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Application Proof of

Silicon-Magic Semiconductor Technology (Hangzhou) Co., Ltd.
芯邁半導體技術(杭州)股份有限公司

(the "**Company**")

(a joint stock company incorporated in the People's Republic of China with limited liability)

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Silicon-Magic Semiconductor Technology (Hangzhou) Co., Ltd.

芯邁半導體技術(杭州)股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
[REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB[REDACTED] per H Share**

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[**REDACTED**]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. Moreover, there are risks associated with any [**REDACTED**]. *Some of the particular risks of investing in the* [**REDACTED**] *are set out in "Risk factors." You should read the entire document carefully before you decide to invest in the* [**REDACTED**].

OVERVIEW

We are a power semiconductor company that delivers efficient power management solutions through proprietary process technologies. We adopt a virtual integrated device manufacturer, or Virtual IDM, model.

Under our Virtual IDM model, we invest in our key wafer fabrication partner, Hangzhou Fullsemi Semiconductor Co., Ltd. (杭州富芯半導體有限公司) ("**Fullsemi Semiconductor**"), and own the intellectual property rights to our proprietary process technologies, combining the asset-light flexibility of a fabless company with the design–process integration typically associated with a traditional IDM.

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

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

According to Frost & Sullivan, based on revenue in 2025, our market share was approximately 0.4% in the global PMIC market and approximately 0.1% in the global MOSFET market.

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

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

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

Our products focus on customization and high performance tailored to leading customers, with a core emphasis on innovative IC and device design as well as the development of proprietary process platforms. Leveraging our equity interest in, and our position as one of its most important customers, our strategic wafer foundry partner Fullsemi Semiconductor, we have secured priority access to its production capacity and technical resources. This close collaboration enables us to rapidly improve the performance of our process platform, achieve synergistic optimization of design and process, accelerate product iteration, and strengthen market competitiveness.

Our Product Offerings

We offer high-efficiency power management total solutions through our comprehensive portfolio of PMICs and power devices. Our product offerings are strategically segmented to address critical industry demands.

Specifically, our product offerings can be categorized into three main groups according to their core technologies and downstream applications:

Mobility

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

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

The main sub-products within our Mobility segment include (i) Interface PMICs (IFPM) and (ii) Battery Management ICs.

Core customers of our Mobility segment include leading smartphone brands both overseas and in Greater China, as well as major ODMs in Greater China. We have also started to collaborate with key battery manufacturers for emerging applications in the power management sector.

According to Frost & Sullivan, the size of the global smartphone PMIC market reached RMB21.7 billion in 2025. We ranked No. 3 globally in this market, but with a market share of only 2.9%, indicating significant growth potentials. We expect to grow our market share with our future offerings of more efficient mobility PMICs.

Display

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

Our display PMICs support all mainstream display technologies including LCD and OLED. The products are applied across a wide range of fields including smartphones, automotive displays, tablets, TVs, laptops, and IT displays.

Key customers of our Display products include leading global and Chinese display panel makers, TV manufacturers, and smartphone manufacturers. We have also made contributions in emerging display technologies such as those for laptops and automotive applications.

According to Frost & Sullivan, the size of the global display PMIC market reached RMB9.6 billion in 2025. We ranked No. 5 globally in this market, but with a market share of only 8.5%, indicating significant growth potentials. With more product offerings covering LCD and OLED, and with our cooperation with more leading display customers, we expect to further grow our shares in this market. In addition, display panels are replacing other forms of interfaces in lots of electronic equipment, so we expect the demand for our display PMICs will continue increasing.

Power Device

Power Device mainly involves power devices/modules commonly used in power electronics topologies such as DC/AC inverters, DC/DC converters, and AC/DC converters.

By leveraging our partner foundries and proprietary process platforms, we have developed industry-leading silicon Metal-Oxide-Semiconductor Field-Effect Transistor (Si MOSFET) and silicon carbide MOSFET (SiC MOSFET) products.

Key customers of our Power Device products include leading manufacturers of motor drive, BMS, communication equipment, server power supply, automotive, and consumer electronics.

According to Frost & Sullivan, the size of the global MOSFET market reached RMB110.2 billion in 2025. Driven by the electrification of cars and other transportation devices, and the explosive growth of AI computing, the demand for high efficiency power MOSFETs is expected to grow exponentially in the next five years. We have leveraged our Virtual IDM model to accelerate the performance improvement in the power MOSFET technology. We expect our new power device products in both Si MOSFET and SiC MOSFETs to continue gaining market shares against the major power device incumbents and contribute to an accelerated growth in our revenue.

Our Business Model

We adopt a Virtual IDM model, under which we invest in our key wafer fabrication partner. This model combines the asset-light flexibility of a fabless company with the vertically integrated capabilities of a traditional IDM, with the added advantage of owning the intellectual property rights in relation to the proprietary process technologies.

Compared with market participants that mainly rely on outsourced manufacturing arrangements, our Virtual IDM model provides us with differentiated advantages in process optimization, customized workflows and capacity coordination. In particular, in 2019, we established Fullsemi Semiconductor, as its sole shareholder and, following capital increases in 2021 in which independent third-party investors were introduced, we have since held a minority equity interest in Fullsemi Semiconductor. As of the Latest Practicable Date, we held approximately 16.76% of its equity, representing a paid-in capital contribution of RMB1,500 million. We also extend into back-end manufacturing through a self-owned high-power module manufacturing, packaging and testing facility operated by our wholly owned subsidiary, Hangzhou Xintong. Taken together, we have made capital commitments through Fullsemi Semiconductor and Hangzhou Xintong and established structured capacity planning and process co-development with key partners, providing capacity assurance and process customization to support reliable R&D and production.

Sales and Distribution Channels

Our sales approach combines a direct sales model with a distribution model, applied according to customer preferences and market conditions. This dual strategy enables us to meet the varied needs of customers across different markets and application segments effectively.

Direct sales

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

Distribution

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

OUR STRENGTHS

We believe the following strengths have contributed to our market position, ensuring our success and distinguishing us from our competitors:

- We adopt a Virtual IDM model, under which we possess proprietary process technologies and have made a strategic investment in our key wafer fabrication partner;
- We have established a dual ecosystem in Greater China and overseas regions covering multiple dimensions including R&D, supply chains, and customer networks;
- We possess profound system knowledge and extensive industry know-how about power semiconductor design and development, and are specialized in developing customized solutions that create long-lasting partnerships with industry-leading customers;
- Our "PMICs + power devices" dual-product strategy creates system-level synergies that enhance our overall value propositions; and
- We are led by a seasoned and visionary management team with extensive experience in the power semiconductor industry.

OUR STRATEGIES

We plan to implement the following development strategies to seize market opportunities and achieve sustainable growth:

- Expand our product portfolio to address a broader range of application scenarios;
- Increase R&D investment to establish technical competitiveness;
- Strengthening our international customer base while enhancing market penetration in the Greater China, achieving balanced development across our global operations;
- Continuously advance the construction of the digitalization system; and
- Explore strategic investment and M&A opportunities within the industry chain.

CUSTOMERS AND SUPPLIERS

During the Track Record Period, we provide our products to customers from various industries including automotive electronics, telecommunications and computing, consumer electronics and industrial applications. Revenue generated from our five largest customers in 2023, 2024 and 2025, and for the four months ended April 30, 2026 accounted for 84.6%, 77.6%, 64.9%, and 62.1% respectively, of our total revenue for the same years/periods. Customer A, a multinational major appliances and consumer electronics group, has been our largest customer for over ten years. Revenue generated from our largest customer for each of the same years and period accounted for 65.7%, 61.4%, 49.5%, and 42.9% respectively, of our total revenue. Our cooperation is institutional in nature, anchored by product performance, qualification processes, and framework arrangements, and is jointly managed through cross-functional teams on both sides rather than dependent on any single individual. As of the Latest Practicable Date, we had no material disputes with Customer A and were not aware of any material change, delay, or cancellation of outstanding purchase orders. Accordingly, our Directors consider that the departure of any individual, would not materially and adversely affect our relationship with Customer A. For more details, see "Business — Our Customers" and "Risk Factors — We rely on our major customers and this may expose us to risks relating to fluctuations or decline in our revenue."

During the Track Record Period, our key suppliers include wafer foundries, photomask manufacturers and semiconductor assembly and testing service providers. Purchases from our five largest suppliers in 2023, 2024 and 2025, and for the four months ended April 30, 2026 accounted for 74.1%, 63.7%, 67.0% and 70.3%, respectively, of our total purchases for the same periods. Purchases from our largest supplier in 2023, 2024 and 2025, and for the four months ended April 30, 2026 accounted for 22.0%, 16.3%, 25.9% and 33.5%, respectively, of our total purchases. See "Business — Our Suppliers" for more details.

KEY OPERATING DATA

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

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

COMPETITIVE LANDSCAPE

The global power semiconductor market has exhibited strong resilience and consistent growth momentum over the past several years. From 2020 to 2024, the market size expanded from RMB411.5 billion to RMB595.3 billion, reflecting robust demand across multiple end-use sectors despite macroeconomic challenges. Consumer electronics, industrial applications and automotive sectors constitute the majority of downstream demand, collectively accounting for over 70% of total applications.

Looking forward, the power semiconductor industry is positioned for sustained expansion. The global market is projected to grow at a CAGR of 6.9%, reaching an estimated RMB887.8 billion by 2030. In terms of downstream application areas, the automotive sector is expected to reach RMB227.3 billion by 2030, becoming the largest contributor to the growth of the power semiconductor industry, according to Frost & Sullivan. Moreover, emerging application areas such as AI servers, industrial applications, and service robotics are poised to serve as key growth drivers over the next five years.

Competitive Landscape of Global PMIC Industry

Global Smartphone PMIC Market

The global smartphone PMIC market exhibits high entry barriers, including requirements for advanced R&D capabilities, supply chain management, and lengthy customer certification processes. Top-tier players have established solid competitive advantages in performance metrics such as integration level, power efficiency, and product reliability, posing significant challenges for new entrants in the short term. Global smartphone PMIC market in 2024 reached RMB21.5 billion. Our Company ranked 3rd in the global smartphone PMIC market, with a market share of 3.6%.

Global Display PMIC Market

The high-end display panel market is becoming increasingly consolidated, with the large-size panel segment primarily dominated by giant manufacturers. These companies have relatively long technical certification cycles for PMICs and maintain strong, sticky partnerships with power management chip suppliers. As a result, the display PMIC market is gradually concentrating among top-tier companies, mainly located in China and South Korea, while suppliers from other regions must achieve technological breakthroughs to enter the supply chain. Global display PMIC market in 2024 reached RMB9.6 billion. Our Company ranked 5th in the global display PMIC market, with a market share of 6.9%.

Global OLED Display PMIC Market

The global OLED display PMIC market is highly concentrated, with the top five companies accounting for a combined 60.3% of the market share. This market is dominated by a few players with OLED display PMIC circuit design capabilities and long-standing customer relationships. The OLED panel supply chain is highly integrated, with leading panel manufacturers often forming strong collaborative relationships with OLED PMIC suppliers through strategic partnerships and joint development. The global OLED display PMIC market is consolidating around leading companies in China and South Korea, where there is a complete industrial chain and deep technical expertise. Global OLED display PMIC market in 2024 reached RMB3.5 billion. Our Company ranked 2nd in the global OLED display PMIC market, with a market share of 12.7%.

Competitive Landscape of Global MOSFET Market

The global MOSFET market remains concentrated, with the top five companies — mainly from the United States and Japan, together accounting for approximately 60% of global sales revenue. These companies lead in core technologies and have long dominated high-end applications such as automotive electronics, industrial controls and emerging AI sectors, forming a stable international supply framework. In contrast, Chinese companies, though relatively smaller in scale, have rapidly expanded their market share and now together they contribute the majority of the global MOSFET sales, largely driven by domestic demand and manufacturing scale. Most Chinese companies are still concentrated in the low to mid-end segments, but as localization advances and investments in process upgrades and packaging technologies deepen, their role in the global landscape is expected to grow. In terms of revenue in 2024, our Company held a market share of 0.1% in the global MOSFET market.

RISK FACTORS

There are certain risks involved in our business and industries, our corporate structure, our business operations in China, [**REDACTED**] in our Shares, the [**REDACTED**] and the [**REDACTED**], many of which are beyond our control. For example, these risks include, among others, the following risks related to our business: (i) our significant reliance on Customer A and the departure of key members of our management team may adversely affect our business, operating results and financial condition; (ii) our business and growth prospects depend on our ability to continuously innovate, develop and commercialize new and enhanced products that meet evolving customer preferences and achieve sustainable market acceptance in a timely and cost-effective manner, and any failure to do so could materially and adversely affect our results of operations, financial condition and prospects; (iii) we rely on our major customers and this may expose us to risks relating to fluctuations or decline in our revenue; (iv) we rely heavily on third-party service providers and business partners for critical manufacturing, packaging, testing, assembly, and logistics processes, and any disruption to their operations or our relationships with them could materially and adversely affect our production capacity, operational performance, financial results and reputation; and (v) our business, financial condition and results of operations may be materially and adversely affected by international policies and international export controls and economic sanctions.

EXPORT CONTROL AND SANCTIONS IMPLICATIONS

During the Track Record Period, our overseas sales accounted for 74.1%, 68.1%, 58.0% and 51.5% of our revenue in 2023, 2024 and 2025, and for the four months ended April 30, 2026, respectively. We maintain long-term Korean supply-chain partnerships. As advised by our Export Control and Sanctions Counsel, neither our Korean operations nor our international sales generally raise any sanctions concerns under international sanctions law and regulations. Nevertheless, U.S. export-control rules and recent measures may pose operational and financial risks. See "Risk Factors — Our business, financial condition and results of operations may be materially and adversely affected by international policies and international export controls and economic sanctions." The Directors are of the view that current export-control measures would not impact our sales or revenue so as to cause a material adverse effect on our business, financial condition or results of operations. See "Business — Export Control Implications".

APPLICABLE LAWS AND REGULATIONS

U.S. Export Controls Laws and Regulations

In recent years, the United States has increased export control restrictions on China through the Export Administration Regulations ("EAR"), administered by the Bureau of Industry and Security of the U.S. Department of Commerce ("BIS"), which includes the Entity List. During the Track Record Period, we did not, directly or indirectly, deliver products subject to the EAR to any customers that are listed on the Entity List. Accordingly, our business operations do not present risk that we have engaged in transactions that would constitute either (i) Primary Sanctioned Activity or (ii) Secondary Sanctioned Activity within the meaning defined in Chapter 4.4 of the Guide for New Listing Applicants. Our Export Control and Sanctions Counsel is of the view that (i) our activities during the Track Record Period do not implicate restrictions under the EAR, including the restrictions imposed on persons named on the Entity List; (ii) our dealings with our customers and suppliers also do not implicate any restrictions related to the Entity List and Non-SDN Chinese Military-Industrial Complex Companies List ("**NS-CMIC List**"); and (iii) our exposure to U.S. trade restrictions and the impact of relevant trade restrictions on our operations is not material.

U.S. outbound investment regulations and U.S. persons' participation in the [REDACTED]

On October 28, 2024, the U.S. Department of the Treasury issued the final rule entitled "Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern" ("**Final Rule**"), which implements U.S. Executive Order 14105 and became effective on January 2, 2025. The Final Rule imposes investment prohibition and

notification requirements on U.S. Persons for certain investments in entities associated with China (including Hong Kong and Macau). However, while it is likely that the Company would be determined to be a "Covered Foreign Person" within the meaning of the Final Rule, the restrictions imposed by the Final Rule will not have any impact on the [**REDACTED**], as the [**REDACTED**] does not involve sales to any U.S. Persons. Please see "Business — Export Controls Implications" for additional information on why the Final Rule will have no impact on the [**REDACTED**] or our business and operations.

The U.S. government has, in recent years, imposed trade policies or taken actions relating to tariffs and investigations in the semiconductor industry. The trade and tariff tension between the United States and China intensified starting in early 2025 and negotiations on tariffs between the two countries are still ongoing. As of the Latest Practicable Date, other than a baseline tariff of 10%, several announced tariffs have been paused pending trade negotiations, and it remains unclear whether additional tariffs will be imposed, at what level and for how long. During the Track Record Period, our sales to customers in the U.S. and purchases from suppliers in the U.S. were immaterial (see "Business — Export Controls Implications"). In addition, U.S. tariffs do not impose any legal restrictions on our ability to sell or deliver our products to the U.S. or other countries. We also do not derive significant revenues from sales to the EU. Based on the composition of our international sales revenues and purchases of goods during the Track Record Period, and our current business expansion plans, our Export Control and Sanctions Counsel is of the view that there is no material direct and indirect exposure or impact from (i) the recent introduction of new tariffs on various goods traded among the U.S., the EU and other countries (including China) and (ii) corresponding tariff policies introduced by the EU affecting our supply chain. While tariffs have created uncertainty in export markets generally, we have not experienced any material adverse impact on our financial performance resulting from the U.S., EU or other tariffs.

As advised by our Export Control and Sanctions Counsel, based on the information we provided and their corresponding analysis, our activities during the Track Record Period do not implicate restrictions under international sanctions; our activities during the Track Record Period and up to the Latest Practicable Date have not been adversely impacted by export controls, trade restrictions and tariffs; and absent material and adverse changes to export controls, trade restrictions and tariff regulations directly impacting us, such regulations will not materially and adversely affect our business operations and activities going forward. Further, given the scope of the [**REDACTED**] and the expected [**REDACTED**], our Export Control and Sanctions Counsel is of the view that the involvement by parties in the [**REDACTED**] will not implicate any applicable international sanctions on such parties and, accordingly, the sanctions risk exposure to us and relevant persons involved in permitting the [**REDACTED**], [**REDACTED**], [**REDACTED**] and [**REDACTED**] of our Shares is very low.

[**REDACTED**] INVESTMENTS

From 2020 to 2022, we have completed several rounds of [**REDACTED**] Investments, for which our Company issued an aggregate of 37,813,883 Shares (without taking account of the [**REDACTED**]) to the [**REDACTED**] Investors. For details, please refer to "History, Development and Corporate Structure — [**REDACTED**] Investments".

ACTING-IN-CONCERT AND SINGLE LARGEST SHAREHOLDER GROUP

As of the Latest Practicable Date, Hangzhou Moxin, Smart Advantage and Smart Wealth, each of which is an ESOP Platform, directly held in aggregate approximately 13.29% of the total issued share capital of our Company. Hangzhou Qinxin, as the general partner of Hangzhou Moxin, has the rights and powers to manage and administer the affairs of Hangzhou Moxin. Hangzhou Qinxin is in turn owned as to 80% by Dr. Ren. Bright Shine is the general partner of each of Smart Advantage and Smart Wealth and has the rights and powers to manage and administer the affairs of Smart Advantage and Smart Wealth. Bright Shine is in turn wholly owned by Dr. Su.

On June 19, 2025, Hangzhou Moxin, Smart Advantage, Smart Wealth, Hangzhou Qinxin, Bright Shine, Dr. Ren and Dr. Su (collectively, the "**Concert Parties**") entered into an acting-in-concert agreement (the "**AIC Agreement**"), under which the Concert Parties agreed and confirmed that, from the date they became direct and/or indirect Shareholders, each of the Concert Parties has acted and will continue to act in concert in exercising their shareholders' rights in relation to our Company until he/she/it disposes his/her/its Shares and ceases to be a Shareholder (in which case the remaining parties will continue to be bound by the AIC Agreement) or all parties reach mutual agreement to terminate the AIC Agreement. By virtue of the AIC Agreement, the Concert Parties will constitute the Single Largest Shareholder Group upon [**REDACTED**], holding in aggregate approximately [**REDACTED**]% of the total issued share capital of our Company (assuming the [**REDACTED**] is not exercised). For details, see "History, Development and Corporate Structure — Acting-in-concert and Single Largest Shareholder Group".

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, derived from the Accountant's Report set out in Appendix I to this document. The summary consolidated financial data set forth below should be read together with, the consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

Summary of Consolidated Statements of Profit or Loss

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.

	For the 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*
							(unaudited)			
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) (a Non-IFRS measure) 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.

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**]	[**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) for the year/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**] were incurred in connection with the [**REDACTED**].

Our adjusted profit/(loss) declined from an adjusted profit (Non-IFRS measures) of RMB44.6 million in 2023 to an adjusted loss (Non-IFRS measures) of RMB86.7 million in 2024, mainly due to lower gross profit and higher R&D 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 net foreign exchange losses, partially offset by fair value gains on derivative financial instruments. 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, primarily due to our improved operating performance, fair value gains on investments in unlisted companies and net foreign exchange gains during the four months ended April 30, 2026.

Revenue

The following table sets forth our revenue breakdown by product category. Revenue under "Others" primarily represents revenue generated from the provision of technical services, mainly design 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*	*%*	*RMB'000*	*%*
							(unaudited)			
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**

In 2023, 2024 and 2025, our revenue amounted to RMB1,640.1 million, RMB1,574.5 million and RMB1,952.9 million, respectively, and for the four months ended April 30, 2025 and 2026, our revenue was RMB571.1 million (unaudited) and RMB836.5 million, respectively. We recorded net losses of RMB506.3 million, RMB697.1 million and RMB277.8 million for 2023, 2024, and 2025, respectively and a net loss of RMB159.5 million (unaudited) and a net profit of RMB28.5 million for the four months ended April 30, 2025 and 2026, respectively. Our net losses in 2023, 2024 and 2025 and for the four months ended April 30, 2025 were primarily due to (i) pricing pressure in our PMIC products, (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. For the four months ended April 30, 2026, we recorded a net profit primarily due to improved revenue performance, driven by increased shipment volume and higher revenue contribution from our power device products, together with fair value gains on investments in unlisted companies and net foreign exchange gains.

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

	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)			
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**

Notes:

(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.

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*	*%*	*RMB'000*	*%*
							(unaudited)			
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**

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**

Gross Profit and Gross Profit Margin

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*	*gross profit margin*	*RMB'000*	*gross profit margin*
							(unaudited)			
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 device 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.

In 2023, 2024 and 2025, our gross profit was RMB548.2 million, RMB462.7 million and RMB530.3 million, respectively, and our gross profit margin was 33.4%, 29.4% and 27.2%, respectively. For the four months ended April 30, 2025 and 2026, our gross profit was RMB176.9 million and RMB219.5 million, respectively, and our gross profit margin was 31.0% and 26.2%, respectively. During the Track Record Period, fluctuations in our overall gross profit margin were primarily attributable to changes in product mix. In particular, the increasing revenue contribution from our power device segment, which generally carries a lower gross profit margin than our PMIC segment, led to a decrease in our overall gross profit margin. Our PMIC portfolio is diversified and subject to continuous product iteration. Accordingly, while the gross profit margin of our PMIC segment remained relatively stable at 36.1%, 32.9% and 33.1% in 2023, 2024 and 2025, respectively, and 34.6% and 35.4% for the four months ended April 30, 2025 and 2026, respectively, it fluctuated from period to period depending on the timing of customer platform refreshes and the speed of ramp-up of new products.

In contrast, our power device business was still in a ramp-up phase during the Track Record Period. The power device segment recorded gross profit/(loss) margins of 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. From 2024 onwards, as the business scaled up and expanded its revenue base, customer coverage and product breadth, it began to benefit from initial economies of scale. These developments, together with product iteration and portfolio expansion, contributed to the improvement in, and subsequent turning positive of, the segment's gross profit margin in 2025.

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.

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*	*gross profit margin*	*RMB'000*	*gross profit margin*
							(unaudited)			
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%**

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*	*gross profit margin*	*RMB'000*	*gross profit margin*
							(unaudited)			
Direct Sale	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%**

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of 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)*
Total current assets	3,554,143	3,344,854	3,412,011	3,282,788	3,360,715
Total non-current assets	2,643,683	2,574,329	2,623,028	2,640,223	2,730,994
Total assets	**6,197,826**	**5,919,183**	**6,035,039**	**5,923,011**	**6,091,709**
Total current liabilities	329,600	8,550,999	547,283	494,781	564,703
Total non-current liabilities	7,685,486	38,188	152,402	190,205	189,535
Total liabilities	**8,015,086**	**8,589,187**	**699,685**	**684,986**	**754,238**
Net current assets/(liabilities)	**3,224,543**	**(5,206,145)**	**2,864,728**	**2,788,007**	**2,796,012**
Total (deficit)/equity	**(1,817,260)**	**(2,670,004)**	**5,335,354**	**5,238,025**	**5,337,471**

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, primarily due to the reclassification of non-current liabilities to current liabilities. As of 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. 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 relatively 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. See "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position" for more information.

Summary of Consolidated Statements of Cash Flows

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	**2,501,479**	**1,538,672**	**1,207,952**	**804,286**	**791,147**

Net cash from operating activities was approximately RMB405.3 million in 2023. In 2024, it shifted to a net outflow of approximately RMB64.1 million, mainly reflecting a settlement in trade payables, competitive pricing adopted for certain product lines to enter the China market, and the ramp-up phase of power device, alongside lower revenue and higher operating expenses (including headcount additions). In 2025, net cash inflow from operating activities was approximately RMB48.0 million, primarily attributable to higher power device revenue and improved unit economics. For the four months ended April 30, 2026, our net cash used in operating activities was RMB97.6 million, primarily due to our increased operating working capital needs as our business scale expanded, mainly reflected by increases in inventories and trade and note receivables, as well as a decrease in trade payables.

