value changes from financial products. We recorded derivative financial liabilities of RMB39.8 million as of December 31, 2024. Derivative financial liabilities decreased from RMB39.8 million as of December 31, 2024 to nil as of December 31, 2025, mainly due to changes in the fair value of financial products and settlement of the relevant financial instruments. We recorded derivative financial liabilities of RMB5.3 million as of April 30, 2026, primarily reflecting fair value changes from financial products.

Trade payables

Trade payables primarily include payables for inventories and outsourcing fees. The aging analysis of trade payables, based on the invoice date, indicates that our trade payables amounted to RMB135.3 million as of December 31, 2023, RMB165.9 million as of December 31, 2024 and RMB289.2 million as of December 31, 2025. From December 31, 2023 to December 31, 2024, and further to December 31, 2025, trade payables increased by RMB30.6 million and RMB123.3 million, respectively, primarily due to the continued expansion and rapid growth of our power device business. Our trade payables decreased to RMB238.3 million as of April 30, 2026, primarily due to settlement of certain payables for inventories and outsourcing fees.

The following table sets forth our trade payables turnover days for the years/periods indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	<i>days</i>			
Trade payables turnover days ⁽¹⁾	35.1	49.4	58.4	51.3

Note:

- (1) We calculate trade payables turnover days using the average of the beginning and ending balances of total trade payables for a year/period, divided by the corresponding cost of sales for the same year/period, multiplied by the number of days in such year/period.

Our trade payables turnover days increased from 35.1 days in 2023, to 49.4 days in 2024, primarily benefiting from our enhanced bargaining power as we expanded sales in the power device segment. Our trade payables turnover days increased from 49.4 days in 2024 to 58.4 days in 2025, primarily due to a higher proportion of domestic procurement, which typically carries longer payment terms. Our trade payables turnover days remained broadly stable at 51.3 days for the four months ended April 30, 2026.

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The following table sets forth the aging analysis of our trade payables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	135,285	165,890	289,187	238,334

As of May 31, 2026, RMB117.1 million, representing 49.1% of our trade payables as of April 30, 2026, had been subsequently settled.

Contract Liabilities

Our contract liabilities mainly arise from the advance payments from customers upon which the performance obligations have been established while the underlying services and products are yet to be provided. We have recognized RMB6.3 million, RMB8.6 million, and RMB15.4 million and RMB27.0 million as of December 31, 2023, 2024, 2025 and April 30, 2026, respectively. The increase in contract liabilities as of December 31, 2025 was mainly attributable to higher advance payments from customers in connection with our power devices business. Our contract liabilities increased to RMB27.0 million as of April 30, 2026, mainly due to higher advance payments from customers in connection with our power device business.

As of May 31, 2026, RMB19.9 million, representing 73.8% of our contract liabilities as of April 30, 2026, had been subsequently recognized as revenue.

Accrued expenses and other payables

Accrued expenses and other payables primarily consist of (i) salary payables, (ii) tax payables, (iii) consideration withheld for the acquisition of our subsidiary due to outstanding capital gains tax documentation, (iv) payables for long-term asset purchases, (v) [REDACTED] expenses and (vi) payables for various R&D-related expenses and other costs. The following table sets forth a breakdown of our accrued expenses and other payables as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Salary payables	56,073	56,925	68,080	45,716
Tax payables	21,333	4,701	18,423	15,394
Payables for acquiring subsidiaries (i)	47,812	48,525	47,448	46,327
Payables for R&D-related expenses	14,827	15,713	8,408	8,022
Payables for acquisition of long-term assets	17,300	23,034	54,386	48,396
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	11,505	7,368	11,175	9,202
Deposit payable	—	—	64	9,090
Total	168,850	156,266	226,065	202,773

- (i) Original shareholders of our subsidiary have not submitted relevant tax certificates related to the transfer of our subsidiary's equity, our Company withheld a portion of the consideration to prevent the risk of withholding and remitting taxes. The changes of balances as of December 31, 2023, 2024, 2025 and April 30, 2026 are all due to the exchange rate fluctuations of USD against the RMB. The payables for acquiring subsidiaries will be settled once the relevant sellers provide a payment certificate for the withholding and remittance taxes related to the acquisition.