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.

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.

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.

[**REDACTED**]

	Based on an [REDACTED] of HK$[REDACTED] per H Share	**Based on an [REDACTED] of HK$[REDACTED] per H Share**
[**REDACTED**] of our Shares[(1)]	HK$[REDACTED] million	HK$[REDACTED] million
Unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share[(2)]	HK$[REDACTED]	HK$[REDACTED]

Notes:

(1) The calculation is based on the assumption that [**REDACTED**] Shares will be expected to be in issue immediately upon completion of the [**REDACTED**] (without taking into account H Shares that may be issued upon the exercise of the [**REDACTED**] [and taking into account the [**REDACTED**] and assuming no exercise of the [**REDACTED**] and that no other changes are made to the issued share capital of our Company from the Latest Practicable Date to the [**REDACTED**] (except for the [**REDACTED**])]).

(2) The unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share as of April 30, 2026, are calculated after making the adjustments referred to in Appendix II and on the basis that [**REDACTED**] shares are in issue, assuming the [**REDACTED**] and the [**REDACTED**] had been completed on April 30, 2026, but without taking into account any shares which may be issued upon the exercise of the [**REDACTED**].

[**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.

USE OF [REDACTED]

Assuming the [**REDACTED**] is not exercised, after deducting the [**REDACTED**] and other estimated [**REDACTED**] expenses payable by us in connection with the [**REDACTED**], and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the [**REDACTED**]), we estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**]. We intend to use the [**REDACTED**] from the [**REDACTED**] for the following purposes over the next five years:

- Approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used to improve our R&D capabilities and expand our product offerings;
- Approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used for potential strategic investment or acquisition transactions;
- Approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used for improving sales and operation efficiency; and
- Approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used for working capital and general corporate purposes.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance. See "Business — Legal Proceedings and Compliance," "Risk Factors — Risks Relating to Our Business and Industry — We are subject to risks relating to disputes, which could adversely affect our business, prospects, results of operations and financial condition" for more details.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the [**REDACTED**] of, and permission to [**REDACTED**], our Shares in issue and to be issued pursuant to the [**REDACTED**] on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue of approximately RMB1,952.9 million for 2025, which exceeds HK$500 million, and (ii) our expected [**REDACTED**] at the time of [**REDACTED**], which, based on low-end of the indicative [**REDACTED**], exceeds HK$4 billion.

IMPACT OF THE COVID-19 PANDEMIC

During the COVID-19 pandemic, we did not experience any material disruption to our business operations. In particular, we did not experience any material disruption to (i) our operations, (ii) our raw material procurement or (iii) our delivery schedules. Based on the foregoing, we believe that the COVID-19 pandemic did not have a material adverse impact on our business operations or financial performance.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period, we entered into a capacity assurance arrangement with Fullsemi Semiconductor pursuant to which Fullsemi Semiconductor will reserve a specified amount of 12-inch wafer fabrication capacity for us and our affiliates throughout 2026.

We expect our revenue for the year ending December 31, 2026 to continue to increase. Notwithstanding the expected improvement in our operating performance, our net profit/loss position for 2026 will be affected by non-cash share-based compensation expenses, the amount of which may fluctuate depending on the fair value of the underlying equity interests, continued investment in research and development expenses and [**REDACTED**] expenses. Accordingly, we anticipate to record a net loss for the year ending December 31, 2026.

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this document, there has been no material adverse change in our business operations and financial position or prospects since April 30, 2026, which is the end date of the periods reported on in the Accountant's Report included in Appendix I to this document, and there is no event since April 30, 2026 that would materially affect the information as set out in the Accountant's Report included in Appendix I to this document.

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are defined in the section headed "Glossary of Technical Terms" in this document.

"Accountant's Report"	the Accountant's report of our Company, the text of which is set out in Appendix I to this document
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong (formerly known as the Financial Reporting Council of Hong Kong)
"Articles" or "Articles of Association"	the articles of association of our Company conditionally adopted on June 26, 2025 with effect from the [**REDACTED**] and as amended from time to time, a summary of which is set out in Appendix V to this document
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of Directors
"Bright Shine"	Bright Shine Worldwide Inc., a company incorporated in Samoa on January 3, 2020 and a member of our Single Largest Shareholder Group
"Business Day" or "business day"	a day on which banks in Hong Kong are open generally for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[**REDACTED**]

"China", "Chinese Mainland" or "PRC"	the People's Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires, references in this document to "China", "Chinese Mainland" and the "PRC" do not apply to Hong Kong, Macau and Taiwan, China
"close associate(s)"	has the meaning ascribed to it under the Listing Rules

"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company" or "the Company"	Silicon-Magic Semiconductor Technology (Hangzhou) Co., Ltd. (芯邁半導體技術(杭州)股份有限公司), (formerly known as Hangzhou Silicon Magic Semiconductor Technology Co., Ltd.* (杭州芯邁半導體技術有限公司)), a company established under the laws of the PRC on September 17, 2019 and converted into a joint stock company with limited liability on June 25, 2025
"Company Law" or "PRC Company Law"	Company Law of the People's Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time, which was last amended on December 29, 2023
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Conversion of Unlisted Shares into H Shares"	the conversion of [**REDACTED**] Unlisted Shares into H Shares on a one-for-one basis upon the completion of the [**REDACTED**]. Such conversion of Unlisted Shares into H Shares has been filed with the CSRC on [●] and an application for H Shares to be [**REDACTED**] on the Stock Exchange has been made to the [**REDACTED**]
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"Dr. Huh"	Dr. Huh Youm, our vice chairperson and executive Director
"Dr. Ren"	Dr. Ren Yuancheng (任遠程), our chairperson, executive Director, chief executive officer and a member of our Single Largest Shareholder Group
"Dr. Su"	Dr. Su Hui-Lun (蘇慧倫), our executive vice president of administration and a joint company secretary and a member of our Single Largest Shareholder Group

"ESOP Platforms"	the partnerships set up for the implementation of [**REDACTED**] ESOP, namely Hangzhou Moxin, Smart Advantage and Smart Wealth
"Extreme Conditions"	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale serious affects the working public's ability to resume work or brings safety concern for a prolonged period
"Export Control and Sanctions Counsel"	Stephen Peepels, Esq.

[**REDACTED**]

"F&S" or "Industry Consultant" or "Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent global market research and consulting company

[**REDACTED**]

"Greater China"	for the purposes of this document, include the PRC, Hong Kong, Macau, and Taiwan, China
"Group", "our Group", "we" or "us"	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
"Guide for New Listing Applicants"	the Guide for New Listing Applicants published by the Stock Exchange effective from January 1, 2024 (as amended from time to time)
"Hangzhou Moxin"	Hangzhou Moxin Corporate Management Partnership (L.P.)* (杭州模芯企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on May 27, 2020, one of the ESOP Platforms and a member of our Single Largest Shareholder Group
"Hangzhou Qinxin"	Hangzhou Qinxin Semiconductor Technology Co., Ltd.* (杭州親芯半導體技術有限責任公司), a company established in the PRC with limited liability on May 26, 2020 and a member of our Single Largest Shareholder Group

"Hangzhou Xintong"	Hangzhou Xintong Semiconductor Technology Co., Ltd.* (杭州芯通半導體技術有限公司), a company established in the PRC with limited liability on July 20, 2023 and a direct wholly-owned subsidiary of our Company
"Hangzhou Xinzhu"	Hangzhou Xinzhu Semiconductor Co., Ltd.* (杭州芯逐半導體有限公司) a company established in the PRC with limited liability on March 23, 2023 and a non wholly-owned subsidiary of our Company
	[**REDACTED**]
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
	[**REDACTED**]
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

[**REDACTED**]

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

[**REDACTED**]

"H Share(s)"	overseas [**REDACTED**] foreign share(s) in the share capital of our Company, with a nominal value of RMB[**REDACTED**] each, which are to be subscribed for and [**REDACTED**] in Hong Kong dollars and for which an application has been made for the granting of [**REDACTED**] and permission to [**REDACTED**] on the Stock Exchange

[**REDACTED**]

"IFRS"	IFRS Accounting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board
"Independent Third Party(ies)"	any person(s) or entity(ies) which, to the best of our Directors' knowledge, information and belief having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules

[**REDACTED**]

"Korea" or "South Korea"	the Republic of Korea
"KRW" or "Won"	Korean won, the lawful currency of South Korea
"Latest Practicable Date"	July 13, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document before its publication

[**REDACTED**]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Macau"	the Macau Special Administrative Region of the PRC

"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Nomination Committee"	the nomination committee of the Board

[**REDACTED**]

"PRC Company Law"	Company Law of the People's Republic of China (中華人民共和國公司法) as amended, supplemented or otherwise modified from time to time
"PRC Cybersecurity Law"	Cybersecurity Law of the People's Republic of China (中華人民共和國網絡安全法) as amended, supplemented or otherwise modified from time to time
"PRC Data Security Law"	Data Security Law of the People's Republic of China (中華人民共和國數據安全法) as amended, supplemented or otherwise modified from time to time
"PRC Legal Adviser"	Jia Yuan Law Offices, our legal adviser as to PRC laws
"[**REDACTED**] ESOP"	the employee share incentive plan adopted by the Company on September 15, 2020 and modified on December 25, 2024, details of which are set in "Appendix VII — Statutory and General Information — D. [**REDACTED**] ESOP" to this document

"[**REDACTED**] Investment(s)"	the investment(s) in our Group undertaken by the [**REDACTED**] Investors before the [**REDACTED**], details of which are set out in the section headed "History, Development and Corporate Structure — [**REDACTED**] Investments" in this document
"[**REDACTED**] Investor(s)"	the investor(s) who participated in our [**REDACTED**] Investments, details of which are set out in the section headed "History, Development and Corporate Structure — [**REDACTED**] Investments" in this document

[**REDACTED**]

"document"	this document being issued in connection with the [**REDACTED**]
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Renminbi" or "RMB"	Renminbi, the lawful currency of China
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAIC"	the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), currently known as SAMR
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局), formerly known as SAIC
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家税務總局)
"SFC"	the Securities and Futures Commission of Hong Kong

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Xinxing"	Shanghai Xinxing Semiconductor Technology Co., Ltd.* (上海芯星半導體技術有限公司), a company established in the PRC with limited liability on September 19, 2022 and a direct wholly-owned subsidiary of our Company
"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each prior to the [**REDACTED**] and RMB[**REDACTED**] each upon the completion of the [**REDACTED**], comprising Unlisted Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of our Share(s)
"[**REDACTED**]"	the [**REDACTED**] of each Share in the Company's issued share capital with a nominal value of RMB1.00 into [**REDACTED**] Shares with a nominal value of RMB[**REDACTED**] each prior to the [**REDACTED**], the details of which are set out in "History, Development and Corporate Structure — [**REDACTED**]"
"Single Largest Shareholder Group"	collectively, Hangzhou Moxin, Hangzhou Qinxin, Smart Advantage, Smart Wealth, Bright Shine, Dr. Ren and Dr. Su
"Smart Advantage"	Smart Advantage Limited Partnership (智益有限合夥企業), a limited liability partnership registered in Samoa on February 19, 2020, one of the ESOP Platforms of our Group and a member of our Single Largest Shareholder Group
"Smart Wealth"	Smart Wealth Limited Partnership (智富有限合夥企業), a limited liability partnership registered in Samoa on February 19, 2020, one of the ESOP Platforms of our Group and a member of our Single Largest Shareholder Group
"SMI"	Silicon Mitus Inc., a company incorporated in South Korea with limited liability on February 5, 2007 and an indirect wholly-owned subsidiary of our Company

[**REDACTED**]

"Sole Sponsor" and "[**REDACTED**]"	Huatai Financial Holdings (Hong Kong) Limited [**REDACTED**]
"State Council"	the State Council of the People's Republic of China (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Supervisor"	the supervisor of our Company
"Takeovers Code"	the Code on Takeovers and Mergers published by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the period comprising three financial years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026 [**REDACTED**]
"United States" or "U.S."	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"Unlisted Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB[**REDACTED**] each, which are not [**REDACTED**] on any stock exchange
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
"US$" or "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"%"	per cent

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, in this document, "" denotes translation of certain PRC established companies or entities, laws or regulations into English for identification purposes only. If there is any inconsistency, the Chinese versions shall prevail.*

GLOSSARY

This glossary of technical terms contains definitions of certain terms used in this document in connection with our Company and our business. These terms and their definitions may not correspond to standard industry definitions, and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as our Company.

"AC"	alternating current, the electrical current that regularly changes the direction in which it flows
"AC-DC power supply synchronous rectification"	offer improved efficiency and power density, particularly in secondary power supplies and for powering various vehicle systems, reduced voltage drop and power loss, leading to better thermal management and potentially smaller heat sinks
"ADAS"	advanced driver assistance systems, referring to electronic systems developed to automate, adapt, and enhance vehicle systems for safety and better driving, normally featuring level 1 and level 2 driving automation on a vehicle supporting human drivers
"AEC-Q"	standards established by the Automotive Electronics Council
"AEC-Q101 Grade 0/1"	temperature ranges for discrete semiconductor components, such as transistors and diodes. Grade 0 components are designed to operate reliably in harsher conditions, with a temperature range of -40°C to +150°C, while Grade 1 components have a slightly less extreme range of -40°C to +125°C
"AI Edge SoC"	Artificial Intelligence Edge System on a Chip, a specialized integrated circuit designed to enable artificial intelligence processing at the edge of a network, providing the processing power for perception, decision-making, and control in self-driving cars and other autonomous vehicles
"AR/VR"	Augmented Reality and Virtual Reality, which respectively refer to a technology that overlays real-time 3D-rendered computer graphics onto a portion of the real world through a display and a simulated experience that employs 3D near-eye displays and pose tracking to give the user an immersive feel of a virtual world
"AVDD, DVDD, VGH, VGL, and VCOM"	voltage signals commonly found in LCD and other display systems. AVDD is the analog power supply voltage, DVDD is the digital power supply voltage, VGH is the positive gate voltage, VGL is the negative gate voltage, and VCOM is the common voltage for the liquid crystal display

GLOSSARY

"BCD"	Bipolar-CMOS-DMOS, a key process technology for PMICs. It is a family of silicon processes, each of which combines the strengths of three different process technologies onto a single chip: Bipolar for precise analog functions, CMOS for digital design and DMOS (Double Diffused Metal Oxide Semiconductor) for power and high-voltage elements
"BMS"	battery management system
"DC"	direct current, the electrical current that always flows in one direction
"DC Charger IC(s)"	direct current charger integrated circuit(s), which are specialized electronic components designed to manage the charging process of batteries using direct current power in electric vehicles
"DDIC"	display driver integrated circuit, which acts as a crucial interface between a digital system and a display panel like LCD or OLED
"DDR5"	Double Data Rate 5, which enables efficient management of multiple high-resolution displays and camera sensors, crucial for ADAS and in-vehicle infotainment
"doping" or "doped"	the intentional introduction of impurities into an intrinsic (undoped) semiconductor for the purpose of modulating its electrical, optical and structural properties
"double-sided cooling packages"	a power module design where heat is dissipated from both the top and bottom surfaces of the module, significantly improving thermal performance and power density
"DRAM"	dynamic random access memory, which refers to a type of semiconductor memory widely used in vehicles for various functions like powering displays, handling data from sensors in ADAS systems, and supporting the processing needs of self-driving technologies
"EEPROM"	electrically erasable programmable read-only memory, referring to a type of non-volatile memory used in vehicles to store important data like engine control unit (ECU) settings, calibration data, and other critical information that needs to be retained even when the car is turned off
"EMI noises"	electromagnetic interference noises, which refers to unwanted electrical signals that disrupt the normal operation of electronic circuits and devices

"epitaxial"	a process of growing a thin, crystalline layer on top of a substrate, where the new layer's crystal structure is aligned with the substrate's structure
"ESD"	electrostatic-sensitive device, the component which can be damaged by common static charges which build up on people, tools, and other non-conductors or semiconductors
"EV"	electric vehicle
"Figure of Merit" or "FOM"	a quantitative measure used to evaluate and compare the performance of a device, system, or method. It's a metric that helps assess performance relative to its alternatives
"foundry"	a specialized factory, also known as a fabrication plant (fab), that manufactures ICs
"GaN"	gallium nitride, which is typically found in the onboard charger (OBC), which converts AC power from the grid into DC that can charge the battery
"gate charge" or "Qg"	the amount of electrical charge that must be supplied to the gate of a power MOSFET or IGBT to switch it on and off
"GPIO"	general purpose input/output, referring to programmable digital pins on electronic components that can be configured as either inputs or outputs, allowing for flexible communication with various sensors, actuators, and other devices within a vehicle
"IC(s)"	integrated circuit(s)
"IFPM"	Interface PMIC
"IGBT(s)"	insulated-gate bipolar transistor(s), which are semiconductors mainly used as switching devices to allow or stop power flow and allowing for efficient control of the electric motor's speed and torque by rapidly turning the current on and off
"ISO"	the International Organization for Standardization, a worldwide federation of national standards bodies
"ISO27001"	a globally recognized standard for information security management systems (ISMS)
"ISO 9001"	a globally recognized standard for quality management. It helps organizations of all sizes and sectors to improve their performance, meet customer expectations and demonstrate their commitment to quality. Its requirements define how to establish, implement, maintain, and continually improve a quality management system (QMS)

"IDM"	integrated device manufacture, referring to a company/entity that handles all stages of semiconductor production, from design to manufacturing and packaging/testing
"Interfaced IC(s)"	interface integrated circuit(s), designed to facilitate the integration of diverse systems, such as sensors, displays, control modules, and communication networks, to ensure the efficient operation of automotive applications
"LCD"	liquid crystal displays, referring to flat-panel displays that utilize liquid crystals to modulate light and are used in various in-car systems like instrument clusters, infotainment systems, and rear-seat entertainment
"LDO"	low dropout regulators, referring to provide a stable voltage to various electronic systems within a vehicle and are used to convert the fluctuating voltage from the car battery into a steady, lower voltage required by sensitive electronic components
"LED"	a light-emitting diode, a semiconductor device that emits light when current flows through it
"MCU"	microcontroller unit, small computers on a single IC containing a processor core, memory and programmable input and output
"MOS"	metal oxide semiconductor
"MOSFET"	Metal-Oxide-Semiconductor Field-Effect Transistors, which are used in automobile applications to optimize weight and size factors, to simplify systems without penalizing convenience or safety, and to improve electrical energy efficiency
"NAND"	referring to NAND flash memory, a type of non-volatile storage technology used in various automotive applications and is chosen for its ability to store various types of data even when the vehicle is turned off
"N-type"	a type of semiconductor where electrons are the primary charge carriers
"OLED"	organic light-emitting diode, which is a light-emitting technology used to create thin, efficient and flexible displays and lighting panels

GLOSSARY

"ON-resistance" or "$R_{DS(ON)}$"	the resistance value between the drain and source of a MOSFET during operation (ON). It is measured by evaluating the voltage drop from drain to source under specific conditions. The smaller this value is, the lower the power loss
"OVP"	over voltage protection
"OSAT"	outsourced semiconductor assembly and test, referring to companies that specialize in packaging, assembling, and testing semiconductor components used in vehicles
"PDU"	power distribution unit, which acts as a central hub for distributing electrical vehicles (EVs) and as a central hub for distributing electrical power from the high-voltage battery and other sources to various vehicles systems, while also protecting against overcurrent and short circuits
"PLC(s)"	programmable logic controller(s), which are specialized computers that replace traditional electromechanical relays and timers to control industrial operations and machinery
"PMIC(s)"	power management integrated circuit(s)
"P-type"	a type of semiconductor material that has been doped with impurities to create a surplus of positively charged "holes"
"P-Well"	in an N-type doped semiconductor substrate, a p-well is a localized section of substrate that has been doped with P-type atoms or molecules, making that portion of the semiconductor P-type
"RGB display control"	a full-color display system using red, green, and blue (RGB) light-emitting diodes (LEDs) or other light sources to create a broad spectrum of colors
"Shielded Gate Trench" or "SGT"	a specific type of MOSFET design that improves performance by incorporating a shielding electrode within the trench structure
"SoC"	a System-on-a-Chip, an integrated circuit that combines most or all key components of a computer or electronic system onto a single microchip
"Super-Junction" or "SJ"	a specific structure used in power MOSFETs that allows for significantly lower ON-resistance while maintaining high breakdown voltage
"USB"	universal serial bus

GLOSSARY

"USB VBUS line"	the power line within a USB connect that delivers 5V DC power from the vehicle's power system to a connected device, like a smartphone or other portable electronics, mainly for charging devices and potentially for data transfer
"SiC"	silicon carbide, a semiconductor material used in electric vehicles (EVs) and other power electronics
"SOA"	safe operating area, referring to the defined range of voltage, current, and temperature within which a battery or other electrical component can operate without sustaining damage or causing a safety hazard
"T-CON"	timing controller, which receives image data and converts the format for the source drivers' input and also generates controlling signals for gate and source drivers
"wafer"	a thin and round sheet made by slicing a monocrystalline ingot obtained by growing silicon (Si), gallium arsenide (GaAs), and other materials, which is the key material used to create semiconductor integrated circuits

FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. All statements other than statements of historical facts contained in this document, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- general political and economic conditions, including those related to the jurisdictions where we operate;
- our business prospects and our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our capital expenditure plans;
- the actions and developments of our competitors;
- our financial condition and performance;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the jurisdictions where we operate and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the jurisdictions, the industry and markets in which we operate;
- various business opportunities that we may pursue; and
- capital market developments, changes in the global economic conditions and material volatility in the global financial markets.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors" and elsewhere in this document. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set out in this section.

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

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our results of operations are affected by seasonal fluctuations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RISKS RELATING TO THE [REDACTED]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

You should read this document carefully and should not rely on any information regarding us or the [**REDACTED**] contained in press articles or other media. We have not authorized the disclosure of any information in the press or media and do not accept any responsibility for the accuracy or completeness of any such information. To the extent that any such information is inconsistent with, or conflicts with, the information contained in this document, you should not rely on it.

For the purpose of the [**REDACTED**], we have sought the following waivers from the Stock Exchange in relation to certain requirements from the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This normally means that at least two of the executive Directors must be ordinarily resident in Hong Kong. Given that we are headquartered in the PRC with our principal business operation principally located, managed and conducted in the PRC and South Korea and all of our executive Directors are not ordinarily resident in Hong Kong, it would be practically difficult and commercially unfeasible for us to either relocate two of our executive Directors to Hong Kong or to appoint two additional executive Directors who are ordinarily resident in Hong Kong in order to comply with the requirements under Rules 8.12 and 19A.15 of the Listing Rules. Accordingly, our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules on the following conditions:

- our Company has appointed two authorized representatives (the "**Authorized Representatives**") pursuant to Rule 3.05 of the Listing Rules, namely, Dr. Ren, our chairman and an executive Director and Dr. Su, one of our joint company secretaries, who will act as our Company's principal channel of communication with the Stock Exchange. Each of the Authorized Representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone and email. Each of the Authorized Representatives is authorized by our Board to communicate on behalf of our Company with the Stock Exchange. Our Company has filed an application to register as a non-Hong Kong company under Part 16 of the Companies Ordinance, and Mr. Wong Chun Wing Samuel (黃俊穎) has been authorized to accept service of legal process and notice in Hong Kong on behalf of our Company;

- each of the Authorized Representatives has means to contact all members of our Board (including the independent non-executive Directors) and our senior management team promptly at all times as and when the Stock Exchange wishes to contact them or any of them for any matters. To enhance the communication between the Stock Exchange, the Authorized Representatives and our Directors, our Company will implement a number of policies whereby (i) each Director shall provide his/her mobile phone numbers, office phone numbers and email addresses to the Authorized Representatives; (ii) in the event that such Director expects to travel and be out of office, he/she shall provide the phone number of the place of his/her accommodation or other contact methods to the Authorized Representatives; and (iii) all our Directors and the Authorized Representatives will provide their respective mobile phone numbers, office phone numbers and email addresses to the Stock Exchange. We shall promptly inform the Stock Exchange of any changes to the contact details of the Authorized Representatives and our Directors;

- Quam Capital Limited has been appointed as our Company's compliance adviser, pursuant to Rule 3A.19 of the Listing Rules, to provide our Company with professional advice on continuing obligations under the Listing Rules, and to act at all times, in addition to the Authorized Representatives, as our Company's additional channel of communication with the Stock Exchange for the period commencing on the [**REDACTED**] and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules and publishes its annual report in respect of its first full financial year commencing after the [**REDACTED**]. The contact person of the compliance adviser will be fully available to answer enquiries from the Stock Exchange;

- each of our Directors (including independent non-executive Directors) who is not ordinarily resident in Hong Kong has confirmed that he/she possesses or can apply for valid travel documents to visit Hong Kong and would be able to meet with the Stock Exchange in Hong Kong upon reasonable notice; and

- our Company will also appoint other professional advisers (including our legal advisers in Hong Kong) after the [**REDACTED**] to assist our Company in addressing any enquiries which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange.