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From December 31, 2023 to December 31, 2024, our accrued expenses and other payables decreased from RMB168.9 million to RMB156.3 million. This decrease was primarily due to our decreased tax payables. From December 31, 2024 to December 31, 2025, our accrued expenses and other payables increased from RMB156.3 million to RMB226.1 million, mainly reflecting our [REDACTED]-related expenses. From December 31, 2025 to April 30, 2026, our accrued expenses and other payables decreased to RMB202.8 million, mainly due to the payment of accrued year-end bonuses.

As of May 31, 2026, RMB44.3 million, representing 21.8% of our accrued expenses and other payables as of April 30, 2026, had been subsequently settled.

Provisions — current portion

The current portion of provisions primarily represents warranty provisions. As of December 31, 2023, 2024, 2025 and April 30, 2026, the warranty provisions were RMB0.1 million, RMB0.4 million, RMB4.4 million and RMB2.5 million, respectively. The increase from RMB0.4 million as of December 31, 2024 to RMB4.4 million as of December 31, 2025 was primarily attributable to warranty provisions recognized during the year and the reclassification of the restoration provision from non-current liabilities in 2024 to current liabilities in 2025. Our current portion of provisions decreased from RMB4.4 million as of December 31, 2025 to RMB2.5 million as of April 30, 2026.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

During the Track Record Period and up to the Latest Practicable Date, we have funded our cash requirements principally from cash generated from our operating activities and financing activities.

The following table sets forth our cash flows for the years/periods indicated.

	For the Year Ended December 31,			For the four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Net cash generated from/(used in) operating activities	405,306	(64,145)	47,980	8,459	(97,552)
Net cash used in investing activities	(421,150)	(812,879)	(421,748)	(741,179)	(284,517)
Net cash generated from/(used in) financing activities	255,905	(34,929)	54,544	(11,030)	(6,148)
Net increase/(decrease) in cash and cash equivalents	240,061	(911,953)	(319,224)	(743,750)	(388,217)
Cash and cash equivalents at beginning of the year/period	2,256,031	2,501,479	1,538,672	1,538,672	1,207,952
Exchange effect on cash and cash equivalents	5,387	(50,854)	(11,496)	9,364	(28,588)
Cash and cash equivalents at end of the year/period	<u>2,501,479</u>	<u>1,538,672</u>	<u>1,207,952</u>	<u>804,286</u>	<u>791,147</u>

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Net Cash Generated from/(Used in) Operating Activities

For the four months ended April 30, 2026, net cash used in operating activities was RMB97.6 million, primarily attributable to our profit before income tax of RMB30.4 million, as adjusted by non-cash and non-operating items, which primarily consisted of depreciation and amortization of RMB26.5 million and net finance income of RMB4.1 million, and changes in working capital, which primarily resulted from an increase in trade and note receivables of RMB66.0 million, a decrease in trade payables of RMB44.9 million and an increase in inventories of RMB30.8 million, partially offset by an increase in contract liabilities of RMB14.4 million.

In 2025, net cash generated from operating activities was RMB48.0 million, primarily attributable to our loss before income tax of RMB247.0 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of depreciation and amortization of RMB108.7 million and net finance costs of RMB79.0 million, and (ii) changes in working capital, which primarily resulted from an increase in trade payables of RMB126.1 million, mainly due to the expansion of our power device business and the corresponding increase in procurement for inventory build-up, and an increase in accrued expenses and other payables of RMB58.9 million, mainly due to an increase in accrued expenses, partially offset by an increase in inventories of RMB105.3 million, mainly due to inventory build-up relating to the production of our power device products.

In 2024, net cash used in operating activities was RMB64.1 million, primarily attributable to our loss before income tax of RMB676.5 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of net finance costs of RMB513.8 million and depreciation and amortization of RMB115.9 million, and (ii) changes in working capital, which primarily result from an increase in inventories of RMB66.4 million mainly due to inventory build-up associated with the expansion of our business in its early stage of operations, an increase in trade and note receivables of RMB29.4 million mainly due to our expansion of the power devices business during the year, partially offset by an increase in trade payables of RMB41.4 million mainly driven by the gradual growth of our power devices business.

In 2023, net cash generated from operating activities was RMB405.3 million, primarily attributable to our loss before income tax of RMB448.1 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of net finance costs of RMB444.3 million and depreciation and amortization of RMB116.4 million, and (ii) changes in working capital, which primarily result from a decrease in inventories of RMB194.3 million mainly due to consumption of inventories that had been accumulated in 2022 during the industry-wide chip shortage period and an increase in trade payables RMB60.0 million mainly due to higher trade payables for raw material purchases, partially offset by a decrease in long-term employee benefits of RMB16.3 million mainly due to higher defined benefit plan liabilities and increased long-term service rewards and an increase in trade and note receivables of RMB15.4 million mainly due to attributable to expansion of the power devices business during the year.