EQUITY INTEREST ACQUIRED AFTER THE TRACK RECORD PERIOD

Listing Rules Requirements

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, a new listing applicant is required to include in its Accountant's Report in the listing document the results and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited financial statements of the listing applicant have been made up in respect of each of the three financial years immediately preceding the issue of the listing document, or since the incorporation of such subsidiary or the commencement of such business if this occurred less than three years prior to such issue, or such shorter period as may be acceptable to the Stock Exchange.

Pursuant to Note 4 to Rule 4.04 of the Listing Rules, the Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) on a case-by-case basis, having regard to all relevant facts and circumstances and subject to certain conditions set out thereunder.

Details of the Transaction

On June 15, 2026, SMI entered into a share purchase agreement with L&S Global Semiconductor Growth Fund ("**L&S Global**"), pursuant to which, L&S Global agreed to sell and SMI agreed to purchase 209,525 registered redeemable convertible preference shares in the issued share capital of ONE Semiconductor Corp. ("**ONE Semi**") (representing approximately 6.1% of the total issued share capital of ONE Semi) for the consideration of KRW9,428,625,000 (equivalent to approximately US$6.2 million) (the "**ONE Semi Investment**"). The ONE Semi Investment was completed on June 16, 2026. ONE Semi is a South Korean fabless semiconductor company that designs high-speed interface chips for DRAM modules. To the best knowledge, information and belief of our Directors, L&S Global and ONE Semi and their respective ultimate beneficial owners are Independent Third Parties.

Benefits of the ONE Semi Investment

The ONE Semi Investment presents a unique opportunity for us to enjoy the rapid demand growth in RCD market for DRAM modules, which may provide investment return to our Company. Furthermore, the ONE Semi Investment positions us for a closer collaboration with ONE Semi, creating valuable synergies with SMI's development of PMIC for memory modules, which aligns well with the rising market demand for suppliers who can provide complete, integrated solution packages.

Our Directors considered that the ONE Semi Investment is on normal commercial terms, fair and reasonable and in the interest of our Company and our Shareholders as a whole.

Application for Waiver

We have applied to the Stock Exchange for, and the Stock Exchange [has granted] a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules in respect of the ONE Semi Investment on the following grounds:

i. Immateriality — Under Rule 14.04(9) of the Listing Rules, all the applicable percentage ratios in relation to the ONE Semi Investment are below 5% by reference to the most recent audited financial year of the Track Record Period. We consider the ONE Semi Investment to be immaterial in the context of our Company's operations as a whole and therefore a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules will not affect potential [**REDACTED**]' assessment of our business and future prospects when considering an [**REDACTED**] in our Company.

ii. Minority interests and absence of control — following completion of the ONE Semi Investment, we are interested in 6.1% of ONE Semi's total issued shares. Therefore, we do not have control over ONE Semi, and will not be involved in its daily management. As a result, ONE Semi will not be treated as our subsidiary and its financial results will not be consolidated into our Group's financial results.

iii. Impracticality and undue burden — Since we do not have control over ONE Semi, we are unable to provide our reporting accountant with full access to the financial record of ONE Semi in order to gather and compile the necessary financial information and supporting documents to prepare the financial information of ONE Semi in strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules. As such, it would be impracticable and unduly burdensome for us to disclose the financial information of ONE Semi in the document in strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules.

[**REDACTED**]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Residential address	Nationality
Executive Directors		
Dr. Ren Yuancheng (任遠程)	No. 6-2, Hushu Jiayuan Gongshu District Hangzhou, Zhejiang Province PRC	Chinese
Dr. Huh Youm	1-dong, 401-ho 17 Apgujeong-ro 11-gil Gangnam-gu Seoul Metropolitan Republic of Korea	South Korean
Non-executive Directors		
Mr. Zhang Shuai (張帥)	802, Unit 6, Block 6 Yuanliu Qingyuan Residential Community, Haidian District, Beijing PRC	Chinese
Mr. Xie Li (謝力)	Room 30-1, Building 30 Guanzhi Court, Xixi Fengqing Garden Yuhang District Hangzhou, Zhejiang Province PRC	Chinese
Independent Non-executive Directors		
Mr. Tong Wan Sze (湯雲斯)	Flat G, 48/F Block 6 833 Lai Chi Kok Road, Liberte Cheung Sha Wan Hong Kong	Chinese
Prof. Wang Han (汪涵)	Flat B, 15/F Block 1, Tam Towers 25 Sha Wan Drive Pok Fu Lam Hong Kong	Chinese
Ms. Ho Yip Betty (何曄)	11/F, Flat F, Block 5 Manhattan Hill Kowloon Hong Kong	Chinese

SUPERVISOR

Name	Residential address	Nationality
Ms. Sun Junping (孫君萍)	Room 102, Unit 3, Building 13 Platinum Coast Garden Binjiang District Hangzhou City, Zhejiang Province PRC	Chinese

Please see "Directors, Supervisor and Senior Management" in this document for further details.

Sole Sponsor, [REDACTED]

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Hong Kong

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

Legal Advisers to our Company

As to Hong Kong law
Jia Yuan Law Office
Suites 3502–3503, 35/F
Tower 1, Exchange Square
8 Connaught Place, Central
Hong Kong

As to PRC law
Jia Yuan Law Offices
32 F, Building S1, The Bund Finance Center
No. 600, Zhongshan No. 2 Road (E)
Huangpu District, Shanghai 200010
PRC

As to South Korean law
Bae, Kim & Lee LLC
26 Ujeongguk-ro
Jongno-gu, Seoul 03161
South Korea

As to export control and sanctions laws
Stephen Peepels, Esq.
51 Tung Street, 1st Floor
Meehan House
Sheung Wan
Hong Kong

Legal Advisers to the Sole Sponsor and the [REDACTED]	*As to Hong Kong law* **Haiwen & Partners LLP** Suites 1101-1104 11/F, One Exchange Square 8 Connaught Place Central Hong Kong *As to PRC law* **Haiwen & Partners** 20/F, Fortune Financial Center 5 Dong San Huan Central Road Chaoyang District, Beijing PRC
Auditor and Reporting Accountant	**PricewaterhouseCoopers** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 22/F, Prince's Building Central Hong Kong
Industry Consultant	**Frost & Sullivan** 2504 Wheelock Square 1717 West Nanjing Road Shanghai PRC
Transfer Pricing Consultants	**Lixin Certified Tax Agents (Zhejiang) Co., Ltd.** 29/F, Tower A Baida Xizi International Center East Qingchun Road Jianggan District Hangzhou City, Zhejiang Province PRC **Yulchon LLC** 38/F, Parnas Tower 521 Teheran-ro Gangnam-gu, Seoul 06164 South Korea **PricewaterhouseCoopers Consultants (Shenzhen) Limited Hangzhou Branch** Room B, 1301, Building 2 The Mixc 1366 Qianjiang Road Sijiqing Street Shangcheng District Hangzhou, Zhejiang Province PRC
	[**REDACTED**]

CORPORATE INFORMATION

Registered Office and Headquarters in the PRC	1-608, 6 Lianhui Street Xixing Subdistrict, Binjiang District Hangzhou, Zhejiang Province PRC
Principal place of business in Hong Kong	31 Tower Two, Times Square 1 Matheson Street Causeway Bay Hong Kong
Company's website	**www.silicon-magic.com** *(information contained in this website does not form part of this document)*
Joint Company Secretaries	Dr. Su Hui-Lun (蘇慧倫) 1514, Block B 167 Shixin North Road Xiaoshan District Hangzhou, Zhejiang Province PRC Mr. Wong Chun Wing Samuel (黃俊穎) *(ACG and HKACG)* 31 Tower Two, Times Square 1 Matheson Street Causeway Bay Hong Kong
Authorized Representatives	Dr. Ren Yuancheng (任遠程) No. 6-2, Hushu Jiayuan Gongshu District Hangzhou, Zhejiang Province PRC Dr. Su Hui-Lun (蘇慧倫) 1514, Block B 167 Shixin North Road Xiaoshan District Hangzhou, Zhejiang Province PRC
Audit Committee	Mr. Tong Wan Sze (湯雲斯) *(Chairperson)* Prof. Wang Han (汪涵) Ms. Ho Yip Betty (何曄)
Remuneration and Appraisal Committee	Ms. Ho Yip Betty (何曄) *(Chairperson)* Mr. Tong Wan Sze (湯雲斯) Prof. Wang Han (汪涵)
Nomination Committee	Dr. Ren Yuancheng (任遠程) *(Chairperson)* Prof. Wang Han (汪涵) Mr. Tong Wan Sze (湯雲斯) Ms. Ho Yip Betty (何曄)

Compliance adviser	**Quam Capital Limited** 5/F and 24/F (Rooms 2401 and 2412) Wing On Centre, 111 Connaught Road Central Hong Kong

[**REDACTED**]

Principal bank	**China Merchants Bank Hangzhou Branch** No. 300 Fu Chun Road, Shang Cheng District Hangzhou, Zhejiang Province PRC

The information and statistics presented in this section and other sections of this document, unless otherwise indicated, were extracted from different official government publications and other publications, and from the industry report prepared by Frost & Sullivan, an independent market research and consulting company that was commissioned by us, in connection with this [**REDACTED**]. *We believe that the sources of such information and statistics are appropriate and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information and statistics false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, the* [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**]*, any of their respective directors and advisers, or any other persons or parties involved in the* [**REDACTED**]*, and no representation is given as to its accuracy.*

SOURCES OF INFORMATION AND RESEARCH METHODOLOGY

We engaged Frost & Sullivan for preparing an independent industry report in respect of the [**REDACTED**]. The information from Frost & Sullivan disclosed in the document is extracted from the Frost & Sullivan Report, a report commissioned by us for a fee of RMB580,000, and is disclosed with the consent of Frost & Sullivan. The Frost & Sullivan Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York. Its services include, among others, industry consulting, market strategic consulting and corporate training. Frost & Sullivan conducted (i) primary research, which involved discussing the status of the industry with certain leading industry participants, and interviews with industry experts on a best-effort basis to collect information in aiding in-depth analysis; and (ii) secondary research, which involved reviewing government statistics, industry association publication, company reports, independent research reports and data based on its own research database. Our Directors confirm that, to the best of their knowledge, after making reasonable inquiries, there is no material and adverse change in the market information since the date of the Frost & Sullivan Report which may qualify, contradict or have an impact on the information in this section.

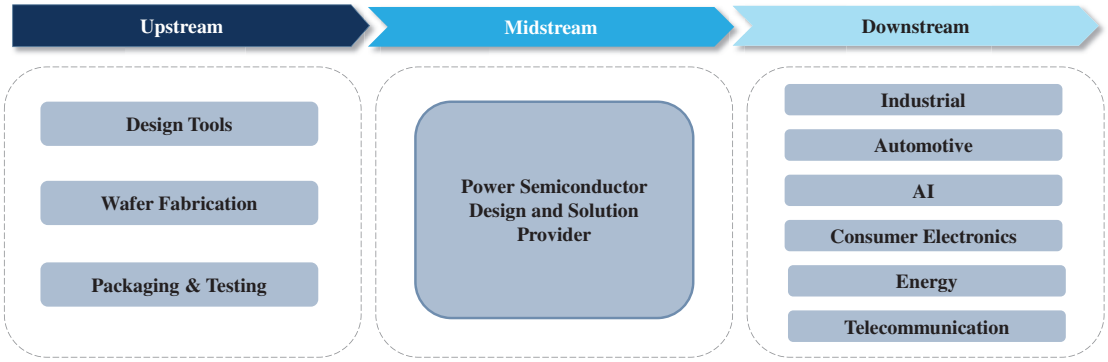
POWER SEMICONDUCTOR INDUSTRY OVERVIEW

Definition of Power Semiconductor

Power semiconductors are electrical components designed to control and manage the flow of electrical power in devices and systems. Power semiconductors are categorized into power devices and integrated solutions like power integrated circuits. Power devices are broadly classified into discrete power devices and power modules. Power modules are pre-assembled packages that combine multiple discrete power components. Discrete power devices include transistors (act as electronic switches or amplifiers), diode (for rectification), thyristors (for high-power switching) and others. Among thyristors, MOSFETs (Metal-Oxide-Semiconductor Field-Effect Transistors), and IGBTs (Insulated Gate Bipolar Transistors) are individual components designed for specific power control tasks: MOSFETs support high-speed switching in low-to-medium voltage ranges (with SiC MOSFETs and other new materials extending applicability to higher voltages) and IGBTs handle high-voltage, high-current applications. PMICs, also known as Power Management ICs, combine multiple power and control functions into a single chip to improve energy efficiency and reduce system size in complex electronic designs.

Power semiconductors are widely used in applications such as consumer electronics, industrial application and automotive. As more devices and systems go electric, the role of power semiconductors is becoming more important. These components minimize energy waste and optimize performance in automotive, renewable energy infrastructure and industrial equipment, supporting smarter, more efficient and reliable solutions for modern electrification needs.

Power Semiconductor Industry Value Chain Analysis



Source: Public Information, Frost & Sullivan Report

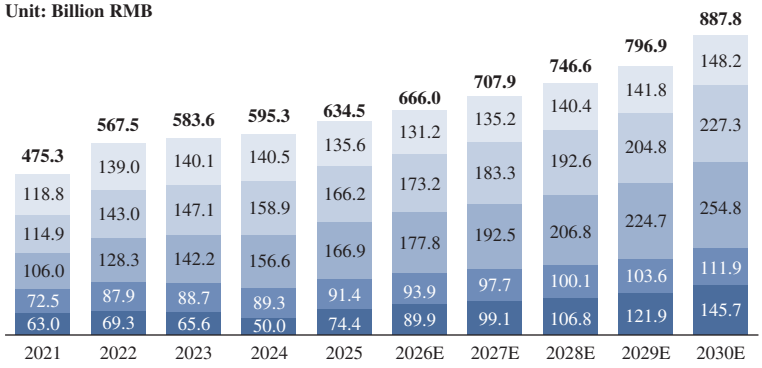
The power semiconductor industry operates along a multi-stage value chain spanning upstream inputs, midstream design and solution development, and downstream applications. Upstream activities include design tools, wafer fabrication, and packaging and testing, which support circuit design, device manufacturing and product qualification. Midstream, power semiconductor design companies and solution providers integrate core technologies and tailor products to application-specific requirements such as voltage, switching speed and thermal performance. Downstream, power semiconductor products are deployed across consumer electronics, automotive, industrial automation, telecommunications and renewable energy sectors, where expanding electrification and digitalization increase the importance of coordinated value-chain execution.

Market Size of Global Power Semiconductor Market

The global power semiconductor market has demonstrated strong resilience and steady growth in recent years, expanding from RMB475.3 billion in 2021 to RMB634.5 billion in 2025, supported by robust demand across multiple end-use sectors despite macroeconomic challenges. Consumer electronics, industrial applications and automotive together account for over 70% of downstream demand. Looking ahead, the market is projected to grow at a CAGR of 6.9% to reach RMB887.8 billion by 2030, with the automotive sector expected to become the largest contributor, reaching RMB227.3 billion at a CAGR of 8.8%, driven primarily by the rapid growth of new energy vehicles. In addition, emerging applications such as AI servers and industrial and service robotics are expected to serve as important growth drivers over the next five years.

Global Power Semiconductor Market Size, by application, 2021-2030E

CAGR	2021-2025	2025-2030E
Consumer Electronics	3.4%	1.8%
Industrial Applications	9.7%	6.5%
Automotive	12.0%	8.8%
Telecommunications	6.0%	4.1%
Others	4.2%	14.4%
Total	**7.5%**	**6.9%**



Source: Expert Interview, Yole, Frost & Sullivan Report

Business Models of Power Semiconductor Companies

Model	Fabless	Virtual IDM	IDM
Model Features	Focus solely on chip design and sales, outsourcing fabrication, packaging and testing.	Combines in-house chip design with partial ownership and co-development of proprietary process technologies via foundry partnerships.	Integrates the entire value chain – from chip design and manufacturing to packaging and testing.
Strengths	• Lean operations with low capital requirements; • Highly scalable and flexible business model.	• Combines the flexibility of fabless with partial process control; • Faster iteration and stronger foundry collaboration.	• Strong coordination across R&D and manufacturing; • Full customization.
Challenges	• Heavily reliant on external foundries and OSATs; • Lack process control and customization.	Relies heavily on close coordination with foundries.	Large scale and complex operations lead to high capital investment and longer return cycles.

Source: Public Information, CSIA, Frost & Sullivan

There are three key traditional business models dominating the power semiconductor industry: the IDM (Integrated Device Manufacturer), the fabless model, and the virtual IDM approach. IDM companies complete the entire value chain internally — from chip design to wafer fabrication, packaging, and testing — ensuring coordination between production and R&D, stable production capacity and effective development cycle. This model is typically favored by large, established players with significant capital investment, and is well-suited for mature, high-volume products. However, it requires heavy upfront investment in production facilities, along with the ongoing burden of managing manufacturing operations, equipment maintenance, and supply logistics, making it capital- and resource-intensive with limited flexibility.

In contrast, the fabless model concentrates on design and innovation, outsourcing the manufacturing and packaging to foundries and OSAT (Outsourced Semiconductor Assembly and Test) providers. With no need to build or maintain fabrication lines, fabless companies benefit from low upfront capital investment and a leaner cost structure. This allows fabless companies to allocate more resources to R&D and to respond more flexibly to changes in market demand or customer requirements, which is advantageous for smaller or newer firms aiming to scale quickly. However, fabless companies often face challenges in supply assurance, lead time management, process control and customization due to their limited control over manufacturing.

Bridging these two approaches, the virtual IDM model represents an intermediate approach between the fabless model and the traditional IDM model and has become an increasingly prevalent industry trend, with many market participants converging toward this hybrid structure from both ends. Under this model, companies retain in-house design and R&D capabilities while partnering with foundries and OSAT providers for wafer fabrication and packaging. Different implementation paths exist, and Our Company's "virtual IDM model with investment in fabrication" represents one such approach. By closely collaborating with foundry partners on manufacturing processes and developing proprietary process platforms tailored to specific product designs, the virtual IDM model combines the flexibility of the fabless model with a degree of process control.

Market Drivers & Trends of Power Semiconductor Industry

- ***Resilient Power Semiconductor Demand from Traditional Sectors***

Traditional application areas such as consumer electronics, industrial automation, and automotive continue to provide a reliable base for the power semiconductor market. Power devices like MOSFETs and IGBTs are critical for energy-efficient power conversion in smartphones and home appliances. PMICs are also widely used in these consumer electronics to manage battery charging, voltage regulation and system power distribution. Meanwhile, in industrial automation, the increasing adoption of motor drivers, programmable logic controllers (PLCs), and power management systems ensures consistent consumption of mid to high-voltage power semiconductors. As for automotive, global vehicle sales remained strong in 2024, providing stable demand for power semiconductors. The rapid shift toward electrification continues to be a key growth driver, with global new energy vehicle (NEV) sales exceeding 17 million units and penetration reaching over 20%.

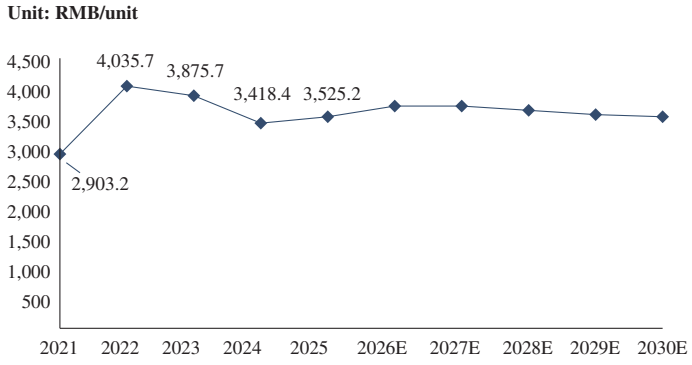
- ***Emerging Momentum from AI Infrastructure and Robotics***

Data center power demand and emerging industrial robotics are driving a new growth wave for power semiconductors. The global AI data center market is projected to expand from RMB101.8 billion in 2024 to RMB1,119.9 billion by 2034, implying a CAGR of 27.1%, as AI workloads require high-efficiency, high-density power management solutions. At the same time, emerging applications such as humanoid robotics and eVTOLs are increasing demand for compact, responsive power devices, encouraging further advances in integration, efficiency and thermal performance.

Cost Analysis of Power Semiconductors

The cost structure of power semiconductors is dominated by wafer fabrication (60-70% of total costs) and packaging & testing (30-40%).

Price of 8-inch Silicon Wafer (2021-2030E)



Source: SEMI, Frost & Sullivan Report

The Group's product prices are influenced by cost structure and market demand, with raw material costs being one of the key factors. The Group's major power semiconductor products are primarily manufactured on 8-inch silicon wafers, which represent the mainstream substrate in the industry. From 2020 to 2022, prices of 8-inch silicon wafers increased sharply due to pandemic-driven demand surges and broader supply chain disruptions, alongside limited foundry capacity. This industry-wide upward trend led to corresponding increases in the Group's product selling prices during the same period. Since 2023, wafer prices have been on a gradual downward trajectory as the impact of the pandemic subsided and the supply chain gradually returned to balance. The selling prices of the Group's major products showed a very slight decline in 2023 and 2024,

reflecting a more stable supply-demand environment. Looking ahead, silicon wafer prices are expected to see a moderate recovery in the short term, supported by tightening 8-inch wafer supply and improving demand fundamentals, before gradually normalizing with periodic fluctuations driven by market supply and demand conditions.

OVERVIEW OF THE GLOBAL PMIC MARKET

Definition and Classification of PMIC

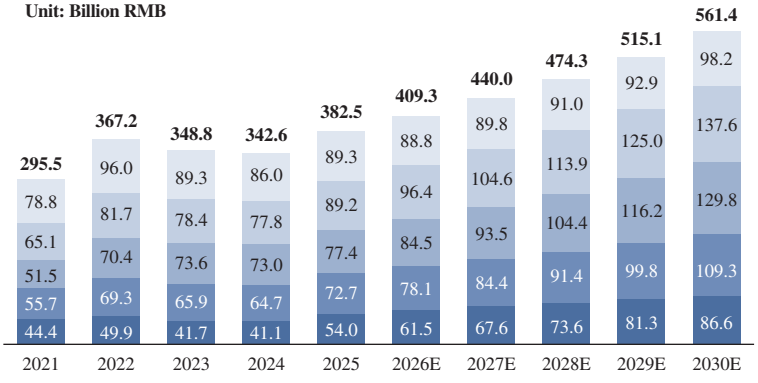
PMIC is a type of power semiconductor designed to regulate and control the interaction between the battery and various system components. It is responsible for the conversion, distribution, detection and monitoring of electric energy. To optimize device performance, PMICs regulate voltage and current across diverse components, with designs tailored to varying power requirements within and across electronic devices. There are various types of PMICs including battery management products, switching regulators, interface and protection products, display LED backlight products, PMIC for LCD/OLED, PMIC for SoC, interface PMIC and others.

Market Size of Global PMIC Industry

The global PMIC market grew from RMB295.5 billion in 2021 to RMB382.5 billion in 2025. Driven by sustained demand growth in downstream sectors such as consumer electronics, automotive electronics, and industrial applications, the global market is expected to continue expanding from 2025 to 2030, with a CAGR of 8.0% and a market size reaching RMB561.4 billion by 2030. In downstream industry, consumer electronics remain the largest downstream application segment, accounting for 23.3% of the market in 2025, yet the sustained demand for low-power and highly integrated chips in end devices continues to drive steady development. The automotive sector shows the fastest growth, with a CAGR of 10.7% from 2021 to 2025. Driven by the rising penetration of new energy vehicles and increasing demand for intelligent driving, the automotive PMIC market is expected to reach RMB129.8 billion by 2030, with a CAGR of 10.9% from 2025 to 2030. Driven by demand from 5G terminals and infrastructure, the telecommunications sector is expected to reach RMB109.3 billion by 2030.

Global PMIC Market Size, by application, 2021-2030E

CAGR	2021-2025	2025-2030E
Consumer Electronics	3.2%	1.9%
Industrial Applications	8.2%	9.1%
Automotive	10.7%	10.9%
Telecommunications	6.9%	8.5%
Others	5.0%	9.9%
Total	**6.7%**	**8.0%**



Source: WSTS, Expert Interview, Frost & Sullivan

Introduction to Global Smartphone PMIC Industry

Smartphone PMICs are responsible for power distribution, voltage regulation, charging control, battery protection, and fast-charging management, ensuring stable and efficient power delivery. They typically feature high integration and low power consumption, supporting power supply for processors, RF modules, and other functional units. The global smartphone market faced dual pressures of inventory clearance and weakening end-user demand. Although global smartphone shipments declined from 1.35 billion units in 2021 to 1.25 billion units in 2025, the market has shown signs of recovery driven by the integration of edge AI into smartphones, a wave of device upgrades in emerging markets, and a trend toward premiumization. With the rise of multi-chip integration, fast charging, and advanced power efficiency management, the complexity and specifications of PMICs in flagship devices are increasing, driving further value growth in the high-end segment. While the overall growth of smartphone shipments remains modest, the increasing proportion of flagship models combined with the higher unit PMIC value drive sustained growth in the smartphone PMIC market.