Net Cash Used in Investing Activities

For the four months ended April 30, 2026, net cash used in investing activities was RMB284.5 million, primarily attributable to net payments of RMB312.2 million for structured deposits and others under our cash management arrangements and payments of RMB59.7 million for the purchase of property, plant and equipment, intangible assets and other non-current assets, partially offset by net proceeds of RMB87.2 million from time deposits with maturity over three months and other financial investments.

In 2025, net cash used in investing activities was RMB421.7 million, primarily attributable to the net payment of time deposits with maturity over three months and other financial investments of RMB577.4 million, partially offset by net inflows of RMB299.5 million from structured deposits and others.

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In 2024, net cash used in investing activities was RMB812.9 million, primarily attributable to the net payment of RMB883.7 million for structured deposits, partially offset by net inflows of RMB185.6 million from time deposits with maturity over three months.

In 2023, net cash used in investing activities was RMB421.2 million, primarily attributable to the net payment of RMB368.6 million for time deposits with maturity over three months.

Net Cash Generated from/(Used in) Financing Activities

For the four months ended April 30, 2026, net cash used in financing activities was RMB6.1 million, primarily attributable to payments of lease liabilities of RMB6.4 million and repayment of long-term payables for acquiring intangible assets of RMB0.4 million, partially offset by proceeds from borrowings of RMB1.1 million.

In 2025, net cash generated from financing activities was RMB54.5 million, primarily attributable to proceeds from borrowings of RMB98.9 million, partially offset by lease payments of RMB21.3 million and repayment of long-term payables for intangible assets of RMB19.9 million.

In 2024, net cash used in financing activities was RMB34.9 million, primarily attributable to the repayment of long-term payables for intangible assets of RMB16.0 million and lease payments of RMB20.9 million, partially offset by capital contributions of RMB2.0 million from non-controlling shareholders.

In 2023, net cash generated from financing activities was RMB255.9 million, primarily attributable to proceeds of RMB200.0 million from equity financing, partially offset by lease payments of RMB19.4 million and repayment of other financing liabilities.

We are scaling our power device shipments in industrial applications while streamlining or exiting negative-margin and low-velocity products and tightening price discipline following our 2024 entry into the China market. We plan to better align wafer starts and back-end purchases with firm orders and rolling forecasts under our Virtual IDM model, deepen cooperation with key foundry partners to secure competitive pricing and stable capacity, and further utilize in-house packaging and testing to shorten cycle time. We are also strengthening working-capital governance by linking distributor credit terms to sell-through and receivable aging, setting direct-customer terms by historical collection performance and order visibility, reinforcing collections, and managing inventory to safety-stock bands with slow-moving alerts. We will continue to use appropriate foreign-exchange risk management tools and apply for eligible government grants and incentives where available.

The Directors consider the above measures effective in addressing our net operating cash outflows position as of 31 December 2024 and April 30, 2026. Subject to market conditions, the Directors expect at least break-even to modestly positive net operating cash flow over the next 12 months. The Sponsor, having reviewed management’s cash flow forecasts and underlying assumptions, analyzed historical collections and payments, inspected bank confirmations of undrawn facilities and conducted interviews with major customers and suppliers, is of the view that the above measures are practicable and effective and that the underlying assumptions are fair and reasonable.

There have been no breaches of material covenants or undertakings during the Track Record Period and up to the Latest Practicable Date, and our Company’s ability to undertake additional debt or equity financing remains unimpaired.

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INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,	As of May 31,
	2023	2024	2025	2026	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Borrowings	—	—	98,899	100,272	100,481
Redemption liabilities	7,615,436	8,161,732	—	—	—
Lease liabilities	40,691	28,715	17,341	25,503	24,306
Total	7,656,127	8,190,447	116,240	125,775	124,787

Borrowings

We had no outstanding borrowings as at December 31, 2023 and 2024. As at December 31, 2025, April 30, 2026 and May 31, 2026, we had bank loans totaling RMB98.9 million, RMB100.3 million and RMB100.5 million, respectively, to finance our construction-in-progress projects; these loans were secured over our construction-in-progress and land use rights. The weighted average effective interest rate was 2.51% for 2025, 2.51% for the four months ended April 30, 2026 and 2.51% for the five months ended May 31, 2026.

As at December 31, 2023, 2024, 2025, April 30, 2026 and May 31, 2026, our borrowings were payable as follows:

	As of December 31,			As of April 30,	As of May 31,
	2023	2024	2025	2026	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Within 1 year	—	—	—	272	481
Between 1 and 2 years	—	—	1,842	6,074	7,723
Between 2 and 5 years	—	—	97,057	93,926	92,277
Total	—	—	98,899	100,272	100,481

As of the Latest Practicable Date, we did not have any unutilised bank credit facilities.

Redemption Liabilities

Our redemption liabilities represented contractual obligations to certain investors arising from redemption rights granted in connection with their equity investments in our subsidiary in prior financing rounds. As at December 31, 2023, 2024, 2025, April 30, 2026 and May 31, 2026, our redemption liabilities amounted to RMB7,615.4 million, RMB8,161.7 million, nil, nil and nil, respectively. Pursuant to agreements with the relevant investors, these redemption rights were terminated with effect from February 27, 2025, and, accordingly, no redemption liabilities were outstanding as at December 31, 2025, April 30, 2026 and May 31, 2026.

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As at December 31, 2023, our redemption liabilities were classified as non-current liabilities. As at December 31, 2024, all such redemption liabilities were reclassified from non-current liabilities to current liabilities, resulting in current redemption liabilities of RMB8,161.7 million, primarily due to the approaching contractual redemption timeline. Following the termination of the relevant redemption rights with effect from February 27, 2025, our redemption liabilities decreased to nil as at December 31, 2025 and remained nil as of April 30, 2026 and May 31, 2026.

Lease Liabilities

As of December 31, 2023, 2024, 2025, April 30, 2026 and May 31, 2026, we had lease liabilities of RMB40.7 million, RMB28.7 million, RMB17.3 million, RMB25.5 million and RMB24.3 million, respectively. The following table sets out our lease liabilities as of the dates indicated.

	As of December 31,			As of April 30,	As of May 31,
	2023	2024	2025	2026	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)
Current portion	19,028	18,351	12,203	18,942	18,880
Non-current portion	21,663	10,364	5,138	6,561	5,426
Total	40,691	28,715	17,341	25,503	24,306

Our lease liabilities decreased from RMB40.7 million as of December 31, 2023 to RMB28.7 million as of December 31, 2024, primarily due to lease payments made in accordance with the lease payment schedule. Our lease liabilities decreased from RMB28.7 million as of December 31, 2024 to RMB17.3 million as of December 31, 2025, and increased to RMB25.5 million as of April 30, 2026, primarily due to new and renewed leases of buildings to support our expanded business operations. Our lease liabilities then remain broadly stable at RMB24.3 million as of May 31, 2026.

Indebtedness Statement

Save as disclosed above, as of December 31, 2023, 2024, 2025, April 30, 2026 and May 31, 2026, we did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, borrowings and other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors confirm that there has been no material change in our indebtedness since May 31, 2026 and up to the Latest Practicable Date.

COMMITMENTS

See Note 41 to the Accountant’s Report set out in Appendix I to this Document.

MATERIAL RELATED PARTY TRANSACTIONS

See Note 42 to the Accountant’s Report set out in Appendix I to this Document for further details about our related party transactions during the Track Record Period. None of such related party transactions constitute a connected transaction or continuing connected transaction for the purpose of Chapter 14A of the Listing Rules.

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Our Directors are of the view that each of the related party transactions set out in Note 42 to the Accountant’s Report in Appendix I to this Document was conducted on an arm’s length basis and would not distort our track record results or cause our historical results to be not reflective of our future performance. For details about our related party transactions during the Track Record Period, see Note 42 to the Accountant’s Report in Appendix I to this document.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years/period or as of the dates indicated.

	For the years ended/as of December 31,			For the four months ended/as of April 30,
	2023	2024	2025	2026
Gross profit margin ⁽¹⁾	33.4%	29.4%	27.2%	26.2%
Current ratio ⁽²⁾	10.8	0.4	6.2	6.6

Notes:

- (1) Represents gross profit for the years/period divided by revenue for the same years/period, expressed as a percentage.
- (2) Current ratio is calculated based on the current assets divided by current liabilities.