Market Size of Global Smartphone PMIC Industry, by Sale Revenue

Due to weakened consumer spending in the post-pandemic era and lower-than-expected 5G impact, the market size declined from RMB21.2 billion in 2021 to RMB19.6 billion in 2022. Despite continued weakness in the non-flagship smartphone segment, the growing market acceptance of foldable phones and the increasing penetration of flagship models drove a steady recovery in the smartphone PMIC market from 2023 to 2025. The market had expanded to RMB21.7 billion by 2025, with a CAGR of 0.6% from 2021 to 2025. Driven by the growing demand for multi-channel power management in advanced chip platforms, the increasing adoption of high-resolution displays, fast-charging technologies, and 5G communication modules, the global smartphone PMIC industry will continue to flourish. It is expected to steadily grow, reaching RMB22.8 billion by 2030, with a CAGR of 1.0%.

Market Drivers and Trends of Smartphone PMIC Industry

- ***Upgraded Demand for PMIC Driven by Diversified Smartphone Functions***

As smartphones continue to evolve with high-resolution imaging systems, high-refresh-rate displays, 5G modules, and high-performance processors becoming standard, these modules increase power system complexity and transient power fluctuations. As functions become more intelligent and diversified, PMICs are evolving toward higher integration and improved dynamic response capabilities.

- ***Demand for Low-Power Technologies***

In the smartphone industry, extending battery endurance requires reducing component power consumption. PMIC design companies improve power conversion efficiency and minimize energy loss, enabling more efficient energy use and longer battery life.

Introduction to Global Display PMIC Industry

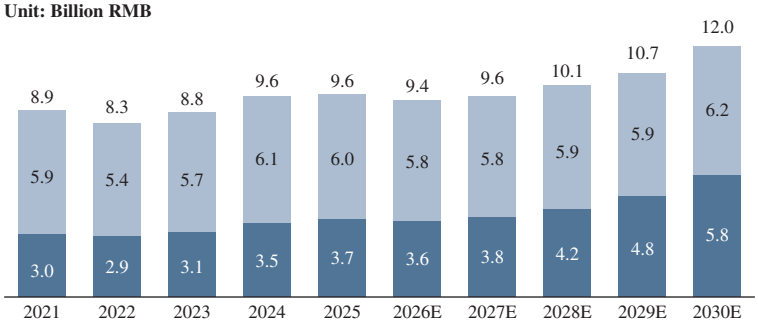
Display panels convert electrical signals into visible images by utilizing the photoelectric properties of LCD or OLED. Currently, LCD panels dominate over 90% of global display panel production and are widely used in TV, monitor, notebook, smartphones, wearable devices etc. and others. Display PMICs are primarily responsible for managing power rails required by various components of display panels, including source drivers, gate drivers, timing controllers, and backlight modules, etc. and others. These chips ensure precise voltage regulation, sequencing, and stable operation across diverse panel technologies such as LCD, OLED, and Mini LED. Display PMICs are designed to support high channel counts, low noise, and fine voltage step control, while maintaining high integration to reduce board space. They enable efficient power delivery tailored to high refresh rates, variable brightness levels, and evolving panel form factors, meeting the stringent demands of display systems.

Market Size of Global Display PMIC Industry, by Sale Revenue

Driven by the gradual recovery of end-market demand, global panel manufacturers initiated restocking cycles, which led to the stabilization and rebound of panel prices. As a result, the global display PMIC market size increased from RMB8.9 billion in 2021 to RMB9.6 billion in 2025. With continuous technological advancements in display panel technologies, the PMIC industry is undergoing an overall technical upgrade. The increasing penetration of cutting-edge display technologies such as OLED and Mini LED has raised the complexity of voltage management, placing higher demands on multi-channel output, precision control, and low-noise performance of PMICs. Rising demand from panel manufacturers for customized PMIC solutions has driven growth in the proportion of high-end products. The global display PMIC market will expand to RMB12.0 billion by 2030. Driven by improvements in OLED production yields, and the pursuit of higher display quality such as thinner form factors, deeper contrast, and faster response times, the adoption of OLED screens in laptops, tablets, TVs, and monitors is expected to steadily increase. The global OLED display PMIC market will expand to RMB5.8 billion by 2030.

Global Display PMIC Market Size, 2021-2030E

CAGR	2021-2025	2025-2030E
LCD Display PMIC	0.4%	0.9%
OLED Display PMIC	5.1%	9.7%
Total	2.1%	4.6%



Source: Canalys, Expert Interview, Frost & Sullivan Report

Market Drivers and Trends of Display PMIC Industry

- ***Growth of Smart Wearable Devices***

In recent years, the expansion of wearable devices such as smartwatches, smart glasses, and AR/VR products has driven demand for small, high-resolution displays, requiring display PMICs to deliver high integration, low power consumption, and multi-channel power output to accommodate various packaging formats and form factors of end devices.

- ***Customization Demands from Panel Manufacturers***

To enhance system efficiency and terminal performance, panel manufacturers are collaborating with PMIC suppliers to develop customized PMICs tailored to their driving logic and voltage configurations. The customization trend not only increases the added value of PMICs but also strengthens supplier-manufacturer ties.

- ***Impact of Display Technology Evolution on PMICs***

As display technologies evolve from traditional LCDs to OLED, Mini LED, and even Micro LED, changes in driving logic, voltage requirements, and power delivery strategies place new demands on PMICs in terms of control accuracy, response speed, integration, and thermal management. OLED displays are highly sensitive to voltage fluctuations, requiring PMICs with

exceptional voltage regulation accuracy. Mini LED displays, due to their backlight partitioning, challenge PMICs with increased channel count and current control capabilities. The ongoing advancement in display technologies will continue to drive PMIC innovations and product diversification.

MOSFET INDUSTRY OVERVIEW

Definition and Classification of MOSFET

A MOSFET (Metal-Oxide-Semiconductor Field-Effect-Transistor) is a power semiconductor device used to amplify or switch electronic signals, with structural variations tailored to specific voltage and performance demands.

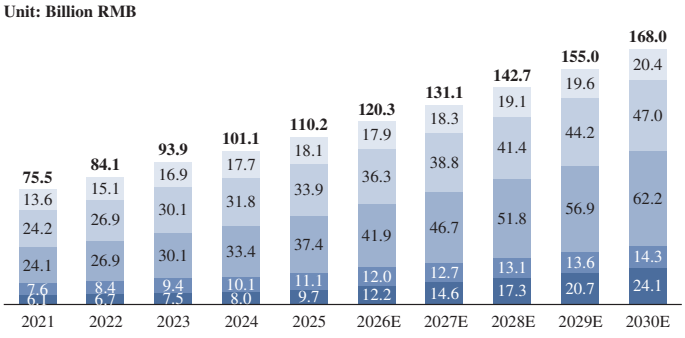
MOSFETs can be broadly classified into three structural families, each optimized for different voltage and performance requirements. Planar MOSFETs, suitable for voltages up to ~60V for silicon and 650V or higher for SiC MOSFETs, offer good turn-on voltage and switching speed at low cost, making them idea for converters and EV traction systems (SiC). Trench MOSFETs extend this concept into the mid-voltage domain (up to ~300V). A special version, Shielded Gate Trench (SGT) MOSFETs add an internal gate shield electrode to further reduce conduction losses, and achieve very fast switching and high current capability. At higher voltages (400V and beyond), Super-Junction (SJ) MOSFETs use altering layers of opposite charges to balance voltage blocking with low losses, making them popular for heavy-duty power conversion use cases such as solar inverters and power supplies.

Market Size of Global MOSFET Market

The global MOSFET market has grown steadily, registering an 9.9% CAGR from RMB75.5 billion in 2021 to RMB110.2 billion in 2025. The surging demand for fast-switching transistors across multiple domains, including high-efficiency power supplies in consumer electronics, precision motor drives in industrial automation, and expanding power stages in new energy vehicles and data center systems, is fueling this robust industry expansion. Following this strong run, it is expected a continued growth pace of 8.8% CAGR from 2025 to 2030, lifting the market to RMB168.0 billion by 2030. Among downstream industries, automotive lead the way, growing at 11.6% CAGR through 2025 and remaining robust at 10.7% into 2030, bolstered by rising NEV adoption and higher fast-chargers demand. The other emerging fields including AI servers accelerates most sharply post-2025 at an 20.0% CAGR, highlighting new avenues for MOSFET adoption.

Global MOSFET Market Size, by application, 2021-2030E

CAGR	2021-2025	2025-2030E
Consumer Electronics	7.4%	2.5%
Industrial Applications	8.9%	6.7%
Automotive	11.6%	10.7%
Telecommunications	10.2%	5.1%
Others	12.2%	20.0%
Total	**9.9%**	**8.8%**



Source: Expert Interview, Yole, Frost & Sullivan Report

Market Drivers & Trends of MOSFET Industry

- ***Rising Demands from New Energy Vehicle & Fast Charging Infrastructure***

MOSFETs are key enablers of global electrification, with new energy vehicles (NEVs) representing one of the most dynamic demand drivers. NEVs require a broad range of high-performance power devices, including Si MOSFETs used in onboard chargers, DC/DC converters and battery management systems, as well as advanced SiC MOSFETs and IGBTs supporting emerging 800V architectures. In parallel, the rapid expansion of global fast-charging infrastructure is further driving demand for high-performance MOSFETs — particularly SiC variants — due to their ability to handle high voltage and current with low losses, enabling compact, efficient and reliable fast-charging systems.

- ***AI Data Centers Driving High-Density Power Needs***

AI-driven data centers are expected to significantly increase demand for power devices, with global data center electricity consumption forecast to grow at around 15% per annum from 2024 to 2030, potentially doubling by the end of the decade. The proliferation of AI workloads requires high-density server racks consuming 10–100 kW, with AI accelerators drawing up to 1,000A at 0.75V. Each server integrates hundreds of MOSFETs across multiple power conversion stages, driving sustained demand for high-efficiency, fast-switching MOSFETs as hyperscale and AI-focused data center capacity continues to expand.

- ***Accelerating Adoption of Silicon Carbide (SiC) MOSFETs***

SiC MOSFETs are power devices based on silicon carbide that offer superior thermal performance, faster switching and lower energy losses than conventional silicon MOSFETs, making them well suited to high-voltage, high-efficiency applications. While NEVs remain a key demand driver, the rapid expansion of AI infrastructure is emerging as an important growth engine, as SiC MOSFETs enable more efficient power delivery and thermal management in AI data centers.

COMPETITIVE LANDSCAPE OF POWER SEMICONDUCTOR INDUSTRY

Competitive Landscape of Global PMIC Industry

Competitive Landscape Overview

The global PMIC market is relatively competitive. Due to that PMIC encompass a broad range of product types and are widely deployed across consumer electronics, automotive, telecommunications, and industrial application, coupled with rapid product iteration and high customization demands, the industry exhibits a fragmented structure with numerous participants. While American and European companies with strong technological capabilities and economies of scale hold a leading position in the market, the competitive landscape remains diversified. In terms of revenue in 2025, our Company held a market share of 0.4% in global PMIC market.

Ranking in Global Consumer Electronics PMIC Market

Global consumer electronics PMIC market in 2025 reached RMB89.3 billion. Our Company ranked 11th in global consumer electronics PMIC market, with a market share of 1.6%. The following table presents the ranking of companies in global consumer electronics PMIC market, as measured by revenue of PMIC products in 2025.

Ranking	Company	Revenue (Billion RMB)	Market share
1	Company A[1]	19.5	21.8%
2	Company B[2]	3.8	4.2%
3	Company C[3]	2.6	2.9%
4	Company D[4]	2.0	2.3%
5	Company E[5]	1.9	2.1%
6	Company F[6]	1.9	2.1%
7	Company G[7]	1.8	2.0%
8	Company H[8]	1.6	1.8%
9	Company I[9]	1.5	1.7%
10	Company J[10]	1.5	1.7%
11	Our Company	1.5	1.6%
12	Company K[11]	1.4	1.5%
Others		48.4	54.2%
Total		89.3	100%

Source: Expert Interview, Annual Report, Frost & Sullivan Report

1 Company A is a listed company founded in 1930, headquartered in the U.S. mainly engaging in developing power management integrated circuits and other types of semiconductor products.

2 Company B is a listed company founded in 1965, headquartered in the U.S. mainly engaging in developing analog integrated circuits and other types of semiconductor products.

3 Company C is a listed company founded in 1987, headquartered in Switzerland, mainly engaging in developing analog integrated circuits and other types of semiconductor products.

4 Company D is a listed company founded in 2015, headquartered in Shanghai, China, mainly engaging in developing power management integrated circuits.

5 Company E is a listed company founded in 2008, headquartered in Hangzhou, China, mainly engaging in developing power management integrated circuits.

6 Company F is a listed company founded in 1998, headquartered in Taiwan, China, mainly engaging in analog ICs and power management solutions.

7 Company G is a listed company founded in 1997, headquartered in Taiwan, China, mainly engaging in display driver ICs and power management solutions.

8 Company H is a listed company founded in 1996, headquartered in Taiwan, China, mainly engaging in analog and mixed-signal ICs including power management ICs.

9 Company I is a listed company founded in 2007, headquartered in Beijing, China, mainly engaging in power management and other types of semiconductor products.

10 Company J is a private company founded in 2008, headquartered in Beijing, China, mainly engaging in display driver chips and power management ICs.

11 Company K is a listed company founded in 1999, headquartered in the U.S. mainly engaging in developing analog integrated circuits and other types of semiconductor products.

Ranking in Global Smartphone PMIC Market

Global smartphone PMIC market in 2025 reached RMB21.7 billion. Our Company ranked 3rd in global smartphone PMIC market, with a market share of 2.9%. The following table presents the ranking of companies in global smartphone PMIC market, as measured by revenue of PMIC products in 2025.

Ranking	Company	Revenue (Billion RMB)	Market share
1	Company A	4.4	20.1%
2	Company D	1.2	5.5%
3	Our Company	0.6	2.9%
4	Company I	0.6	2.9%
5	Company L[12]	0.6	2.6%
Others		14.3	66.0%
Total		21.7	100%

Source: Expert Interview, Annual Report, Frost & Sullivan Report

12 Company L is a private company founded in 2017, headquartered in Korea, mainly engaging in developing power management integrated circuits and other types of semiconductor products.

Ranking in Global Display PMIC Market

Global display PMIC market in 2025 reached RMB9.6 billion. Our Company ranked 5th in global display PMIC market, with a market share of 8.5%. The following table presents the ranking of companies in global display PMIC market, as measured by revenue of PMIC products in 2025.

Ranking	Company	Revenue (Billion RMB)	Market share
1	Company G	1.2	12.6%
2	Company H	1.1	11.1%
3	Company F	0.9	9.4%
4	Company J	0.9	8.9%
5	Our Company	0.8	8.5%
Others		4.8	49.5%
Total		9.6	100%

Source: Expert Interview, Annual Report, Frost & Sullivan Report

Ranking in Global OLED Display PMIC Market

Global OLED display PMIC market in 2025 reached RMB3.7 billion. Our Company ranked 2nd in global OLED display PMIC market, with a market share of 15.3%. The following table presents the ranking of companies in global OLED display PMIC market, as measured by revenue of PMIC products in 2025.

Ranking	Company	Revenue (Billion RMB)	Market share
1	Company A	0.6	16.1%
2	Our Company	0.6	15.3%
3	Company I	0.4	11.6%
4	Company G	0.4	10.5%
5	Company L	0.4	9.6%
Others		1.4	36.9%
Total		3.7	100%

Source: Expert Interview, Annual Report, Frost & Sullivan Report

Competitive Landscape of Global MOSFET Market

The global MOSFET market remains concentrated, with the top five companies — mainly from the United States and Europe, together accounting for almost half of global sales revenue. These companies lead in core technologies and have long dominated high-end applications such as automotive electronics, industrial controls and emerging AI sectors, forming a stable international supply framework. In contrast, Chinese companies, though relatively smaller in scale, have rapidly expanded their market share and now together they contribute most to the global MOSFET sales, largely driven by domestic demand and manufacturing scale. Most Chinese companies are still concentrated in the low to mid-end segments, but as localization advances and investments in process upgrades and packaging technologies deepen, their role in the global landscape is expected to grow. Bridging the technological gap with established overseas companies remains a priority, especially as China pushes for higher self-sufficiency and competitiveness in core power semiconductor components.

In terms of revenue in 2025, our Company held a market share of 0.45% in global MOSFET market.

Key Market Entry Barriers

- ***Technological Barriers***

Advanced power semiconductor design requires close coordination between circuit architecture and process capabilities to balance parameters such as conduction loss, breakdown voltage and switching speed. The increasing adoption of advanced nodes and wide-bandgap materials such as SiC further raises technical complexity, requiring deep process expertise and extensive design experience.

- ***Talent Barriers***

The development of power semiconductor technologies relies heavily on highly specialized engineering talent and sustained R&D capabilities. As geopolitical and supply chain dynamics evolve, companies increasingly focus on talent localization, regional R&D ecosystems and collaboration with academia to maintain innovation capacity

- ***Customer Acquisition Barriers***

Power semiconductor suppliers must typically undergo stringent qualification procedures and multi-year validation cycles before being approved by major customers. In addition, established suppliers benefit from long-term partnerships, economies of scale and proven track records, making it challenging for new entrants to secure initial design wins.

This section provides a brief summary of the major laws, regulations, and policies that have a significant impact on the Group's operations in the PRC and South Korea.

PRC LAWS, REGULATIONS AND POLICIES

The following provides an overview of the major PRC laws, regulations, and policies related to the Company's current daily business operations in the PRC.

POLICIES RELATED TO THE INTEGRATED CIRCUIT INDUSTRY

In June 2014, the State Council of the People's Republic of China (the "State Council") issued the National Guidelines for the Development and Promotion of the Integrated Circuit Industry (《國家集成電路產業發展推進綱要》), outlining the development goals for the integrated circuit industry.

In November 2016, the State Council issued the Notice of the State Council on Issuing the 13th Five-Year National Plan for the Development of Strategic Emerging Industries (《國務院關於印發「十三五」國家戰略性新興產業發展規劃的通知》), launching a major productivity layout planning project for the integrated circuit industry.

In July 2020, the State Council issued the Several Policies for Promoting High-Quality Development of the Integrated Circuit and Software Industries in the New Era (《新時期促進集成電路產業和軟件產業高質量發展若干政策》). To further optimize the development environment for integrated circuit and software industries, deepen international cooperation, and enhance innovation capabilities and development quality, the policies introduced a series of supportive measures covering taxation, investment and financing, R&D, import/export, talent development, intellectual property, market applications, and international collaboration.

In December 2020, the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission ("NDRC"), and the Ministry of Industry and Information Technology ("MIIT") jointly released the Announcement on Corporate Income Tax Policies to Promote High-Quality Development of the Integrated Circuit and Software Industries (《關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告》). Under these provisions, key state-encouraged integrated circuit design and software enterprises are exempt from corporate income tax for the first five profitable years, followed by a reduced tax rate of 10% in subsequent years.

In March 2021, the National People's Congress ("NPC") approved the 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives Through 2035 of the People's Republic of China (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), which outlined plans to cultivate advanced manufacturing clusters. The plan emphasizes innovation and development in industries such as integrated circuits, aerospace equipment, shipbuilding and marine engineering equipment, robotics, advanced rail transit equipment, advanced power equipment, construction machinery, high-end CNC machine tools, pharmaceuticals, and medical devices.

Also in March 2021, the Ministry of Finance, the General Administration of Customs, and the State Taxation Administration jointly issued the Notice on Import Tax Policies to Support the Development of the Integrated Circuit and Software Industries (《財政部海關總署稅務總局關於支持集成電路產業和軟件產業發展進口稅收政策的通知》). Eligible import activities under the policy are exempt from import tariffs, with the measure effective from 27 July 2020 to 31 December 2030.

In December 2021, the State Council issued the Notice of the State Council on Issuing the 14th Five-Year Plan for the Development of the Digital Economy (《國務院關於印發「十四五」數字經濟發展規劃的通知》), emphasizing that during the 14th Five-Year Plan period, efforts should be made to enhance innovation capabilities in key technologies. The plan calls for focusing on strategic and forward-looking fields such as sensors, quantum information, network communications, integrated circuits, critical software, big data, artificial intelligence, blockchain, and new materials.

In May 2022, the State Taxation Administration issued the Tax and Fee Preferential Policy Guide for Software Enterprises and Integrated Circuit Enterprises (《軟件企業和集成電路企業税費優惠政策指引》). To facilitate timely access to applicable tax incentives, the guide clarifies preferential terms, eligibility criteria, and policy bases for integrated circuit enterprises. For instance, state-encouraged integrated circuit design, equipment, material, and packaging/testing enterprises may enjoy periodic corporate income tax reductions & exemptions; key state-encouraged integrated circuit design enterprises can enjoy periodic corporate income tax reductions & exemptions; and employee training expenses of integrated circuit design enterprises may be fully deducted before tax based on actual expenditures.

In April 2023, the Ministry of Finance and the State Taxation Administration jointly issued the Notice on Value-Added Tax Additional Deduction Policy for Integrated Circuit Enterprises (《財政部、税務總局關於集成電路企業增值税加計抵減政策的通知》), permitting enterprises engaged in integrated circuit design, production, packaging/testing, equipment, and materials to deduct an additional 15% of creditable input VAT from payable VAT amounts during the period from 1 January 2023 to 31 December 2027.

LAWS AND REGULATIONS RELATED TO FOREIGN INVESTMENT

The establishment, operation, and governance of PRC business entities are regulated by the Company Law of the People's Republic of China (the "PRC Company Law"), which was promulgated by the Standing Committee of the National People's Congress ("NPC Standing Committee") on 29 December 1993, and most recently amended on 29 December 2023, with the amendments taking effect on 1 July 2024. Limited liability companies and joint stock limited companies incorporated in the PRC are subject to the PRC Company Law. Unless otherwise stipulated by foreign investment laws, foreign-invested enterprises are also governed by the PRC Company Law.

The Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》), promulgated by the National People's Congress on 15 March 2019 and effective from 1 January 2020, establishes China's pre-establishment national treatment with negative list management system for foreign investment. Furthermore, the Implementing Regulations of the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》) ("Implementing Regulations"), promulgated by the State Council on 26 December 2019 and effective from 1 January 2020, stipulate that the state shall formulate the Catalogue of Encouraged Industries for Foreign Investment based on national economic and social development needs, specifying particular industries, sectors and regions where foreign investment is encouraged and guided.

LAWS AND REGULATIONS ON CYBER AND DATA SECURITY

According to the National Security Law of the People's Republic of China promulgated by the NPC Standing Committee and effective from 1 July 2015, national security means a status in which the state regime, sovereignty, unity, territorial integrity, welfare of the people, sustainable economic and social development, and other major interests of the state are relatively not faced with any danger and not threatened internally or externally and the capability to maintain a sustained security status.

Pursuant to the PRC Cybersecurity Law promulgated by the NPC Standing Committee on 7 November 2016 and effective from 1 June 2017, those which build or operate networks or provide services through networks shall take technical measures and other necessary measures in accordance with laws, administrative regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities committed on the network, and maintain the integrity, confidentiality and availability of network data.

Pursuant to the PRC Data Security Law promulgated by the NPC Standing Committee on 10 June 2021, which became effective on 1 September 2021, China shall establish a data classification and grading protection system to provide classified and graded protection of data. In data processing, the laws and regulations shall be complied with, a sound data security management system throughout the whole process shall be established, data security education and training shall be organized and conducted, and corresponding technical measures and other necessary measures shall be adopted to ensure data security.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY

Patent

According to the Patent Law of the People's Republic of China (the "Patent Law") promulgated by the NPC Standing Committee on 12 March 1984, last amended on 17 October 2020 and effective from 1 June 2021 and the Implementing Regulations of the Patent Law of the People's Republic of China promulgated by the State Council on 15 June 2001, last amended on 11 December 2023 and effective from 20 January 2024, patents are divided into 3 categories, i.e. invention patents, utility model patents and design patents.

Trademark

According to the Trademark Law of the People's Republic of China promulgated by the NPC Standing Committee on 23 August 1982, last amended on 23 April 2019 and effective from 1 November 2019 and the Regulations for the Implementation of the Trademark Law of the People's Republic of China promulgated by the State Council on 3 August 2002, last amended on 29 April 2014 and effective from 1 May 2014, registered trademarks are those that have been approved and registered by the Trademark Office. Trademark registrants shall enjoy the right to exclusive use of their trademarks and shall be protected by law.

Copyright

According to the Copyright Law of the People's Republic of China, which was promulgated by the NPC Standing Committee on 7 September 1990 and last amended on 11 November 2020 and came into effect on 1 June 2021, and the Regulations for the Implementation of the Copyright Law of the People's Republic of China promulgated by the State Council on 2 August 2002, last amended on 30 January 2013 and effective from 1 March 2013, works of Chinese citizens, legal persons or unincorporated organizations, whether published or not, are entitled to copyright in accordance with the law.

According to the Computer Software Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on 20 December 2001, last amended on 30 January 2013 and effective from 1 March 2013 and the Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on 20 February 2002, computer software refers to computer programs and their related documentation. Chinese citizens, legal persons or other organizations enjoy copyright in the software they develop, regardless of whether it is published or not.