TRANSFER PRICING ARRANGEMENT

During the Track Record Period, our intra-group transactions mainly involved the purchase and supply of raw materials and finished goods, as well as the provision of service transactions.

Our intra-group transactions primarily comprised purchases of raw materials and finished goods, purchases of fixed assets, and other items. Group entities perform distinct functions across R&D, production, procurement, sales/distribution and operational support. Intra-group transaction and settlement flows are as follows: our Company purchases finished goods and raw materials from related parties; pays for fixed asset purchases; and pays technology development fees to related parties pursuant to contracts. The pricing principles applied to related-party transactions do not materially differ from those applied to transactions with independent third parties.

Our intra-group transactions relating to the purchase of finished goods and raw materials from related parties were approximately RMB226.8 million in 2023, RMB224.2 million in 2024 and RMB102.8 million in 2025, respectively. Our intra-group transactions relating to other items, mainly including payments for fixed asset purchases and payments of technology development fees to related parties pursuant to contracts, were RMB1.5 million, RMB35.2 million and RMB10.4 million in 2023, 2024 and 2025, respectively. For these intra-group transactions, we have engaged independent transfer pricing consultants in China, being Lixin Certified Tax Agents (Zhejiang) Co., Ltd. for 2023 and 2024, and PricewaterhouseCoopers Consultants (Shenzhen) Limited Hangzhou Branch for 2025, and in South Korea, Yulchon LLC for 2023, 2024 and 2025, (collectively, the “**Transfer Pricing Consultants**”), each a reputable professional consulting firm, to review our transfer pricing arrangements from an arm’s length compliance perspective in accordance with the transfer pricing regulations and practices of the relevant jurisdictions in which they operate. The Transfer Pricing Consultants reviewed our intra-Group transactions, concluded that the transactional net margin method (TNMM), among other methods, is an appropriate and commonly used method to evaluate our transfer pricing arrangement, and determined that the profit level under our purchase and supply of raw materials and finished goods, as well as the provision of service transactions (the “**Covered Transactions**”) fall within the profit benchmark of arm’s length transactions. Our Transfer Pricing Consultants are of the view that they did not identify any material

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transfer pricing arrangements that deviated from the arm’s length principle or constituted unreasonable practices. Our intra-group transactions relating to the purchase of finished goods and raw materials from related parties were approximately RMB33.2 million for the four months ended April 30, 2026. Our intra-group transactions relating to other items, mainly including payments for fixed asset purchases and payments of technology development fees to related parties pursuant to contracts, were RMB1.3 million for the four months ended April 30, 2026. Our Directors are of the view that the intra-group transactions during this period were conducted on an arm’s length basis, were in compliance with relevant regulations, and did not constitute any unreasonable practices. On this basis, our Sponsor is of the view that the above-mentioned intra-group transactions during the Track Record Period were in compliance with the arm’s length principle in all material respects and did not constitute any unreasonable practices.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we were not aware of any outstanding enquiries, audit, investigation or challenge by any tax authorities in South Korea and Chinese Mainland in relation to our intra-group transactions and transfer pricing arrangements.

We have been and will continue to closely monitor our transfer pricing arrangement including reviewing the reasonableness of the pricing policy of intra-group transactions from time to time. Please see the paragraphs headed “Risk Factors — Risks Relating to Our Business and Industry — We are subject to taxation in multiple jurisdictions and to transfer pricing risk; changes in tax laws, interpretations or enforcement, or adverse determinations, could result in additional taxes, penalties and interest” in this document for further details.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

CAPITAL EXPENDITURE

Our capital expenditures during the Track Record Period primarily consisted of expenditures on property, plant and equipment, intangible assets, and land-use rights. The table below sets forth our capital expenditures for the years/period indicated:

	Year ended December 31,			For the four months ended April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Purchase of property, plant and equipment	19,634	114,332	186,593	30,386
Purchase of intangible assets	69,311	16,581	5,963	50,090
Purchase of land-use rights	—	15,635	—	—
Total	88,945	146,548	192,556	80,476

We will continue to make capital expenditures to meet the expected growth of our business and our expansion plan. See “Future Plans and Use of [REDACTED] — Use of [REDACTED].” We intend to fund our future capital expenditures with financial resources available to us, including our existing cash balance, cash generated from our operating activities and [REDACTED] from the [REDACTED].