Integrated Circuit Layout Design

According to the Regulations on the Protection of Layout-Designs of Integrated Circuits (the "Regulations") promulgated by the State Council on 2 April 2001 and effective from 1 October 2001, any layout-design created by a Chinese natural person, legal person or other organization shall be eligible for the exclusive right of layout-design in accordance with the Regulations. The exclusive right of layout-design is acquired after its being registered with the intellectual property administration department of the State Council.

Domain Name

According to the Measures for the Administration of Internet Domain Names promulgated by the MIIT on 24 August 2017 and effective from 1 November 2017, MIIT shall conduct supervision and administration of the domain name services nationwide. No organization or individual may obstruct the safe and stable operation of the Internet domain name system.

REGULATIONS RELATED TO HOUSE LEASING

According to the Law of the People's Republic of China on the Administration of the Urban Real Estate, which was promulgated by the NPC Standing Committee on 5 July 1994, last amended on 26 August 2019, and effective from 1 January 2020, in the leasing of a house, the leaser and the leasee shall conclude a written lease contract defining such matters as the term, purpose and price of the lease, liability for repair, as well as other rights and obligations of both parties, and shall register the leasing with the department of housing administration for the record.

LAWS AND REGULATIONS RELATED TO PRODUCT QUALITY

According to the Product Quality Law of the People's Republic of China promulgated by the NPC Standing Committee on 22 February 1993 and last amended on 29 December 2018, the manufacturers and sellers shall establish and perfect their internal management of product quality, strictly implement quality criteria for various posts, specify quality liabilities, and make checks accordingly. It is prohibited to forge or falsely use product quality marks such as authentication marks. It is prohibited to forge the origin of products, to forge or falsely use other's factory name or address. It is prohibited to adulterate, to pass a fake product off as a genuine one, or to pass a defective product off as a high quality one.

LAWS AND REGULATIONS RELATED TO IMPORT AND EXPORT TRADE

According to the Customs Law of the People's Republic of China promulgated by the NPC Standing Committee on 22 January 1987 and last amended on 29 April 2021, unless otherwise provided for, the declaration of import or export goods and the payment of duties and taxes may be completed by the exporters or importers on their own, and such formalities may also be completed by their entrusted Customs clearing agent. The importer or exporter of import or export goods, and the Customs clearing agent shall be registered with the Customs according to law to make the Customs declarations.

According to the Foreign Trade Law of the People's Republic of China promulgated by the NPC Standing Committee on 12 May 1994 and last amended on 30 December 2022, and the Regulation of the People's Republic of China on the Administration of the Import and Export of Goods promulgated by the State Council on 10 December 2001, last amended on 10 March 2024, and effective from 1 May 2024, unless it is clearly provided in laws or administrative regulations to forbid or restrict the import or export of goods, no entity or individual may establish or maintain prohibitive or restrictive measures over the import or export of goods.

According to the Export Control Law of the People's Republic of China promulgated by the NPC Standing Committee on 17 October 2020 and effective from 1 December 2020, the state exercises control on the export of dual-use items, military products, nuclear, and other goods, technologies and services related to safeguarding national security and interest or performing nonproliferation and other international obligations. The state export control authorities shall, in accordance with the provisions of the Export Control Law and other relevant laws and administrative regulations, as well as export control policies and prescribed procedures, formulate and revise the list of controlled items for export in conjunction with relevant departments, and publish the list in a timely manner. For the purposes of safeguarding national security and interest or performing nonproliferation and other international obligations, the state export control authorities may, upon the approval of the State Council or both the State Council and the Central Military Commission, impose temporary control on goods, technologies or services outside the control list, and make an announcement thereon.

LAWS AND REGULATIONS RELATED TO LABOUR AND SOCIAL SECURITY

Labour Law and Labour Contract Law

According to the Labour Law of the People's Republic of China, which was last amended by the NPC Standing Committee on 29 December 2018, and the Labour Contract Law of the People's Republic of China, which was last amended by the NPC Standing Committee on 28 December 2012 and effective from 1 July 2013, a labour contract shall be concluded where a labour relationship is to be established. The employing units shall establish and perfect the labour rules and regulations in accordance with the law so as to ensure that labourers enjoy the right to work and fulfill labour obligations.

Social Insurance and Housing Provident Funds

According to the Social Insurance Law of the People's Republic of China, which was last amended and implemented by the NPC Standing Committee on 29 December 2018, and the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which was last amended and implemented by the State Council on 24 March 2019, a social insurance system consisting of a basic old-age insurance, basic medical insurance, work injury insurance, unemployment insurance, and maternity insurance has been established. Contributing entities shall register for social insurance with the local social insurance agency and participate in social insurance. Contributing entities and contributing individuals shall pay social insurance premiums on time and in full.

According to the Regulations on Management of Housing Provident Fund, which was last amended and implemented by the State Council on 24 March 2019, a unit shall go to the housing provident fund management center to undertake registration of payment and deposit of the housing provident fund and go through the formalities of opening housing provident fund accounts on behalf of its staff. A unit shall pay and deposit housing provident funds on schedule and in full. On September 1, 2025, the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) came into effect. According to this interpretation, among others, where the employer and the employee agree, or the employee promises the employer, that there is no need to make social insurance contributions, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation in accordance with item (3) of Article 38 of the Labor Contract Law, the people's court shall uphold such claim.

LAWS AND REGULATIONS RELATED TO TAXATION

Enterprise Income Tax

According to the Law on Enterprise Income Tax and its relevant implementing regulations, the uniform rate of enterprise income tax is 25%. However, where a non-resident enterprise has not set up any institutions or establishments in China, or it has done so but the income it earns is not actually relevant to the said institutions or establishments, it shall pay tax on the portion of its income generated from inside China at a rate of 10%.

According to the Law of the People's Republic of China on Enterprise Income Tax, which was promulgated by the NPC Standing Committee and last amended and implemented on 29 December 2018, and the Regulation on the Implementation of the Law of the People's Republic of China on Enterprise Income Tax (《中華人民共和國企業所得税法實施條例》) promulgated by the State Council, last amended on 6 December 2024, and effective from 20 January 2025, a uniform enterprise income tax rate of 25% is levied on foreign-invested enterprises and domestic enterprises, with enterprise income tax incentives granted to special industries and projects. With respect to a qualified small enterprise earning low profits, the tax levied on its income shall be reduced at a rate of 20%. With respect to a high and new technology enterprise that needs key support by the PRC government, the tax levied on its income shall be reduced at a rate of 15%.

FOREIGN EXCHANGE-RELATED LAWS AND REGULATIONS

Pursuant to the Regulation of the People's Republic of China on Foreign Exchange Administration, as last amended by the State Council on 5 August 2008, this Regulation shall apply to the foreign exchange income and expenditure and foreign exchange business operations of Chinese institutions and individuals, and the foreign exchange income and expenditure and foreign exchange business operations conducted within the territory of the People's Republic of China by overseas institutions and individuals.

According to the Circular of the SAFE on the Policies for Reforming and Standardizing Management of Foreign Exchange Settlement under the Capital Account, issued by the SAFE on 9 June 2016, it has been clarified that capital account foreign exchange income subject to voluntary settlement (including foreign exchange capital funds, foreign debt funds, and repatriated proceeds from overseas listings) may be settled at banks based on the actual business needs of the domestic institution. Where existing laws and regulations impose restrictive provisions on the settlement of capital account foreign exchange income by domestic institutions, such provisions shall prevail.

LAWS AND REGULATIONS RELATED TO OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC ENTERPRISES

Securities Laws and Regulations

The Securities Law of the People's Republic of China (the "Securities Law"), as most recently amended by the NPC Standing Committee on 28 December 2019 and effective from 1 March 2020, comprehensively regulates securities market activities within the territory of China. These include the issuance and trading of securities, acquisition of listed companies, information disclosure, investor protection, securities trading venues, securities companies, securities registration and settlement institutions, securities service providers, securities associations, and securities regulatory authorities. The Securities Law further provides that domestic enterprises conducting direct or indirect offerings of securities overseas or seeking overseas listings of their securities shall comply with relevant regulations of the State Council. Where shares of domestic companies are subscribed for and traded in foreign currencies, specific measures shall be separately formulated by the State Council. The (CSRC is the securities regulatory authority established by the State Council, responsible for supervising and regulating the securities market in accordance with the law, maintaining market order, and ensuring the lawful operation of the market.

Overseas Listing

On 17 February 2023, the CSRC promulgated the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (the "Interim Measures"), along with related guidelines, which came into effect on 31 March 2023. According to the Interim Measures, a domestic enterprise directly or indirectly offering shares or listing overseas shall undergo the recordation formalities with the CSRC within three working days after the application documents for offering and listing are submitted overseas.

According to the Provisions on Strengthening the Confidentiality and Archives Administration Concerning the Overseas Securities Offering and Listing by Domestic Enterprises (the "Provisions on Strengthening the Confidentiality and Archives Administration"), jointly issued by the CSRC and other relevant authorities on 24 February 2023 and effective from 31 March 2023, in the overseas offering and listing activities of domestic enterprises, domestic enterprises, and securities companies and securities service institutions that provide corresponding services shall strictly comply with the applicable laws and regulations of the People's Republic of China and satisfy the requirements of the Provisions on Strengthening the Confidentiality and Archives Administration, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public.

LAW AND REGULATIONS OF SOUTH KOREA

The following provides an overview of the major laws and regulations of South Korea related to the Company's current daily business operations in South Korea.

COMMERCIAL ACT (COMPANY)

Commercial Act is a set of legal norms that regulate matters related to enterprises and commercial transactions in civil legal relations. In particular, the chapter Company within it regulates the legal relations regarding the establishment, organization, operation, dissolution, etc., of various types of companies, including joint-stock companies.

Company mainly stipulates the following aspects regarding the obligations of directors of joint-stock companies: (i) it establishes that directors owe a duty of loyalty to the company (Paragraph 2 of Article 382 of the Commercial Act); (ii) to prevent conflicts of interest between directors and the company, it sets up a non-competition obligation; that is, without the approval of the board of directors, a director shall not engage in transactions within the scope of the company's business in his own name or in the name of a third party, nor shall he serve as a director of other companies engaged in similar businesses (Article 397 of the Commercial Act); (iii) it prohibits a director from seizing business opportunities that may benefit the company without the consent of more than two-thirds of the directors (Article 397-2 of the Commercial Act); (iv) it prohibits a director from conducting self-transactions in his own name or in the name of a third party without the consent of more than two-thirds of the directors (Article 398 of the Commercial Act).

If a director violates laws or the company's articles of association intentionally or negligently, or neglects to perform their duties, they shall bear joint and several liability for compensation to the company. If such an act is carried out in accordance with a resolution of the board of directors, the directors who voted in favor of the resolution shall also bear the same liability (Article 399 of the Commercial Act). In addition, if a director neglects to perform their duties due to intent or gross negligence, they shall bear joint and several liability for compensation to third parties. If such an act is also carried out in accordance with a resolution of the board of directors, the directors who voted in favor of the resolution shall also bear the same liability (Article 401 of the Commercial Act).

MONOPOLY REGULATION AND FAIR TRADE ACT

The Monopoly Regulation and Fair Trade Act (hereinafter referred to as the "**Fair Trade Act**") aims to prevent business operators from abusing their market-dominant positions and excessive concentration of economic power, and to regulate illegal cartel conduct and unfair trade practices, so as to establish a fair and free market competition order.

The main matters regulated by the Fair Trade Act include: (i) Prohibition of Abuse of Market-Dominant Position (Article 5 of the Fair Trade Act); (ii) Prohibition of Illegal Cartel Conduct (collusion) (Article 40 of the Fair Trade Act); (iii) Prohibition of Unfair Trade Practices (Article 45 of the Fair Trade Act); (iv) Restrictions on Business Combinations (Article 9 of the Fair Trade Act)[1], etc.

Among the above-mentioned regulations, the prohibition of unfair trade practices is highly relevant to the general business operations of companies. The Fair Trade Act classifies unfair practices as follows: (i) Unfairly rejecting a transaction; (ii) Unfairly discriminating against the other party to a transaction; (iii) Unfairly excluding a competitor; (iv) Unfairly enticing a competitor's customer; (v) Unfairly forcing a transaction; (vi) Unfairly taking advantage of the bargaining position; (vii) Making transactions under restrictive terms; (viii) Unfairly disrupting business activities; (ix) Maintaining resale prices; (x) Improper support (Paragraph 1 of Article 45). In particular, when transactions between special-related parties are not carried out on an arm's length basis, such transactions may be regarded as improper support under the Fair Trade Act (Item 9 of Paragraph 1 of Article 45 of the Fair Trade Act).

Regarding unfair trade practices, the Korea Fair Trade Commission can impose corrective measures such as halting the transactions on the relevant parties to the transactions, and also impose punitive fines of up to 4% of the relevant sales volume (when the sales volume cannot be accurately calculated, the maximum fine is 1 billion won). In addition, criminal penalties are provided for various types of violations. Specifically, for legal entities that engage in improper support acts, they may be sentenced to imprisonment of up to three years or fined up to 200 million won (and the double-jeopardy rule applies).

THE ACT ON PREVENTION OF DIVULGENCE AND PROTECTION OF INDUSTRIAL TECHNOLOGY AND THE ACT ON SPECIAL MEASURES FOR STRENGTHENING AND PROTECTING COMPETITIVENESS OF NATIONAL HIGH-TECH STRATEGIC INDUSTRIES

South Korea's Act on Prevention of Divulgence and Protection of Industrial Technology (hereinafter referred to as the "**Industrial Technology Protection Act**") aims to strengthen the competitiveness of industries in South Korea by preventing the improper divulgence of industrial technology and protecting industrial technology, and contribute to South Korea's national security and national economic development. In addition, South Korea's Act on Special Measures for Strengthening and Protecting Competitiveness of National High-Tech Strategic Industries (hereinafter referred to as the "**National High-Tech Strategic Industries Act**") aims to establish a support and protection system for national high-tech strategic industries that have a significant impact on South Korea's national economy and security, and enhance its competitiveness.

1 Business combinations that meet certain requirements need to be reported to the Fair Trade Commission in advance for approval or announced after the fact.

According to the Industrial Technology Protection Act and the National High-Tech Strategic Industries Act, when intending to export national core technologies[2] and strategic technologies[3] by means of sale, transfer, etc., one shall obtain the prior approval from the Minister of Trade, Industry and Energy or make a prior declaration according to the type of the technologies (Article 11 of the Industrial Technology Protection Act and Article 12 of the National High-Tech Strategic Industries Act).

Those who export national core technologies without approval under the Industrial Technology Protection Act shall be sentenced to imprisonment for not more than 10 years or fined not more than 1 billion won (Paragraph 3 of Article 36 of the Industrial Technology Protection Act). In addition, those who export strategic technologies without approval under the National High-Tech Strategic Industries Act shall be sentenced to imprisonment for not more than 15 years or fined not more than 1.5 billion won (Paragraph 3 of Article 50 of the National High-Tech Strategic Industries Act).

BASIC RESEARCH PROMOTION AND TECHNOLOGY DEVELOPMENT SUPPORT ACT

The Basic Research Promotion and Technology Development Support Act (hereinafter referred to as the "**Basic Research Act**") aims to systematically foster basic research, promote technology development, and thereby enhance the country's science and technology level and contribute to the improvement of the national economy and people's well-being.

According to the Basic Research Act, enterprises that intend to have their affiliated research institutions or R&D departments recognized as enterprise-affiliated research institutes or specialized R&D departments should submit an application for recognition to the Minister of Science and ICT of South Korea (Paragraphs 1 and 2 of Article 14-2 of the Basic Research Act; Paragraph 1 of Article 3 of the Enforcement Rules of the Act). After being recognized as an enterprise-affiliated research institute, the enterprise can enjoy preferential policies such as tax credits for research and talent development expenses and equipment investment, and tariff exemptions. The three enterprise-affiliated research institutes operated by the Target Company have obtained the recognition certificates of "Enterprise-Affiliated Research Institute" from the Korea Industrial Technology Association.

PERSONAL INFORMATION PROTECTION ACT

The Personal Information Protection Act aims to protect the rights and interests of individuals through the appropriate collection, use and protection of personal information. Centered around the consent of the data subjects, the Act regulates the entire course of personal information processing.

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2 National core technology refers to technology designated by the Minister of Trade, Industry and Energy of South Korea which has high technological and economic values in the Korean and overseas markets or brings high growth potential to its related industries and is feared as a technology to exert an significantly adverse effect on the national security and the development of the national economy in the event that it is divulged abroad (Item 2 of Article 2 and Article 9 of the Industrial Technology Protection Act).

3 National high-tech strategic technologies refer to those technologies designated by the Minister of Trade, Industry and Energy of South Korea, which have a significant impact on national and economic security such as supply-chain stability, play a remarkable role in national economic benefits such as exports and employment, and have a significant spill-over effect on related industries (Item 1 of Article 2 and Article 11 of the National High-Tech Strategic Industries Act).

In principle, personal information controllers must obtain the consent of a data subject for the following situations: (i) collection and use of personal information (Article 15 of the Personal Information Protection Act); (ii) provision of personal information to a third party (Article 17 of the Personal Information Protection Act); (iii) processing of sensitive information[4] and personally identifiable information[5] (Articles 23 and 24 of the Personal Information Protection Act), among others.

If a personal information controller collects, uses, or provides to a third party personal information without the consent of the data subject, or uses or provides to a third party personal information beyond the scope of the consent obtained, a penalty surcharge may be imposed on the relevant personal information controller within the scope not exceeding 3% of the total sales (Item 1 of Paragraph 1 of Article 64-2 of the Personal Information Protection Act). Moreover, if a personal information controller provides personal information to a third party without the consent of the data subject, or processes sensitive information or personally identifiable information, the personal information controller may be punished by imprisonment with labor for not more than five years, or by a fine not exceeding 50 million won.

LAWS AND REGULATIONS RELATED TO INTELLECTUAL PROPERTY

Patent Act

The purpose of the Patent Act is to promote the development of technologies and to contribute to industrial development by protecting and supporting inventions and promoting the use of inventions.

Based on the aforementioned provisions, a patentee or an exclusive licensee can exercise various rights against infringement of a patent. Infringement of a patent as referred to in the Patent Act refers to the manufacturing, assigning, leasing, exporting or importing of a specific "product" exclusively used for the manufacturing or implementation methods of a patented item without permission, or offering to assign or lease such product (Article 127 of the Patent Act). A patentee or an exclusive licensee can take the following actions against the infringement of a patent: (i) civil claims for damages; (ii) requests for injunctive relief or prevention of infringement; (iii) criminal prosecution (Articles 126 to 128 of the Patent Act).

For a jointly owned patent, each joint owner of a patent may independently practice the patented invention without the consent of all other joint owners. However, without the consent of other joint owners, a joint owner (i) may not assign his or her share or establish any pledge right over his or her share (Paragraph 2 of Article 99 of the Patent Act), and (ii) may not establish an exclusive license or grant a non-exclusive license for the patent right (Paragraph 4 of Article 99 of the Patent Act).

Trademark Act

The purpose of the Trademark Act is to contribute to industrial development by protecting the interests of consumers and maintaining fair trade order through the protection of use of trademarks.

A trademark must be distinctive, shall not harm public order or good morals, and shall not be identical or similar to an already registered trademark (Article 33 of the Trademark Act). Whether trademark infringement has occurred requires a comprehensive consideration of the similarity of the

4 Sensitive information refers to information relating to ideology, belief, admission to or withdrawal from a trade union or political party, political opinions, health, sex life, etc., and other information that is likely to markedly threaten the privacy of any data subject (Paragraph 1 of Article 23 of the Personal Information Protection Act).

5 Personally identifiable information refers to resident registration numbers, passport numbers, driver's license numbers and alien registration numbers (Paragraph 1 of Article 24 of the Personal Information Protection Act, Article 19 of the Enforcement Decree of the Act).

trademark (appearance, name, etc.) and the similarity of the goods, as well as whether it is used in the trademark sense (packaging, advertising, import/export, etc.) (Article 108 of the Trademark Act). The trademark right holder has the exclusive right to use the registered trademark on the designated goods and has the right to take the measures like (i) civil claims for damages; (ii) requests for prohibition or prevention of infringement; (iii) criminal prosecution prohibit others from unauthorized use and to claim damages (Articles 107 to 112 of the Trademark Act).

Invention Promotion Act

The purpose of the Invention Promotion Act is to enhance the technical competitiveness of industries and to contribute to the development of the national economy by encouraging invention and facilitating the prompt and efficient securing of rights to inventions and the commercialization thereof.

The term "employee's invention" means (i) an invention (including invention patents, utility models, and designs, but trademarks are not subject to this Act) that an employee or executive of a corporation makes in connection with his/her duties; (ii) the invention that in essence falls within the scope of business of the employer or the corporation; (iii) the invention that was made through activities that fall within the present or past duties of the employee (Item 2 of Article 2 of the Invention Promotion Act).

According to the Invention Promotion Act, (i) no employer may assert his/her succession to rights to an employee's invention against the intent of the employee, who is the inventor, unless otherwise stipulated in advance by contract or employment regulations that the company shall succeed to rights to an employee's invention (Paragraph 1 of Article 13 of the Invention Promotion Act); (ii) an employee, who is the inventor, shall be entitled to fair compensation where the employer succeeds to his/her rights to an employee's invention (Paragraph 1 of Article 15 of the Invention Promotion Act).

The Invention Promotion Act does not specify penalties for employers, etc., which fail to provide compensation for employee's inventions to employees, etc., identified as inventors, or which unjustifiably refuse to make such payments. However, in such cases, the employees, etc., identified as inventors, may file civil claims against the employers, etc., to claim damages.

Unfair Competition Prevention and Trade Secret Protection Act

The purpose of the Unfair Competition Prevention and Trade Secret Protection Act (hereinafter referred to as the "**Unfair Competition Prevention Act**") is to maintain the order of sound transactions and fair competition by preventing unfair competitive acts, such as unjust use of another person's trademark, trade name, etc., known to the public in South Korea, and any act infringing on another person's trade secret, thereby contributing to industrial development.

The Unfair Competition Prevention Act stipulates that trade secrets must meet the following three criteria: (i) non-disclosure, (ii) economic usefulness, and (iii) confidentiality management. If any of these criteria are not satisfied, the information is not considered a trade secret and thus not protected under the Act (Item 2 of Article 2 of the Unfair Competition Prevention Act).

The term "infringement of trade secrets" means any of the following acts: (i) acquiring trade secrets by theft, deception or other improper means (act of improper acquisition), or using or disclosing the trade secrets so acquired (including informing any specific person of the trade secret while under a duty to maintain secrecy); (ii) using or disclosing trade secrets to obtain improper benefits or to cause damage to the owner of the trade secrets while under a contractual or other duty to maintain secrecy of the trade secrets, etc. (Item 3 of Article 2 of the Unfair Competition Prevention Act).

Pursuant to the above, any person, who commits acts under any of the following circumstances, shall be punished by imprisonment with labor for not more than 10 years or by a fine not exceeding 500 million won: (i) for the purpose of obtaining improper benefits or causing damage to the owner of the trade secrets, (x) acquiring, using or disclosing to any third parties the trade secrets; or (y) transferring the trade secrets outside designated premises without authorization; or (z) continuing to hold the trade secrets after being ordered by the owner of the trade secrets to delete or return them; (ii) acquiring the trade secrets by theft, deception, coercion or other improper means; (iii) acquiring or using the trade secrets, with knowledge that an act set out in (i) or (ii) has occurred (Paragraph 2 of Article 18 of the Unfair Competition Prevention Act).

LABOR-RELATED LEGAL PROVISIONS

Labor Standards Act

The Labor Standards Act is enacted to ensure the basic livelihood of workers, and any provisions in a labor contract that fall short of the standards prescribed by the Labor Standards Act shall be null and void to that extent (Paragraph 1 of Article 15 of the Labor Standards Act).

When entering into a labor contract, the employer must provide the employee with a written document stating the major working conditions, including wages (Articles 17 of the Labor Standards Act). In addition, an employer shall not dismiss an employee without just cause (Paragraph 1 of Article 23 of the Labor Standards Act). As the courts apply a very strict standard in determining what constitutes "just cause," it is, in practice, extremely difficult for an employer in Korea to dismiss an employee.

Pursuant to the Labor Standards Act, the maximum number of working hours shall not exceed eight hours per day and 40 hours per week in principle, excluding break time. Only with the employee's consent may the employer assign up to 12 additional hours of work per week (Article 50 and Paragraph 1 of Article 53 of the Labor Standards Act; hereinafter referred to as the "**52-hour workweek system**").

Violation of the 52-hour workweek system may result in imprisonment for up to two years or a fine not exceeding 20 million won (Paragraph 1 of Article 53 and Article 110 of the Labor Standards Act). For unpaid overtime wages, the employer may be required to compensate for the unpaid amount within the statute of limitations for wage claims, which is three years.

Further, wages for extended work hours, night work, and work on holidays shall be paid at a rate of at least 150% of the ordinary wage (Article 56 of the Labor Standards Act).[6]

Act on the Guarantee of Employees' Retirement Benefits

The Act on the Guarantee of Employees' Retirement Benefits (hereinafter referred to as the "**Retirement Benefits Act**") applies to all workplaces that employ workers, and aims to ensure the stable post-retirement livelihood of workers by prescribing matters concerning the establishment and operation of retirement benefit schemes.

An employer must establish at least one of the following types of retirement benefit schemes for employees who have worked continuously for one year or more and whose average weekly working hours over a four-week period are at least 15 hours: a defined benefit retirement pension plan, a defined contribution retirement pension plan, or a retirement allowance system (Paragraph

6 "Fixedness" refers to the characteristic whereby remuneration is definitively payable for the labor provided by the employee, regardless of the employee's performance, results, or any other additional conditions. So-called "fixed wages" refer to the minimum compensation that is unconditionally and definitively payable as consideration for a day's labor to an employee who works the prescribed working hours on any given day, regardless of the name of the wage and even if the employee resigns the following day.

1 of Article 4 of the Retirement Benefits Act). Under the retirement allowance system, the employer is required to establish a system that enables payment to departing employees of an amount equal to or greater than 30 days' average wage for each year of continuous service. The average wage is calculated by dividing the total wages paid to the employee over the most recent three months by the total number of calendar days in that period (Paragraph 1 of Article 8 of the Retirement Benefits Act). In addition, an employer may establish a retirement pension plan (either a defined contribution plan and/or a defined benefit plan).

An employer who fails to pay the retirement benefits within 14 days from the employee's date of departure may be subject to imprisonment of up to three years or a fine of up to 30 million won. The statute of limitations for claiming unpaid retirement benefits is three years (Paragraph 1 of Article 9, Article 10, and Article 44 of the Retirement Benefits Act).

ENVIRONMENTAL AND SAFETY-RELATED LEGAL PROVISIONS

Wastes Control Act

The Wastes Control Act aims to minimize the generation of waste and to protect public health and the environment by processing the waste that has been generated in an environmentally sound manner. It prescribes the entire process relating to waste, including its discharge, collection, transportation, storage, treatment, and recycling.

A person discharging business site waste must either treat the waste directly or consign it to a waste disposal company that holds the relevant permit. Violation of this obligation may result in imprisonment of up to three years or a fine not exceeding 30 million won (Paragraph 1 of Article 18 and Article 65 of the Wastes Control Act). When consigning waste for treatment, the waste discharger must obtain from the consignee a certificate verifying the consignee's waste treatment permit or other qualification for commissioned treatment, and must enter into a consignment agreement, and such agreement must be retained for a minimum of three years (Item 3 of Paragraph 1 of Article 17 of the Wastes Control Act; Article 16-12 of the Enforcement Rule).

Occupational Safety and Health Act

The Occupational Safety and Health Act is intended to prevent industrial accidents and to protect the safety and health of workers. It applies to business sites that employ five or more employees on a regular basis.

In each industry, if the number of regularly employed workers exceeds a certain threshold (e.g., 50 or more workers in the electronic components manufacturing industry), the employer must appoint a person in charge of safety and health management, who shall oversee matters such as the establishment of industrial accident prevention plans and the management of safety and health within the workplace (Article 15 of the Occupational Safety and Health Act; Article 14 of the Enforcement Decree). In addition, a supervisory manager must be designated to inspect and supervise machinery, tools, equipment, and work areas related to production activities at the workplace (Article 16 of the Occupational Safety and Health Act). Failure to appoint a safety and health manager or a supervisory manager may result in an administrative fine of up to 5 million won for negligence (Paragraph 5 of Article 175 of the Occupational Safety and Health Act).

OVERVIEW

Established in 2019 and headquartered in Hangzhou, the PRC, we are a leading power semiconductor company that delivers efficient power management solutions through proprietary process technologies.

From our inception, we have been primarily focused on R&D, design and sales of power devices. Our power device product portfolio includes super junction MOSFET, shielded gate trench MOSFET, as well as silicon carbide MOSFET. We have attracted top talents from various professional fields, including electrical engineering, communication engineering, microelectronics and solid-state electronics. In addition to our expertise in power devices, we have also built a strong presence in the PMIC sector. In 2020, we took a significant strategic step forward with the acquisition of SMI (the "**Acquisition**"), a South Korean company specializing in power management IC. For further details of SMI and the Acquisition, please see "Corporate Development of our Group — Significant shareholding changes of our Company and our subsidiaries — SMI" in this section.

We have established an efficient and stable dual ecosystem encompassing both Greater China and overseas markets. This framework enables synergistic collaboration in R&D, supply chain, and sales, fostering a globally integrated operation model with complementary resources and enhanced efficiency. Our dual ecosystem ensures localized support while maintaining global scalability, allowing us to deliver robust solutions tailored to regional demands while leveraging cross-border synergies. This structure strengthens our resilience, accelerates innovation, and optimizes resource allocation across key markets worldwide.

Since the establishment of our Group, we have undergone a series of capital increases and equity transfers for adjustments to our shareholding structure and introduction of external investments. See "Corporate Development of our Group — Significant shareholding changes of our Company and our subsidiaries — our Company" in this section for further details. On June 25, 2025, in preparation for the [**REDACTED**], our Company was converted from a limited liability company into a joint stock company with limited liability in the PRC.

OUR MILESTONES

The following table summarizes the key milestones in our business development since inception:

Year	Milestone
2019	Our Company was established in Hangzhou, Zhejiang Province, the PRC.
2020	Our power device team was formed.
	We launched our first Power Device product.
2021	Our Company was recognized as a "2021 Unicorn Enterprise" by the China Investment Development Promotion Association Venture Capital Committee (中國投資發展促進會創投專委會), Hangzhou Venture Capital Association (杭州市創業投資協會) and Weilian (微鏈).
	Our Power Device products successfully penetrated the BMS market.
2022	Our Company was recognized by the Hangzhou Municipal Science and Technology Bureau and was selected for the 2022 Hangzhou "Eagle Plan" (雛鷹計劃) enterprise list.
	We expanded our Power Device products to communication base stations and servers.

Year	Milestone
2023	We were recognized as a specialized and new "Little Giant" enterprise at the national level (國家級專精特新"小巨人"企業) by the Ministry of Industry and Information Technology. We are recognized as the "National High and New Technology Enterprise" (國家高新技術企業) by Zhejiang Provincial Department of Science and Technology. In 2023, our Power Device products successfully entered the low-speed vehicle market.
2024	Recognized as a "Hangzhou Enterprise Technology Center" (杭州市企業技術中心) and designated as a "Zhejiang Provincial High-tech Enterprise R&D Center" (浙江省高新技術企業研究開發中心). Our Power Device products successfully expanded into the energy storage market; one of our products for BMS applications shipped over 50 million units upon release.
2025	The cumulative shipments of our first Power Device products exceeded 500 million units.

OUR PRINCIPAL SUBSIDIARIES

Our Company is headquartered in Hangzhou, the PRC. As of the Latest Practicable Date, we had five branches, four subsidiaries in the PRC and four overseas subsidiaries. The details of the principal subsidiaries that made a material contribution to our results of operation during the Track Record Period are shown below:

Name	Place of establishment	Date of establishment	Principal business activities	Ownership as of the Latest Practicable Date
SMI	South Korea	February 5, 2007	Design and sale of semiconductor chips, with its primary products being power management IC	100%
Hangzhou Xintong . . .	PRC	July 20, 2023	R&D and manufacturing of high-power modules	100%

CORPORATE DEVELOPMENT OF OUR GROUP

Significant shareholding changes of our Company and our subsidiaries

Our Company

Establishment

Our Company was established as a limited liability company under the laws of the PRC on September 17, 2019 by the following parties:

Name of Shareholders	Registered capital subscribed for	Equity interest
	(RMB'000)	*(%)*
Ningbo Xijuda Corporate Management Partnership (L.P.)* (寧波喜聚達企業管理合夥企業(有限合夥)) ("**Ningbo Xijuda**")[(1)]	960	32
Smartech Limited Partnership (智科有限合夥企業) ("**Smartech**")[(2)]	740	25
Vasona Technology Hong Kong Limited (瓦森納科技香港有限公司) ("**Vasona**")[(3)]	600	20
Ningbo Xijuxi Corporate Management Partnership (L.P.)* (寧波喜聚喜企業管理合夥企業(有限合夥)) ("**Ningbo Xijuxi**")[(4)]	400	13
Smart Intelligence Limited Partnership (智捷有限合夥企業) ("**Smart Intelligence**")[(5)]	300	10
Total	**3,000**	**100**

Notes:

(1) Ningbo Xijuda was a limited liability partnership established under the laws of the PRC on January 23, 2019. Prior to its deregistration on November 25, 2022, Ningbo Meishan Free Trade Port Zone Xiye Semiconductor Technology Co. Ltd.* (寧波梅山保稅港區矽業半導體科技有限公司) ("**Ningbo Xiye**") was its general partner, holding 53.63% interests therein, which was in turn owned as to 50% and 50% by Jiang Meng (江夢) and Fu Shuowen (傅碩文). Ningbo Xijuda's limited partners were 12 individuals, none of whom individually held more than 10% interests therein. To the best knowledge of our Directors, Ningbo Xiye and Ningbo Xijuda were Independent Third Parties.

(2) Smartech is a limited liability partnership registered under the laws of Samoa. To the best knowledge of our Directors, Smartech is an Independent Third Party.

(3) Vasona is a limited liability company incorporated in Hong Kong and is wholly-owned by Chen Wei, an Independent Third Party.

(4) Ningbo Xijuxi was a limited liability partnership established under the laws of the PRC on November 14, 2018. Prior to its deregistration on December 13, 2022, Ningbo Xijuxi's general partner was Ningbo Xiye, holding 5% interest therein. Jiang Meng, an Independent Third Party, was Ningbo Xijuxi's only limited partner, holding 95% interest therein. To the best knowledge of our Directors, Ningbo Xijuxi was an Independent Third Party.

(5) Smart Intelligence is a limited liability partnership registered under the laws of Samoa. To the best knowledge of our Directors, Smart Intelligence is an Independent Third Party.

Equity transfers in May 2020 (introduction of Xihangxin as our [**REDACTED**] *Investor)*

On April 27, 2020, Ningbo Xijuxi and Hangzhou Xihangxin Corporate Management Partnership (L.P.)* (杭州喜杭芯企業管理合夥企業(有限合夥)) ("**Xihangxin**") entered into an equity transfer agreement, pursuant to which Ningbo Xijuxi transferred the registered capital of RMB400,000 (representing 13% of the equity interests in our Company) to Xihangxin at nil consideration, as the respective registered capital of our Company was not paid up as of the date of such transfer.

On the same day, Smartech and Smart Advantage, one of the ESOP Platforms, entered into an equity transfer agreement, pursuant to which Smartech transferred the registered capital of RMB740,000 (representing 25% of the equity interests in our Company) to Smart Advantage at nil consideration, as the respective registered capital of our Company was not paid up as of the date of such transfer.

On the same day, Smart Intelligence and Smart Wealth, one of the ESOP Platforms, entered into an equity transfer agreement, pursuant to which Smart Intelligence transferred the registered capital of RMB300,000 (representing 10% of the equity interests in our Company) to Smart Wealth at nil consideration, as the respective registered capital of our Company was not paid up as of the date of such transfer.

For details of investments made by Xihangxin as our [**REDACTED**] Investor, please see "[**REDACTED**] Investments" in this section. Registration with the local commerce department for the equity transfers was completed on May 8, 2020. Immediately following the completion of the abovementioned equity transfers, the shareholding structure of our Company was as follows:

Name of Shareholders	Registered capital subscribed for	Equity interest
	(RMB'000)	*(%)*
Ningbo Xijuda	960	32
Smart Advantage	740	25
Vasona	600	20
Xihangxin	400	13
Smart Wealth	300	10
Total	**3,000**	**100**

Capital increases in June 2020

On June 1, 2020, the registered capital of our Company increased from RMB3,000,000 to RMB4,000,000 with Hangzhou Moxin, one of the ESOP Platforms, subscribing for RMB1,000,000 at a consideration of RMB1,000,000. On June 28, 2020, the registered capital of our Company increased from RMB4,000,000 to RMB10,000,000. Except for Smart Advantage, all the then Shareholders subscribed for additional registered capital at par value. As of December 30, 2020, our Company has fully received the paid-up capital from the then Shareholders except for Smart Advantage and Smart Wealth.

Registration with the local commerce department for the capital increases was completed on June 29, 2020. Immediately following the completion of the abovementioned capital increases, the shareholding structure of our Company was as follows:

Name of Shareholders	Registered capital subscribed for	Equity interest
	(RMB'000)	*(%)*
Vasona	3,000	30.00
Ningbo Xijuda	1,900	19.00
Hangzhou Moxin	1,660	16.60
Xihangxin	1,500	15.00
Smart Wealth	1,200	12.00
Smart Advantage	740	7.40
Total	**10,000**	**100**

Equity transfer in July 2020 (introduction of Xidaxin as our [**REDACTED**] *Investor)*

On July 21, 2020, Ningbo Xijuda and Hangzhou Xidaxin Corporate Management Partnership (L.P.)* (杭州喜達芯企業管理合夥企業(有限合夥)) ("**Xidaxin**") entered into an equity transfer agreement, pursuant to which Ningbo Xijuda transferred the registered capital of RMB1,900,000 (representing 19.00% of the equity interests in our Company) to Xidaxin at nil consideration, as the respective registered capital of our Company was not paid up as of the date of such transfer. As of August 31, 2020, our Company has fully received the paid-up capital from Xidaxin.

For details of investments made by Xidaxin as our [**REDACTED**] Investor, please see "[**REDACTED**] Investments" in this section.

Registration with the local commerce department for the equity transfer was completed on July 21, 2020. Immediately following the completion of the abovementioned equity transfer, the shareholding structure of our Company was as follows:

Name of Shareholders	Registered capital subscribed for	Equity interest
	(RMB'000)	*(%)*
Vasona	3,000	30.00
Xidaxin	1,900	19.00
Hangzhou Moxin	1,660	16.60
Xihangxin	1,500	15.00
Smart Wealth	1,200	12.00
Smart Advantage	740	7.40
Total	**10,000**	**100**

Capital increases in September 2020 (introduction of Haibang Qiyue and Smart Brilliant International as our [**REDACTED**] *Investors)*

On August 31, 2020, the registered capital of our Company increased from RMB10,000,000 to RMB12,500,000 with Hangzhou Haibang Qiyue Equity Investment Partnership (L.P.)* (杭州海邦啟悅股權投資合夥企業(有限合夥)) ("**Haibang Qiyue**") subscribing for RMB2,500,000 at a consideration of RMB25,000,000. The consideration was determined after arm's length negotiations between the parties with reference to the pre-money valuation of our Company at RMB100,000,000, which took into account our Company's early development stage, our need for start-up capital to support initial operations, our business potential, and the funding requirements at the relevant time. As of August 31, 2020, our Company has received the consideration for the capital increase from Haibang Qiyue in full.

On September 24, 2020, the registered capital of our Company increased from RMB12,500,000 to RMB13,571,429 with Smart Brilliant International Investment Limited (智晶國際投資有限公司) ("**Smart Brilliant International**") subscribing for RMB1,071,429 at a consideration of RMB300,000,000. The consideration was determined after arm's length negotiations between the parties with reference to the pre-money valuation of our Company at RMB5 billion. The significant increase in valuation compared to the previous financing round was supported by the following factors: (i) the funds raised were intended to complete the acquisition of SMI, a company with over a decade of experience in the power management chip industry, possessing a mature overseas supply chain, a broad customer base, and an extensive sales network; and (ii) the funds were also allocated to the strategic investment in the Fullsemi wafer fabrication plant project, supporting our Virtual IDM business model and providing us with differentiated competitive advantages in process optimization, customized workflows, and capacity assurance. These strategic initiatives not only clarified our Company's development path but also enhanced its recognition among investors, who acknowledged our Company's strategic development direction, business model, ability to penetrate broader markets, and build long-term competitive advantages.

The increase in valuation reflects investor confidence in our Company's robust business model, our ability to create synergies between strategic investments, and our potential to deliver sustainable growth in a rapidly evolving industry. For the settlement date of the investment made by Smart Brilliant International, please see the paragraph headed "Equity transfer in January 2021 (introduction of Dr. Huh as our [**REDACTED**] Investor)" in this section.

For details of investments made by Haibang Qiyue and Smart Brilliant International as our [**REDACTED**] Investors, please see "[**REDACTED**] Investments" in this section. Registration with the local commerce department for the capital increases was completed on September 25, 2020. Immediately following the completion of the abovementioned capital increases, the shareholding structure of our Company was as follows:

Name of Shareholders	Registered capital subscribed for	Equity interest
	(RMB)	*(%)*
Vasona	3,000,000	22.11
Haibang Qiyue	2,500,000	18.42
Xidaxin	1,900,000	14.00
Hangzhou Moxin	1,660,000	12.23
Xihangxin	1,500,000	11.05
Smart Wealth	1,200,000	8.84
Smart Brilliant International	1,071,429	7.89
Smart Advantage	740,000	5.46
Total	**13,571,429**	**100**

Capital increases from September to November 2020 (series A financing and introduction of 11 [**REDACTED**] *Investors)*

On September 27, 2020, the registered capital of our Company increased from RMB13,571,429 to RMB18,948,787, with the following parties subscribing an increased registered capital of our Company as follows:

Name of Shareholders	Increased registered capital subscribed for	Equity interest (as enlarged by the capital increases)	Consideration	Settlement date
	(RMB)	*(%)*	*(RMB)*	
Zhuhai Weiheng Equity Investment Partnership (L.P.)* (珠海巍恒投資合夥企業(有限合夥)) ("**Zhuhai Weiheng**")	2,304,582	12.16	900,000,000	September 28, 2020
HSG Growth VI Holdco B (HK) Limited (previously known as SCC GROWTH VI HOLDCO B (HK) LIMITED) ("**HSG Growth**")	768,194	4.05	300,000,000	October 15, 2020
Beijing Junlian Shengyuan Equity Investment Partnership (L.P.)* (北京君聯晟源股權投資合夥企業(有限合夥)) ("**Junlian Shengyuan**")	691,375	3.65	270,000,000	September 28, 2020

Name of Shareholders	Increased registered capital subscribed for	Equity interest (as enlarged by the capital increases)	Consideration	Settlement date
	(RMB)	*(%)*	*(RMB)*	
Hubei Xiaomi Changjiang Industry Fund Partnership (L.P.)* (湖北小米長江產業基金合夥企業(有限合夥)) ("**Xiaomi Fund**")	512,129	2.70	200,000,000	September 28, 2020
Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司) ("**CATL**")	512,129	2.70	200,000,000	September 28, 2020
Hai Feng Investment Holding Limited (海風投資有限公司) ("**Hai Feng Investment**")	332,884	1.76	130,000,000	September 29, 2020
Zhuhai Junlian Xingze Equity Investment Enterprise (L.P.)* (珠海君聯星澤股權投資企業(有限合夥)) ("**Junlian Xingze**")	256,065	1.35	100,000,000	October 27, 2020

On November 23, 2020, the registered capital of our Company increased from RMB18,948,787 to RMB22,605,391, with the following parties subscribing an increased registered capital of our Company as follows:

Name of Shareholders	Increased registered capital subscribed for	Equity interest (as enlarged by the capital increases)	Consideration	Settlement date
	(RMB)	*(%)*	*(RMB)*	
Hangzhou Xinshengwei Equity Investment Partnership (L.P.)* (杭州芯盛微股權投資合夥企業(有限合夥)) ("**Xinshengwei**")	2,304,582	10.19	900,000,000	May 8, 2021
Hefei Huaxin Kerui IC Investment Partnership (L.P.)* (合肥華芯科瑞集成電路投資合夥企業(有限合夥)) ("**Huaxin Kerui**")	640,162	2.83	250,000,000	December 16, 2020
Hefei Huadeng Erqi IC Industry Investment Partnership (L.P.)* (合肥華登二期集成電路產業投資合夥企業(有限合夥)) ("**Huadeng Industry**")	640,162	2.83	250,000,000	December 24, 2020
Cosmic Warrior (HK) Limited ("**Cosmic Warrior**")	71,698	0.32	28,000,000	December 1, 2020

The above considerations in relation to the capital increases were determined after arm's length negotiations between the parties with reference to the pre-money valuation of our Company at RMB5 billion. All the Shareholders participated in the capital increases from September to November 2020 are our [**REDACTED**] Investors. Please see "[**REDACTED**] Investments" in this section for further details.

Our Company completed the registration with the local commerce department for the abovementioned capital increases on November 25, 2020. Immediately following the completion of the capital increases, the shareholding structure of our Company was as follows:

Name of Shareholders	Registered capital subscribed for	Equity interest
	(RMB)	*(%)*
Vasona	3,000,000	13.27
Hangzhou Moxin	1,660,000	7.34
Smart Wealth	1,200,000	5.31
Smart Advantage	740,000	3.27
[**REDACTED**] Investors*(Note)*	16,005,391	70.81
Total	**22,605,391**	**100**

Note: The names and approximate percentages of equity interest in our Company of the [**REDACTED**] Investors are listed as follows: Haibang Qiyue (11.06%), Zhuhai Weiheng (10.19%), Xinshengwei (10.19%), Xidaxin (8.41%), Xihangxin (6.64%), Smart Brilliant International (4.74%), HSG Growth (3.40%), Junlian Shengyuan (3.06%), Huaxin Kerui (2.83%), Huadeng Industry (2.83%), Xiaomi Fund (2.27%), CATL (2.27%), Hai Feng Investment (1.47%), Junlian Xingze (1.13%) and Cosmic Warrior (0.32%).

Equity transfer in January 2021 (introduction of Dr. Huh as our [**REDACTED**] *Investor)*

On December 30, 2020, Smart Brilliant International and Dr. Huh entered into an equity transfer agreement, pursuant to which Smart Brilliant International transferred the registered capital of RMB602,195 (representing 2.66% of the equity interests in our Company) to Dr. Huh at nil consideration, as the respective registered capital of our Company was not paid up as of the date of such transfer. Dr. Huh agreed to pay up the registered capital of RMB602,195 of our Company at a consideration of RMB168,614,600. As of July 1, 2021, our Company has received the investment amount paid by Dr. Huh in full.

As a result of the aforementioned equity transfer, Smart Brilliant International's investment in our Company was adjusted, with Smart Brilliant International agreeing to pay up the registered capital of RMB469,234 at a consideration of RMB131,606,078. As of May 24, 2021, our Company has received the full consideration from Smart Brilliant International.

The considerations paid by Dr. Huh and Smart Brilliant International were determined after arm's length negotiations between the parties with reference to the pre-money valuation of our Company at RMB5 billion.

On December 30, 2020, Smart Advantage and Smart Wealth entered into an equity transfer agreement, pursuant to which Smart Advantage transferred the registered capital of RMB115,000 (representing 0.51% of the equity interests in our Company) to Smart Wealth at nil consideration, as the respective registered capital of our Company was not paid up as of the date of such transfer.

Our Company completed the registration with the local commerce department for the abovementioned equity transfers on January 19, 2021. Immediately following the completion of the equity transfers, the shareholding structure of our Company was as follows:

Name of Shareholders	Registered capital subscribed for	Equity interest
	(RMB)	*(%)*
Vasona	3,000,000	13.27
Hangzhou Moxin	1,660,000	7.34
Smart Wealth	1,315,000	5.82
Smart Advantage	625,000	2.76
[**REDACTED**] Investors*(Note)*	16,005,391	70.81
Total	**22,605,391**	**100**

Note: The names and approximate percentages of equity interest in our Company of the [**REDACTED**] Investors are listed as follows: Haibang Qiyue (11.06%), Zhuhai Weiheng (10.19%), Xinshengwei (10.19%), Xidaxin (8.41%), Xihangxin (6.64%), HSG Growth (3.40%), Junlian Shengyuan (3.06%), Huaxin Kerui (2.83%), Huadeng Industry (2.83%), Dr. Huh (2.66%), Xiaomi Fund (2.27%), CATL (2.27%), Smart Brilliant International (2.08%), Hai Feng Investment (1.47%), Junlian Xingze (1.13%) and Cosmic Warrior (0.32%).

Capital increase in May to July 2022 (introduction of National Fund II, Xinchengwei, Xinyuwei, Guangqi Xinmai, Jiaxing Hengjunbang and Hongtu Zhanlu as our [**REDACTED**] *Investors)*

On May 13, 2022, the registered capital of our Company increased from RMB22,605,391 to RMB25,117,101, with National IC Industry Investment Fund Phase II Co., Ltd.* (國家集成電路產業投資基金二期股份有限公司) ("**National Fund II**"), Hangzhou Xinchengwei Equity Investment Partnership (L.P.)* (杭州芯成微股權投資合夥企業(有限合夥)) ("**Xinchengwei**") and Hangzhou Xinyuwei Equity Investment Partnership (L.P.)* (杭州芯宇微股權投資合夥企業(有限合夥)) ("**Xinyuwei**") subscribing for RMB1,255,855, RMB1,046,546 and RMB209,309 at considerations of RMB600,000,000, RMB500,000,000 and RMB100,000,000, respectively. The considerations were determined after arm's length negotiations between the parties with reference to the pre-money valuation of our Company at RMB10.8 billion. The pre-money valuation was based on the valuation of market capitalization of our Company as of September 30, 2021, conducted by an independent valuer, and was further agreed upon consultations with the [**REDACTED**] Investors, reflecting reasonable market-based pricing logic.