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QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT FINANCIAL RISKS

We are exposed to a variety of financial risks: market risks, credit risk and liquidity risk. Our Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Our management regularly manages and monitors the financial risks of our Group to ensure appropriate measures are implemented in a timely and effective manner. During the Track Record Period, no hedging activity was undertaken by our Group. See Note 3 to the Accountant’s Report in Appendix I to this document for a detailed description of our financial risk management.

DIVIDENDS

No dividend had been paid or declared by our Company during the Track Record Period. There is no assurance that dividends of any amount will be declared or distributed in any year. Although currently we do not have a formal dividend policy or a fixed dividend distribution ratio, our Board may declare dividends in the future after taking into account various factors, including our future earnings and cash inflows, future plan for use of funds, long-term development of our business, statutory reserves, discretionary common reserve funds, legal and regulatory restrictions and other factors which our Directors consider relevant. Distribution of dividends will be decided by our Board at their discretion and will be subject to Shareholders’ approval. In addition, our dividend policy will also be subject to our Articles of Association, the PRC Company Law and any other applicable PRC laws and regulations. In any event, we will pay dividends out of our profit after tax only after we have made the following allocations: (a) recovery of accumulated losses, if any; (b) allocation to the statutory common reserve fund an amount of 10% of our profit after tax, as determined under the Accounting Standards for Business Enterprises issued by the MOF (the “**PRC GAAP**”) until such fund has reached more than 50% of our registered capital; and (c) allocation, if any, to a discretionary common reserve fund an amount approved by the shareholders in a shareholders’ meeting.

Payment of dividends is subject to restrictions under PRC laws. Under PRC laws, dividends may be paid only out of distributable profits. Distributable profits are our net profit, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. In view of our accumulated losses and the absence of distributable reserves as of April 30, 2026, our PRC Legal Adviser is in the view that, under PRC laws, dividends may only be paid out of distributable profits after recovery of accumulated losses and required appropriations to statutory reserves. Accordingly, we are not permitted to declare or pay dividends unless and until we have sufficient distributable profits in the future.

DISTRIBUTABLE RESERVES

As of April 30, 2026, we did not have any distributable reserves.

WORKING CAPITAL SUFFICIENCY

As of May 31, 2026, our cash and cash equivalents amounted to approximately RMB802.4 million. As of the Latest Practicable Date, we did not have any unutilised bank credit facilities. Taking into account the financial resources available to us, including our cash and cash equivalents on hand, time deposits, restricted cash, structured deposits, electronic short-term notes loan and the estimated [REDACTED] from the [REDACTED], our Directors are of the view that we have sufficient working capital to meet our present needs and for the next 12 months from the date of this document. The Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, our Group had no material defaults on trade or non-trade payables, no defaults on borrowings and no breaches of covenants.

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[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] and fees incurred in connection with the [REDACTED] and the [REDACTED]. We expect to incur [REDACTED] expenses of approximately HK\$[REDACTED] million (including [REDACTED]) accounting for [REDACTED]% of the [REDACTED] of the [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the [REDACTED] stated in this document, and no exercise of the [REDACTED]), consisting of (i) approximately HK\$[REDACTED] million [REDACTED]-related expenses, (ii) approximately HK\$[REDACTED] million non-[REDACTED]-related expenses and fees of the Sole Sponsor, legal advisers and reporting accountant and (iii) approximately HK\$[REDACTED] million for other non-[REDACTED]-related expenses and fees. Among our [REDACTED] expenses, approximately HK\$[REDACTED] million is directly attributable to the issuance of Shares and will be charged to equity upon completion of the [REDACTED], and approximately HK\$[REDACTED] million has been or will be charged to our consolidated statements of profit or loss. During the Track Record Period, we incurred [REDACTED] expenses of RMB[REDACTED] million in our consolidated statement of profit or loss.

The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS ATTRIBUTABLE TO OWNERS OF OUR COMPANY

Please see Appendix II to this document for details.

NO MATERIAL ADVERSE CHANGE

Save as disclosed in “Summary — Recent Development and No Material Adverse Change”, our Directors confirm that, since April 30, 2026 (being the date on which the latest audited consolidated financial information of our Group was prepared) and up to the date of this document, there has been no material adverse change in our business operation and financial position and there is no event which would materially affect the information shown in our consolidated financial information included in the Accountant’s Report in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this document, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.