For details of investments made by National Fund II, Xinchengwei and Xinyuwei, please see "[**REDACTED**] Investments in this section". As of June 30, 2022, our Company has received the considerations for the capital increases from the above Shareholders in full.

On July 21, 2022, the registered capital of our Company increased from RMB25,117,101 to RMB25,601,502, with Guangzhou Guangqi Xinmai Management Consultancy Partnership (L.P.)* (廣州廣祺欣邁管理諮詢合夥企業(有限合夥) ("**Guangqi Xinmai**"), Jiaxing Hengjunbang Equity Investment Partnership (L.P.)* (嘉興恒隽邦股權投資合夥企業(有限合夥)) ("**Jiaxing Hengjunbang**") and Zhuhai Hongtu Zhanlu Equity Investment Partnership (L.P.)* (珠海市紅土湛盧股權投資合夥企業(有限合夥)) ("**Hongtu Zhanlu**") subscribing for RMB179,408, RMB179,408 and RMB125,585 at considerations of RMB100,000,000, RMB100,000,000 and RMB70,000,000, respectively. The considerations were determined after arm's length negotiations between the parties with reference to the pre-money valuation of our Company at RMB14 billion. The valuation was slightly higher than the pre-money valuation of the previous financing round, reflecting our Company's strategic decision to onboard investors with industry resources and synergy potential to enhance its overall competitive advantages.

For details of investments made by Guangqi Xinmai, Jiaxing Hengjunbang and Hongtu Zhanlu, please see "[**REDACTED**] Investments" in this section. As of July 28, 2022, our Company has received the considerations for the capital increases from them in full.

Registration with the local commerce department for the capital increases was completed on July 22, 2022. Immediately following the completion of the abovementioned capital increases, the shareholding structure of our Company was as follows:

Name of Shareholders	Registered capital subscribed for	Equity interest
	(RMB)	*(%)*
Vasona	3,000,000	11.72
Hangzhou Moxin	1,660,000	6.48
Smart Wealth	1,315,000	5.14
Smart Advantage	625,000	2.44
[**REDACTED**] Investors*(Note)*	19,001,502	74.22
Total	**25,601,502**	**100**

Note: The names and approximate percentages of equity interest in our Company of the [**REDACTED**] Investors are listed as follows: Haibang Qiyue (9.77%), Zhuhai Weiheng (9.00%), Xinshengwei (9.00%), Xidaxin (7.42%), Xihangxin (5.86%), National Fund II (4.91%), Xinchengwei (4.09%), HSG Growth (3.00%), Junlian Shengyuan (2.70%), Huaxin Kerui (2.50%), Huadeng Industry (2.50%), Dr. Huh (2.35%), Xiaomi Fund (2.00%), CATL (2.00%), Smart Brilliant International (1.83%), Hai Feng Investment (1.30%), Junlian Xingze (1.00%), Xinyuwei (0.82%), Guangqi Xinmai (0.70%), Jiaxing Hengjunbang (0.70%), Hongtu Zhanlu (0.49%) and Cosmic Warrior (0.28%).

Capital increases in August 2022 and equity transfers in May 2023 (series B financing and introduction of 13 [**REDACTED**] *Investors)*

On August 16, 2022, the registered capital of our Company increased from RMB25,601,502 to RMB27,079,992, with the following parties subscribing an increased registered capital of our Company as follows:

Name of Shareholders	Increased registered capital subscribed for	Equity interest (as enlarged by the capital increases)	Consideration	Settlement date
	(RMB)	*(%)*	*(RMB)*	
Hangzhou Fuyang Xiangheng Equity Investment Partnership (L.P.)* (杭州富陽項恒股權投資合夥企業(有限合夥)) ("**Xiangheng Investment**")	256,015	0.95	200,000,000	February 9, 2023
Hangzhou Haibang Ruibo Equity Investment Partnership (L.P.)* (杭州海邦睿柏股權投資合夥企業(有限合夥)) ("**Haibang Ruibo**")	243,214	0.90	190,000,000	August 25, 2022
Hangzhou Huaxin Yunmai Equity Investment Partnership (L.P.)* (杭州華芯雲邁股權投資合夥企業(有限合夥)) ("**Huaxin Yunmai**")	142,088	0.52	111,000,000	August 23, 2022
Jiaxing Taixin Keqi Venture Investment Partnership (L.P.)* (嘉興泰芯科啟創業投資合夥企業(有限合夥)) ("**Jiaxing Taixin**")	128,008	0.47	100,000,000	August 18, 2022

Name of Shareholders	Increased registered capital subscribed for	Equity interest (as enlarged by the capital increases)	Consideration	Settlement date
	(RMB)	*(%)*	*(RMB)*	
Jiaxing Tianye Xinxuan Equity Investment Partnership (L.P.)* (嘉興田野芯選股權投資合夥企業(有限合夥)) ("**Tianye Xinxuan**")	128,008	0.47	100,000,000	November 29, 2022
Yibin Chendao New Energy Industry Equity Investment Partnership (L.P.)* (宜賓晨道新能源產業股權投資合夥企業(有限合夥)) ("**Yibin Chendao**")	128,008	0.47	100,000,000	August 18, 2022
Zhuhai Junlian Xingchi Venture Investment Enterprise (L.P.)* (珠海君聯星馳創業投資企業(有限合夥)) ("**Junlian Xingchi**")	116,180	0.43	90,760,000	August 25, 2022
Hangzhou Xingcheng Lianxin Venture Investment Partnership (L.P.)* (杭州星成聯芯創業投資合夥企業(有限合夥)) ("**Xingcheng Lianxin**")	83,205	0.31	65,000,000	August 18, 2022
Suzhou Huaye Zhiyuan No. 3 Equity Investment Partnership (L.P.)* (蘇州華業致遠三號股權投資合夥企業(有限合夥)) ("**Huaye Zhiyuan**")	64,004	0.24	50,000,000	August 26, 2022
Hangzhou Yuxin Venture Investment Partnership (L.P.)* (杭州寓鑫創業投資合夥企業(有限合夥)) ("**Hangzhou Yuxin**")	44,803	0.17	35,000,000	August 18, 2022
HSG Growth	38,402	0.14	30,000,000	October 12, 2022
Zhejiang Jinkong Investment Co., Ltd.* (浙江金控投資有限公司) (currently known as Zhejiang Province Innovation Capital Investment Co., Ltd.* (浙江省創新資本投資有限公司) ("**Zhejiang Innovation Capital**")	28,162	0.10	22,000,000	August 25, 2022

Name of Shareholders	Increased registered capital subscribed for	Equity interest (as enlarged by the capital increases)	Consideration	Settlement date
	(RMB)	*(%)*	*(RMB)*	
Hangzhou Xinlanwei Venture Investment Partnership (L.P.)* (杭州芯嵐微創業投資合夥企業(有限合夥)) ("**Xinlanwei**")	26,882	0.10	21,000,000	September 9, 2022
Hai Feng Investment.	25,909	0.10	20,240,000	October 11, 2022
Guangdong Changtuoshi Venture Investment Partnership (L.P.)* (廣東長拓石創業投資合夥企業(有限合夥)) ("**Guangdong Changtuoshi**")	25,602	0.09	20,000,000	August 24, 2022

The above considerations in relation to the capital increases were determined after arm's length negotiations between the parties with reference to the pre-money valuation of our Company at RMB20 billion. The valuation was based on our Company's solid financial growth during the period from 2021 to the first half of 2022. The valuation also reflected investors' recognition of our Company's business model, growth potential, and favorable industry trends at the relevant time, which was agreed upon after negotiations with the [**REDACTED**] Investors and reflected reasonable market-based pricing logic. Except that Tianye Xinxuan ceased to be a Shareholder on May 30, 2023, and each of Xingcheng Lianxin and Hangzhou Yuxin ceased to be a Shareholder on September 30, 2025, the other Shareholders participated in the capital increases in August 2022 are our [**REDACTED**] Investors. Please see "[**REDACTED**] Investments" in this section for further details.

On May 29, 2023, Tianye Xinxuan and Yibin Lvneng Equity Investment Partnership (L.P.)* (宜賓綠能股權投資合夥企業(有限合夥)) ("**Yibin Lvneng**") entered into an equity transfer agreement, pursuant to which Tianye Xinxuan transferred the registered capital of RMB128,008 (representing 0.47% of the equity interests in our Company) to Yibin Lvneng at a consideration of RMB100,000,000. Tianye Xinxuan ceased to be our Shareholder after completion of the aforesaid transfer in May 2023.

On the same day, Xiangheng Investment entered into an equity transfer agreement with Qingdao Jingque Xinyang Technology Center (L.P.)* (青島精確芯陽科技中心(有限合夥)) ("**Jingque Xinyang**") and Ningbo Haibang Xingcai Venture Investment Partnership (L.P.)* (寧波海邦星材創業投資合夥企業(有限合夥)) ("**Ningbo Haibang**"), pursuant to which Xiangheng Investment transferred the registered capital of RMB63,760 (representing 0.24% of the equity interests in our Company) and RMB25,504 (representing 0.09% of the equity interests in our Company) to Jingque Xinyang and Ningbo Haibang at considerations of RMB49,809,722 and RMB19,923,691, respectively.

The considerations for the above equity transfers were determined after arm's length negotiations between the parties with reference to the pre-money valuation of our Company at RMB20 billion. For details of investments made by Yibin Lvneng, Jingque Xinyang and Ningbo Haibang, please see "[**REDACTED**] Investments" in this section. As of June 2, 2023, the considerations for the above equity transfers were settled in full.

Registration with the local commerce department for the abovementioned capital increases and equity transfers was completed on May 30, 2023. Immediately following the completion of the abovementioned capital increases and equity transfers, the shareholding structure of our Company was as follows:

Name of Shareholders	Registered capital subscribed for	Equity interest
	(RMB)	*(%)*
Vasona	3,000,000	11.08
Hangzhou Moxin	1,660,000	6.14
Smart Wealth	1,315,000	4.86
Smart Advantage	625,000	2.31
[**REDACTED**] Investors*(Note)*	20,479,992	75.63
Total	**27,079,992**	**100**

Note: The names and approximate percentage of equity interest in our Company of the [**REDACTED**] Investors are listed as follows: Haibang Qiyue (9.23%), Zhuhai Weiheng (8.51%), Xinshengwei (8.51%), Xidaxin (7.02%), Xihangxin (5.54%), National Fund II (4.64%), Xinchengwei (3.86%), HSG Growth (2.98%), Junlian Shengyuan (2.55%), Huaxin Kerui (2.36%), Huadeng Industry (2.36%), Dr. Huh (2.22%), Xiaomi Fund (1.89%), CATL (1.89%), Smart Brilliant International (1.73%), Hai Feng Investment (1.32%), Junlian Xingze (0.95%), Haibang Ruibo (0.90%), Xinyuwei (0.77%), Guangqi Xinmai (0.66%), Jiaxing Hengjunbang (0.66%), Xiangheng Investment (0.62%), Huaxin Yunmai (0.52%), Jiaxing Taixin (0.47%), Yibin Chendao (0.47%), Yibin Lvneng (0.47%), Hongtu Zhanlu (0.46%), Junlian Xingchi (0.43%), Xingcheng Lianxin (0.31%), Cosmic Warrior (0.26%), Huaye Zhiyuan (0.24%), Jingque Xinyang (0.24%), Hangzhou Yuxin (0.17%), Zhejiang Innovation Capital (0.10%), Xinlanwei (0.10%), Guangdong Changtuoshi (0.09%) and Ningbo Haibang (0.09%).

Equity transfer in July 2023

On June 30, 2023, Smart Wealth and Hangzhou Moxin entered into an equity transfer agreement, pursuant to which Smart Wealth transferred the registered capital of RMB85,000 (representing 0.31% of the equity interests in our Company) to Hangzhou Moxin at nil consideration, as the respective registered capital of our Company was not paid up as of the date of such transfer.

Registration with the local commerce department for the equity transfer was completed on July 20, 2023. Immediately following the completion of the abovementioned equity transfer, the shareholding structure of our Company was as follows:

Name of Shareholders	Registered capital subscribed for	Equity interest
	(RMB)	*(%)*
Vasona	3,000,000	11.08
Hangzhou Moxin	1,745,000	6.44
Smart Wealth	1,230,000	4.54
Smart Advantage	625,000	2.31
[**REDACTED**] Investors*(Note)*	20,479,992	75.63
Total	**27,079,992**	**100**

Note: The names and approximate percentages of equity interest in our Company of the [**REDACTED**] Investors are listed as follows: Haibang Qiyue (9.23%), Zhuhai Weiheng (8.51%), Xinshengwei (8.51%), Xidaxin (7.02%), Xihangxin (5.54%), National Fund II (4.64%), Xinchengwei (3.86%), HSG Growth (2.98%), Junlian Shengyuan (2.55%), Huaxin Kerui (2.36%), Huadeng Industry (2.36%), Dr. Huh (2.22%), Xiaomi Fund (1.89%), CATL (1.89%), Smart Brilliant International (1.73%), Hai Feng Investment (1.32%), Junlian Xingze (0.95%), Haibang Ruibo (0.90%), Xinyuwei (0.77%), Guangqi Xinmai (0.66%), Jiaxing Hengjunbang (0.66%), Xiangheng Investment (0.62%), Huaxin Yunmai (0.52%), Jiaxing Taixin (0.47%), Yibin Chendao (0.47%), Yibin Lvneng (0.47%), Hongtu Zhanlu (0.46%), Junlian Xingchi (0.43%), Xingcheng Lianxin (0.31%), Cosmic Warrior (0.26%), Huaye Zhiyuan (0.24%), Jingque Xinyang (0.24%), Hangzhou Yuxin (0.17%), Zhejiang Innovation Capital (0.10%), Xinlanwei (0.10%), Guangdong Changtuoshi (0.09%) and Ningbo Haibang (0.09%).

Conversion into joint stock limited company

On June 25, 2025, all of our then Shareholders entered into a promoters' agreement, pursuant to which it was agreed that our Company shall be converted from a limited liability company to a joint stock limited company. Upon the completion of the conversion, our Company had a registered capital of RMB50 million divided into 50,000,000 Shares with a par value of RMB1.00 each, which shall be subscribed by all Shareholders in proportion to their shareholdings in our Company before the conversion. The conversion was completed on June 25, 2025, with the shareholding structure of our Company immediately upon the completion of the conversion as follows:

Name of Shareholders	Number of Shares	Percentage of shareholding
		(%)
Vasona	5,539,143	11.08
Hangzhou Moxin	3,221,936	6.44
Smart Wealth	2,271,049	4.54
Smart Advantage	1,153,989	2.31
[**REDACTED**] Investors*(Note)*	37,813,883	75.63
Total	**50,000,000**	**100**

Note: The names and approximate percentages of shareholding in our Company of the [**REDACTED**] Investors are listed as follows: Haibang Qiyue (9.23%), Zhuhai Weiheng (8.51%), Xinshengwei (8.51%), Xidaxin (7.02%), Xihangxin (5.54%), National Fund II (4.64%), Xinchengwei (3.86%), HSG Growth (2.98%), Junlian Shengyuan (2.55%), Huaxin Kerui (2.36%), Huadeng Industry (2.36%), Dr. Huh (2.22%), Xiaomi Fund (1.89%), CATL (1.89%), Smart Brilliant International (1.73%), Hai Feng Investment (1.32%), Junlian Xingze (0.95%), Haibang Ruibo (0.90%), Xinyuwei (0.77%), Guangqi Xinmai (0.66%), Jiaxing Hengjunbang (0.66%), Xiangheng Investment (0.62%), Huaxin Yunmai (0.52%), Jiaxing Taixin (0.47%), Yibin Chendao (0.47%), Yibin Lvneng (0.47%), Hongtu Zhanlu (0.46%), Junlian Xingchi (0.43%), Xingcheng Lianxin (0.31%), Cosmic Warrior (0.26%), Huaye Zhiyuan (0.24%), Jingque Xinyang (0.24%), Hangzhou Yuxin (0.17%), Zhejiang Innovation Capital (0.10%), Xinlanwei (0.10%), Guangdong Changtuoshi (0.09%) and Ningbo Haibang (0.09%).

Share transfers in September 2025 (introduction of Longyou Haibang Xinzhi as our [**REDACTED**] *Investor)*

On September 29, 2025, Hangzhou Yuxin entered into a share transfer agreement with Longyou Haibang Xinzhi Venture Investment Partnership (L.P.)* (龍游海邦新智創業投資合夥企業(有限合夥)) ("**Longyou Haibang Xinzhi**"), pursuant to which Hangzhou Yuxin transferred 82,723 Shares, representing 0.17% of the share capital of our Company, to Longyou Haibang Xinzhi at a consideration of RMB43,353,973. On the same day, Xingcheng Lianxin entered into a share transfer agreement with Longyou Haibang Xinzhi, pursuant to which Xingcheng Lianxin transferred 153,628 Shares, representing 0.31% of the share capital of our Company, to Longyou Haibang Xinzhi at a consideration of RMB80,514,521. The above considerations were determined after arm's length negotiations between the parties with reference to our Company's previous financing round valuation of RMB20 billion, which also reflects the investor's confidence in our Company's growth prospects and investment potential. As of September 30, 2025, Longyou Haibang Xinzhi has paid the above considerations for the share transfers in full to Hangzhou Yuxin and Xingcheng Lianxin, respectively.

For details of investment made by Longyou Haibang Xinzhi as one of our [**REDACTED**] Investors, please see "[**REDACTED**] Investments" in this section. Immediately following the completion of the abovementioned share transfers, Hangzhou Yuxin and Xingcheng Lianxin ceased to be our Shareholders, and the shareholding structure of our Company was as follows:

Name of Shareholders	Number of Shares	Percentage of shareholding
		(%)
Vasona	5,539,143	11.08
Hangzhou Moxin	3,221,936	6.44
Smart Wealth	2,271,049	4.54

Name of Shareholders	Number of Shares	Percentage of shareholding
		(%)
Smart Advantage	1,153,989	2.31
[**REDACTED**] Investors *(Note)*	37,813,883	75.63
Total	**50,000,000**	**100**

Note: The names and approximate percentages of shareholding in our Company of the [**REDACTED**] Investors are listed as follows: Haibang Qiyue (9.23%), Zhuhai Weiheng (8.51%), Xinshengwei (8.51%), Xidaxin (7.02%), Xihangxin (5.54%), National Fund II (4.64%), Xinchengwei (3.86%), HSG Growth (2.98%), Junlian Shengyuan (2.55%), Huaxin Kerui (2.36%), Huadeng Industry (2.36%), Dr. Huh (2.22%), Xiaomi Fund (1.89%), CATL (1.89%), Smart Brilliant International (1.73%), Hai Feng Investment (1.32%), Junlian Xingze (0.95%), Haibang Ruibo (0.90%), Xinyuwei (0.77%), Guangqi Xinmai (0.66%), Jiaxing Hengjunbang (0.66%), Xiangheng Investment (0.62%), Huaxin Yunmai (0.52%), Jiaxing Taixin (0.47%), Yibin Chendao (0.47%), Yibin Lvneng (0.47%), Longyou Haibang Xinzhi (0.47%), Hongtu Zhanlu (0.46%), Junlian Xingchi (0.43%), Cosmic Warrior (0.26%), Huaye Zhiyuan (0.24%), Jingque Xinyang (0.24%), Zhejiang Innovation Capital (0.10%), Xinlanwei (0.10%), Guangdong Changtuoshi (0.09%) and Ningbo Haibang (0.09%).

[**REDACTED**]

We expect to conduct the [**REDACTED**] immediately prior to the [**REDACTED**], pursuant to which each Share in our issued share capital will be [**REDACTED**] into [**REDACTED**] Shares. All Shares resulting from the [**REDACTED**] rank *pari passu* with each other. Immediately after the [**REDACTED**] and before the [**REDACTED**], the registered share capital of our Company will be RMB50,000,000 with [**REDACTED**] Shares in a nominal value of RMB[**REDACTED**] each.

SMI

In December 2020, we completed the acquisition of 99.996% shareholding in SMI for a total consideration of US$355 million (equivalent to RMB2,386 million) through our wholly-owned subsidiary, Hangzhou Xintu Semiconductor Technology Co., Ltd.* (杭州芯途半導體技術有限公司). This included the acquisition of Greenpine Device Ltd., the indirect holding company of SMI through its wholly-owned subsidiary, Silicon Micro Technology Holding Ltd. ("**SMTH**"). SMTH acquired the remaining 0.004% shareholding in SMI from an individual shareholder for KRW20,000,000 (equivalent to approximately RMB98,000) in 2022. To the best of our Company's knowledge, the vendors from whom we acquired the direct and indirect shareholding in SMI and their respective ultimate beneficial owners (where applicable) were Independent Third Parties.

The consideration for the acquisition of 99.996% of SMI's shareholding, totaling US$355 million, was primarily based on SMI's historical financial performance, using the comparable company P/S (price-to-sales) valuation method. The consideration for the 0.004% shareholding in SMI, amounting to KRW20,000,000, was determined through negotiation with the seller and was slightly lower than the weighted average price per share paid for the 99.996% acquisition.

SMI is principally engaged in design and sale of semiconductor chips, and has a mature overseas supply chain, a broad customer base, and an extensive sales network, along with substantial market experience and expertise. This acquisition allowed us to establish a solid foundation in the overseas market while creating synergies with our domestic operations. With our dual ecosystem, we have implemented an effective integration and unified management system to optimize key business activities such as sales, procurement, production, and R&D. As a result, our Company now oversees the production, R&D, and domestic sales of MOSFET and IC products, while our Korean operation focuses on the production, R&D, and overseas sales of IC products. This clear division of responsibilities ensures streamlined operations, improved efficiency, and enhanced capability to better serve both domestic and international markets.

Upon completion of the above steps and since October 6, 2022, SMI has been a wholly-owned subsidiary of our Company.

Hangzhou Xintong

Hangzhou Xintong was established under the laws of the PRC with limited liability on July 20, 2023 with an initial registered capital of RMB100,000,000 as a direct wholly-owned subsidiary of our Company. On October 21, 2024, Hangzhou Xintong's registered capital increased to RMB200,000,000, with our Company subscribing for the increased registered capital. Upon its establishment and as of the Latest Practicable Date, Hangzhou Xintong is wholly-owned by our Company.

Compliance with PRC Laws and Regulations

As advised by our PRC Legal Adviser, all of the historical equity transfers, capital increases and conversion into a joint stock company with limited liability of our Company as disclosed above have been validly completed, all considerations have been settled in full, and the procedures involved for the registration of change of company as required under applicable PRC laws have been completed.

OUR ESOP PLATFORMS

In order to incentivize our management and employees for their contributions to our Group, we established Hangzhou Moxin, Smart Advantage and Smart Wealth as the ESOP Platforms.

Hangzhou Moxin

Hangzhou Moxin was established in the PRC as a limited liability partnership on May 27, 2020. Hangzhou Moxin's sole general partner is Hangzhou Qinxin, which is in turn owned as to 80% by Dr. Ren and 20% by Zhang Yan, an employee of our Group. As of the Latest Practicable Date, Hangzhou Moxin had 13 limited partners, including (i) Hangzhou Moxin No. 1 Corporate Management Partnership (L.P.)* (杭州模芯一號企業管理合夥企業(有限合夥)) ("**Moxin No. 1**"), holding 6.06% interest in Hangzhou Moxin; (ii) Hangzhou Moxin No. 2 Corporate Management Partnership (L.P.)* (杭州模芯二號企業管理合夥企業(有限合夥)) ("**Moxin No. 2**"), holding 0.99% interest in Hangzhou Moxin; (iii) Hangzhou Moxin No. 3 Corporate Management Partnership (L.P.)* (杭州模芯三號企業管理合夥企業(有限合夥)) ("**Moxin No. 3**"), holding 17.58% interest in Hangzhou Moxin; (iv) Hangzhou Moxin No. 4 Corporate Management Partnership (L.P.)* (杭州模芯四號企業管理合夥企業(有限合夥)) ("**Moxin No. 4**"), holding 7.03% interest in Hangzhou Moxin; (v) Hangzhou Moxin No. 5 Corporate Management Partnership (L.P.)* (杭州模芯五號企業管理合夥企業(有限合夥)) ("**Moxin No. 5**"), holding 4.66% interest in Hangzhou Moxin; (vi) Dr. Ren, holding 55.98% interest in Hangzhou Moxin; and (vii) seven individuals who are all our Group's employees, holding a total of 7.70% interest in Hangzhou Moxin.

The sole general partner of each of Moxin No. 1, Moxin No. 2, Moxin No. 3, Moxin No. 4 is Hangzhou Xinxin Semiconductor Technology Co., Ltd.* (杭州芯芯半導體技術有限公司) ("**Hangzhou Xinxin**"). Hangzhou Xinxin is in turn owned as to 40% by Dr. Ren, 30% by Dr. Su and 30% by Liang Jianxiong (梁建雄), our vice president of sales. As of the Latest Practicable Date, Moxin No. 1 had 36 limited partners, among which Li Xiaolei (李曉蕾), our chief financial officer, held 18.94% interest therein, and the remaining limited partners were our existing or former employees, who collectively held 81.06% interest therein. Moxin No. 2 had 30 limited partners, who are all existing or former employees of the Group, holding a total of 100.00% interest therein. Moxin No. 3 had 37 limited partners, among which Liang Jianxiong held 29.09% interest therein and the other 36 existing or former employees of our Group collectively held 70.91% interest in Moxin No. 3. Moxin No. 4 had 22 limited partners, among which Dr. Ren, our executive Director, held 44.77% interest therein, Liang Jianxiong held 4.15% interest therein, Sun Junping (孫君萍), our Supervisor, held 1.30% interest therein, and the other 19 employees collectively held 49.78% interest in Moxin No. 4. The sole general partner of Moxin No. 5 is Hangzhou Qinxin. Moxin No. 5 had 21 limited partners, among which Liang Jianxiong held 11.46% interests therein, the remaining 20 limited partners collectively held 88.54% interest in Moxin No. 5.

Smart Advantage

Smart Advantage was registered in Samoa as a limited liability partnership on February 19, 2020. Smart Advantage's sole general partner is Bright Shine, which is wholly owned by Dr. Su. As of the Latest Practicable Date, Bright Shine held 0.00003% interest in Smart Advantage, Dr. Huh, the only limited partner of Smart Advantage, held the remaining 99.99997% interest.

Smart Wealth

Smart Wealth was registered in Samoa as a limited liability partnership on February 19, 2020. Smart Wealth's sole general partner is Bright Shine. As of the Latest Practicable Date, Smart Wealth had 234 limited partners, among which. Dr. Su and Kim Jong Hwan, each a senior management of our Group, held approximately 8.70% and 3.49% interest therein, respectively. The other 232 employees of our Group collectively held the remaining 87.80% interest in Smart Wealth. No limited partner holds 30% or more of the limited partnership interest in Smart Wealth.

Save as disclosed above, as of the Latest Practicable Date, none of the partners of the ESOP Platforms are Directors, Supervisor, senior management or other connected persons of our Company. For further details about our [**REDACTED**] ESOP, please see "Appendix VII — Statutory and General Information — D. [**REDACTED**] ESOP" to this document.

ACTING-IN-CONCERT AND SINGLE LARGEST SHAREHOLDER GROUP

As of the Latest Practicable Date, Hangzhou Moxin, Smart Advantage and Smart Wealth, the ESOP Platforms, directly held in aggregate approximately 13.29% of the total issued share capital of our Company. Hangzhou Qinxin, as the general partner of Hangzhou Moxin, has the rights and powers to manage and administer the affairs of Hangzhou Moxin. Hangzhou Qinxin is in turn owned as to 80% by Dr. Ren. Bright Shine is the general partner of each of Smart Advantage and Smart Wealth and has the rights and powers to manage and administer the affairs of Smart Advantage and Smart Wealth. Bright Shine is in turn wholly owned by Dr. Su.

On June 19, 2025, Hangzhou Moxin, Smart Advantage, Smart Wealth, Hangzhou Qinxin, Bright Shine, Dr. Ren, and Dr. Su (collectively, the "**Concert Parties**") entered into an acting-in-concert agreement (the "**AIC Agreement**"), under which the Concert Parties agreed and confirmed that, from the date they became direct and/or indirect Shareholders, each of the Concert Parties has acted and will continue to act in concert in exercising their shareholders' rights in relation to our Company until he/she/it disposes his/her/its Shares and ceases to be a Shareholder (in which case the remaining parties will continue to be bound by the AIC Agreement) or all parties reach mutual agreement to terminate the AIC Agreement. This includes rights such as proposing resolutions and voting at Shareholders' meetings. In the event that the Concert Parties are unable to reach a consensus or experience differences, the decisions of Hangzhou Moxin and Dr. Ren shall prevail.

By virtue of the AIC Agreement, the Concert Parties will constitute the Single Largest Shareholder Group upon [**REDACTED**], holding in aggregate approximately [**REDACTED**]% of the total issued share capital of our Company (assuming the [**REDACTED**] is not exercised).

ACQUISITIONS AND DISPOSALS DURING THE TRACK RECORD PERIOD

During the Track Record Period and up to the Latest Practicable Date, we have not engaged in any material acquisitions, disposals or mergers.

REASONS FOR THE [REDACTED]

Our Company is seeking a [**REDACTED**] on the Stock Exchange in order to raise further capital for the development and expansion of our Company's business, and to further raise our profile as a business with a global presence and thus, enhance our ability to attract new customers, business partners, strategic investors and key management personnel. See also the section headed "Future Plans and [**REDACTED**]" in this document for further details.

[REDACTED] INVESTMENTS

1. Overview

	[REDACTED] Investors	Name of ultimate beneficial owners	Date of capital increase/ equity transfer agreement	Subscription amount of registered capital	Consideration	Date of completion of payment of consideration	Total number of Shares held upon completion of the [REDACTED]	Average cost per Share[1]	[REDACTED] to mid-point of the [REDACTED][2]	Shareholding in our Company as of the Latest Practicable Date	Shareholding in our Company upon completion of the [REDACTED][3]
				(RMB)	*(RMB)*			*(RMB)*		*(%)*	*(%)*
1.	Xihangxin	Xihangxin	April 27, 2020, June 1, 2020	1,500,000	1,500,000	August 31, 2020	[**REDACTED**]	0.05	[**REDACTED**]%	5.54	[**REDACTED**]
2.	Xidaxin	Xidaxin	July 21, 2020	1,900,000	1,900,000	August 31, 2020	[**REDACTED**]	0.05	[**REDACTED**]%	7.02	[**REDACTED**]
3.	Haibang Qiyue	Xie Li	August 31, 2020	2,500,000	25,000,000	September 10, 2020	[**REDACTED**]	0.54	[**REDACTED**]%	9.23	[**REDACTED**]
4.	Haibang Ruibo		August 16, 2022	243,214	190,000,000	August 25, 2022	[**REDACTED**]	42.31	[**REDACTED**]%	0.90	[**REDACTED**]
5.	Ningbo Haibang		May 29, 2023	25,504	19,923,691	June 2, 2023	[**REDACTED**]	42.31	[**REDACTED**]%	0.09	[**REDACTED**]
6.	Longyou Haibang Xinzhi		September 29, 2025	NA	123,868,494	September 30, 2025	[**REDACTED**]	52.41	[**REDACTED**]%	0.47	[**REDACTED**]
	Entities listed out in no. 3-6 are collectively referred to as the "**Haibang Entities**"								*Subtotal*:	**10.70**	[**REDACTED**]
7.	Smart Brilliant International	Lin Yongyu (林永育)	September 24, 2020, December 30, 2020	469,234	131,606,078	May 24, 2021	[**REDACTED**]	15.19	[**REDACTED**]%	1.73	[**REDACTED**]

	[REDACTED] Investors	Name of ultimate beneficial owners	Date of capital increase/ equity transfer agreement	Subscription amount of registered capital	Consideration	Date of completion of payment of consideration	Total number of Shares held upon completion of the [REDACTED]	Average cost per Share[1]	[REDACTED] to mid-point of the [REDACTED][2]	Shareholding in our Company as of the Latest Practicable Date	Shareholding in our Company upon completion of the [REDACTED][3]
				(RMB)	*(RMB)*			*(RMB)*		*(%)*	*(%)*
8.	Zhuhai Weiheng	Zhuhai Gao Ling	September 27, 2020	2,304,582	900,000,000	September 28, 2020	[REDACTED]	21.15	[REDACTED]%	8.51	[REDACTED]
9.	Xiangheng Investment	Private Equity Fund Management Co., Ltd. (珠海高瓴私募基金管理有限公司)	August 16, 2022, May 29, 2023	166,751	130,266,586	February 9, 2023	[REDACTED]	42.31	[REDACTED]%	0.62	[REDACTED]
	Entities listed in no. 8 and 9 are collectively referred to as "**Zhuhai Weiheng and Xiangheng Investment**"								*Subtotal:*	**9.13**	[REDACTED]
10.	HSG Growth	Neil Nanpeng Shen	September 27, 2020, August 16, 2022	806,596	330,000,000	October 12, 2022	[REDACTED]	22.16	[REDACTED]%	2.98	[REDACTED]
11.	Junlian Shengyuan	Zhu Linan (朱立南),	September 27, 2020	691,375	270,000,000	September 28, 2020	[REDACTED]	21.15	[REDACTED]%	2.55	[REDACTED]
12.	Junlian Xingze	Chen Hao (陳浩),	September 27, 2020	256,065	100,000,000	October 27, 2020	[REDACTED]	21.15	[REDACTED]%	0.95	[REDACTED]
13.	Junlian Xingchi	Wang Nengguang (王能光) and Li Jiaqing (李家慶)	August 16, 2022	116,180	90,760,000	August 25, 2022	[REDACTED]	42.31	[REDACTED]%	0.43	[REDACTED]
	Entities listed out in no. 11-13 are collectively referred to as the "**Junlian Entities**"								*Subtotal:*	**3.93**	[REDACTED]
14.	Hai Feng Investment	SK Inc., Chen Hao, Zhu Linan, Li Jiaqing and Wang Nengguang	September 27, 2020, August 15, 2022	358,793	150,240,000	October 11, 2022	[REDACTED]	22.68	[REDACTED]%	1.32	[REDACTED]

	[REDACTED] Investors	Name of ultimate beneficial owners	Date of capital increase/ equity transfer agreement	Subscription amount of registered capital	Consideration	Date of completion of payment of consideration	Total number of Shares held upon completion of the [REDACTED]	Average cost per Share[1]	[REDACTED] to mid-point of the [REDACTED][2]	Shareholding in our Company as of the Latest Practicable Date	Shareholding in our Company upon completion of the [REDACTED][3]
				(RMB)	*(RMB)*			*(RMB)*		*(%)*	*(%)*
15.	Huaxin Kerui	Sakarya Limited (香港薩卡里亞責任有限公司)	November 23, 2020	640,162	250,000,000	December 16, 2020	[REDACTED]	21.15	[REDACTED]%	2.36	[REDACTED]
16.	Huadeng Industry	Ohara Capital Hong Kong Limited (華集資本香港有限公司)	November 23, 2020	640,162	250,000,000	December 24, 2020	[REDACTED]	21.15	[REDACTED]%	2.36	[REDACTED]
17.	Huaxin Yunmai		August 16, 2022	142,088	111,000,000	August 23, 2022	[REDACTED]	42.31	[REDACTED]%	0.52	[REDACTED]
	Entities listed out in no. 16-17 are collectively referred to as the "**Huaying Huachuang Entities**"								*Subtotal:*	**2.89**	[REDACTED]
18.	Xinshengwei	Li Jianmin (李薦民)	September 27, 2020	2,304,582	900,000,000	May 8, 2021	[REDACTED]	21.15	[REDACTED]%	8.51	[REDACTED]
19.	Xinlanwei		August 16, 2022	26,882	21,000,000	September 9, 2022	[REDACTED]	42.31	[REDACTED]%	0.10	[REDACTED]
	Entities listed out in no. 18 and 19 are collectively referred to as the "**Hangzhou Xixin Entities**"								*Subtotal:*	**8.61**	[REDACTED]
20.	Cosmic Warrior	Jing He	November 23, 2020	71,698	28,000,000	December 1, 2020	[REDACTED]	21.15	[REDACTED]%	0.26	[REDACTED]
21.	Xiaomi Fund	Lei Jun (雷軍)	September 27, 2020	512,129	200,000,000	September 28, 2020	[REDACTED]	21.15	[REDACTED]%	1.89	[REDACTED]
22.	CATL	Zeng Yuqun (曾毓群)	September 27, 2020	512,129	200,000,000	September 28, 2020	[REDACTED]	21.15	[REDACTED]%	1.89	[REDACTED]
23.	Dr. Huh	Dr. Huh	December 30, 2020	602,195	168,614,600	July 1, 2021	[REDACTED]	15.17	[REDACTED]%	2.22	[REDACTED]

	[REDACTED] Investors	Name of ultimate beneficial owners	Date of capital increase/ equity transfer agreement	Subscription amount of registered capital	Consideration	Date of completion of payment of consideration	Total number of Shares held upon completion of the [REDACTED]	Average cost per Share[1]	[REDACTED] to mid-point of the [REDACTED][2]	Shareholding in our Company as of the Latest Practicable Date	Shareholding in our Company upon completion of the [REDACTED][3]
				(RMB)	*(RMB)*			*(RMB)*		*(%)*	*(%)*
24.	National Fund II	National Fund II	May 13, 2022	1,255,855	600,000,000	May 27, 2022	[REDACTED]	25.88	[REDACTED]%	4.64	[REDACTED]
25.	Xinchengwei	Hangzhou High-tech Industrial Development Zone Finance Bureau (杭州高新技術產業開發區財政局) and Hangzhou Binjiang District Finance Bureau (杭州市濱江區財政局)	May 13, 2022	1,046,546	500,000,000	June 30, 2022	[REDACTED]	25.88	[REDACTED]%	3.86	[REDACTED]
26.	Xinyuwei	Xinyuwei	May 13, 2022	209,309	100,000,000	May 22, 2022	[REDACTED]	25.88	[REDACTED]%	0.77	[REDACTED]
27.	Guangqi Xinmai	Guangzhou Municipal State-owned Assets Supervision and Administration Commission (廣州市國有資產監督管理委員會)	July 21, 2022	179,408	100,000,000	July 22, 2022	[REDACTED]	30.19	[REDACTED]%	0.66	[REDACTED]
28.	Hongtu Zhanlu	Shenzhen Municipal State-owned Assets Supervision and Administration Commission (深圳市國有資產監督管理委員會)	July 21, 2022	125,585	70,000,000	July 25, 2022	[REDACTED]	30.19	[REDACTED]%	0.46	[REDACTED]
29.	Jiaxing Hengjunbang	Lu Yongtao (陸永濤)	July 21, 2022	179,408	100,000,000	July 28, 2022	[REDACTED]	30.19	[REDACTED]%	0.66	[REDACTED]
30.	Huaye Zhiyuan	Wu Hao (吳昊)	August 16, 2022	64,004	50,000,000	August 26, 2022	[REDACTED]	42.31	[REDACTED]%	0.24	[REDACTED]

	[REDACTED] Investors	Name of ultimate beneficial owners	Date of capital increase/ equity transfer agreement	Subscription amount of registered capital	Consideration	Date of completion of payment of consideration	Total number of Shares held upon completion of the [REDACTED]	Average cost per Share[1]	[REDACTED] to mid-point of the [REDACTED][2]	Shareholding in our Company as of the Latest Practicable Date	Shareholding in our Company upon completion of the [REDACTED][3]
				(RMB)	*(RMB)*			*(RMB)*		*(%)*	*(%)*
31.	Jiaxing Taixin	Li Xiang (李響)	August 16, 2022	128,008	100,000,000	August 18, 2022	[REDACTED]	42.31	[REDACTED]%	0.47	[REDACTED]
32.	Yibin Chendao	Guan Chaoyu (關朝餘)	August 16, 2022	128,008	100,000,000	August 18, 2022	[REDACTED]	42.31	[REDACTED]%	0.47	[REDACTED]
33.	Yibin Lvneng Entities listed out in no. 32 and 33 are collectively referred to as the "**Yibin Entities**"		May 29, 2023	128,008	100,000,000	May 29, 2023	[REDACTED]	42.31	[REDACTED]%	0.47	[REDACTED]
									Subtotal:	**0.95**	[REDACTED]
34.	Jingque Xinyang	Cui Yong (崔勇)	May 29, 2023	63,760	49,809,722	June 1, 2023	[REDACTED]	42.31	[REDACTED]%	0.24	[REDACTED]
35.	Zhejiang Innovation Capital	Zhejiang Provincial Finance Bureau (浙江省財政廳)	August 16, 2022	28,162	22,000,000	August 25, 2022	[REDACTED]	42.31	[REDACTED]%	0.10	[REDACTED]
36.	Guangdong Changtuoshi	Ding Zhongmin (丁忠民) and Wang Gongbin (汪恭彬)	August 16, 2022	25,602	20,000,000	August 24, 2022	[REDACTED]	42.31	[REDACTED]%	0.09	[REDACTED]

Notes:

1. The average cost per Share paid by the [**REDACTED**] Investors is calculated based on the investment amounts made by these investors divided by the number of Shares they actually hold immediately after the completion of the [**REDACTED**].

2. For illustration purpose only. Calculated on the basis of the [**REDACTED**] of HK$[**REDACTED**], the mid-point of the indicative [**REDACTED**] of HK$[**REDACTED**] and HK$[**REDACTED**], and based on the currency conversion rate of RMB[0.86693]:HK$1.

3. Based on the enlarged issued Share capital of our Company immediately upon completion of the [**REDACTED**] (without taking into account the Shares which may be issued pursuant to the exercise of the [**REDACTED**]).

2. Principal terms of the [REDACTED] Investments

A summary of the principal terms of the [**REDACTED**] Investments is set forth below:

Basis of determination of the consideration:	Arm's length negotiation between the parties with reference to the status and prospects of our business development and the pre-money valuation of our Company.
Use of proceeds:	The proceeds have been utilized to support our R&D activities for products and services, facilitate business expansion, and address our working capital requirements. As of the Latest Practicable Date, approximately RMB5,384 million, representing 83% of the proceeds received from our [**REDACTED**] Investors, have been utilized.
Strategic benefits to our Company:	Our Directors believe that the additional capital provided by the [**REDACTED**] Investments, along with the knowledge and experience of the [**REDACTED**] Investors, brings significant benefits to our Company. These investments demonstrate the investor's confidence in our business and operations, while also serving as an endorsement of our performance, strengths, and future prospects.
Lock-up period:	Pursuant to applicable PRC laws and regulations, within one year following the [**REDACTED**], the [**REDACTED**] Investors shall not dispose of any Shares held by them.

3. Special rights of the [REDACTED] Investors

According to the capital increase agreements and shareholders' agreements entered into between our Company and the [**REDACTED**] Investors, the [**REDACTED**] Investors are entitled to certain special rights, including rights of first refusal, transfer restrictions, pre-emptive rights, co-sale rights, liquidation preferences, anti-dilution rights, redemption rights, no more favorable terms and information rights.

On June 24, 2025, our Company and all existing Shareholders jointly entered into a supplemental agreement (the "**Supplemental Agreement**"), pursuant to which the [**REDACTED**] Investors confirmed that with effect from February 27, 2025, the redemption rights and certain liquidation preferences were terminated. As advised by our PRC Legal Adviser, pursuant to Article 490 of the Civil Code of the People's Republic of China (中華人民共和國民法典) (the "**PRC Civil Code**"), a written contract is established when it is signed, sealed, or affixed with fingerprints by all parties. Furthermore, pursuant to Article 502 of the PRC Civil Code, a lawfully established contract becomes effective upon its establishment, unless otherwise stipulated by law or agreed upon by the parties. In respect of the Supplemental Agreement, our PRC Legal Adviser has confirmed that the Supplemental Agreement was established on June 24, 2025, which occurred when the legal representatives or authorized representatives of all parties signed or affixed their seals, and official company seals were applied. Our PRC Legal Adviser has further confirmed that, since the Supplemental Agreement expressly provides that, as agreed upon by all parties, the termination of redemption rights and certain liquidation preferences would take effect retrospectively from February 27, 2025, the provisions of the Supplemental Agreement concerning the retrospective termination were duly signed and unanimously agreed upon by all Shareholders through mutual negotiation. These provisions comply with the PRC laws and regulations and are legally binding on all parties. Therefore, the redemption rights and certain liquidation preferences were effectively terminated retrospectively since February 27, 2025.

Except for the aforementioned, all other special rights of the [**REDACTED**] Investors which are required to be terminated upon [**REDACTED**] pursuant to Chapter 4.2 of the Guide for New Listing Applicants will be terminated pursuant to the Supplemental Agreement immediately upon the completion of a qualified [**REDACTED**] of our Company (which includes the [**REDACTED**]).

4. Compliance with the guideline regarding the [REDACTED] Investments

Having considered that the [**REDACTED**] will be more than 120 clear days after the completion of the [**REDACTED**] Investments and the terms of the [**REDACTED**] Investments, including the timing of termination of various special rights granted to the [**REDACTED**] Investors, the Sole Sponsor has confirmed that the investment made by the [**REDACTED**] Investors is in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

5. Information about the [REDACTED] Investors

The background of our [**REDACTED**] Investors is set out below. To the best of our Company's knowledge, save for Xihangxin, Dr. Huh, Haibang Qiyue, Haibang Ruibo, Longyou Haibang Xinzhi and Ningbo Haibang, all the other [**REDACTED**] Investors are Independent Third Parties. Except for the [**REDACTED**] Investors disclosed as a group below, all other [**REDACTED**] Investors are independent of one another.

1. Xihangxin is a limited partnership established under the PRC laws and is principally engaged in corporate management, the general partner of which is Hangzhou Qinxin Semiconductor Technology Co., Ltd.* (杭州親芯半導體技術有限責任公司) ("**Hangzhou Qinxin**"), holding, in its capacity as the general partner, 0.07% interest therein. Hangzhou Qinxin is a company established under the PRC laws with limited liability and is ultimately controlled by Dr. Ren (任遠程), our executive Director. As of the Latest Practicable Date, Jiang Meng (江夢), the only limited partner of Xihangxin, held approximately 99.93% interests in Xihangxin. To the best of our Directors' knowledge, Jiang Meng is an Independent Third Party.

   According to the partnership agreement of Xihangxin and the confirmation signed by all partners of Xihangxin, Hangzhou Qinxin, being its general partner, does not have control over Xihangxin as the general partner cannot make major decision on its own without consent from limited partner.

   As of the Latest Practicable Date, Xihangxin directly held approximately 5.54% of our total issued Shares.

2. Xidaxin is a limited partnership established under the PRC laws and is principally engaged in corporate management, the general partner of which is Hangzhou Xinxi Semiconductor Technology Co., Ltd.* (杭州芯喜半導體技術有限公司) ("**Hangzhou Xinxi**"), holding, in its capacity as the general partner, 0.05% interest therein. Hangzhou Xinxi is a company established under the PRC laws with limited liability and is ultimately controlled by Zhang Yan (張彥), an employee of our Group.

   As of the Latest Practicable Date, Xidaxin had 14 limited partners, among which, Li Jie (李傑) held approximately 23.67% interest in Xidaxin. The remaining 13 limited partners held an aggregate of approximately 76.28% interest in Xidaxin and none of them individually held more than 20% interest therein. To the best of our Directors' knowledge, information and belief, each of the limited partners of Xidaxin is an Independent Third Party.

According to the partnership agreement of Xidaxin and the confirmation signed by all partners of Xidaxin, Hangzhou Xinxi, being its general partner, does not have control over Xidaxin as the general partner cannot make major decisions on its own without consent from limited partners.

As of the Latest Practicable Date, Xidaxin directly held approximately 7.02% of our total issued Shares.

Haibang Entities

3. Haibang Qiyue is a limited partnership established under the PRC laws and is principally engaged in equity investment, the general partner of which is Zhejiang Haibang Private Equity Management Co., Ltd.* (浙江海邦私募基金管理有限公司) ("**Haibang Management**"), holding, in its capacity as the general partner, 0.33% interest therein. Haibang Management is a company established under the PRC laws with limited liability and is ultimately controlled by Xie Li, our non-executive Director.

   As of the Latest Practicable Date, Haibang Qiyue had seven limited partners, among which, Hangzhou Haibang Qifeng Equity Investment Partnership (L.P.)* (杭州海邦啟峰股權投資合夥企業(有限合夥)) ("**Haibang Qifeng**") and Hangzhou High-tech Venture Capital Co., Ltd.* (杭州高新創業投資有限公司) ("**Hangzhou High-tech**") held approximately 49.83% and 33.22% interests in Haibang Qiyue, respectively. Haibang Qifeng is a limited partnership established under the PRC laws, the general partner of which is Haibang Management. Hangzhou High-tech is a company established under the PRC laws with limited liability, which is ultimately controlled by Hangzhou High-tech Industrial Development Zone Finance Bureau (杭州高新技術產業開發區財政局) and Hangzhou Binjiang District Finance Bureau (杭州市濱江區財政局). The remaining five limited partners each directly held approximately 3.32% interests (in aggregate, approximately 16.60%) in Haibang Qiyue. To the best of our Directors' knowledge, information and belief, save for Haibang Qifeng and Xie Li (holding approximately 3.32% interest in Haibang Qiyue), each of the limited partners of Haibang Qiyue and their respective ultimate beneficial owners is an Independent Third Party.

   As of the Latest Practicable Date, Haibang Qiyue directly held approximately 9.23% of our total issued Shares.

4. Haibang Ruibo is a limited partnership established under the PRC laws and is principally engaged in equity investment, the general partner of which is Haibang Management, holding, in its capacity as the general partner, 0.26% interest therein.

   As of the Latest Practicable Date, Haibang Ruibo had five limited partners, among which, Weng Hua (翁華), an Independent Third Party, held approximately 31.50% interest in Haibang Ruibo. The remaining four limited partners held an aggregate of approximately 68.24% interest in Haibang Ruibo and none of them held more than 30% interest therein. To the best of our Directors' knowledge, information and belief, save for Hangzhou Haibang Shurui Equity Investment Partnership (L.P.)* (杭州海邦數瑞股權投資合夥企業（有限合夥)) (holding 15.75% interest in Haibang Ruibo), each of the limited partners of Haibang Ruibo and their respective ultimate beneficial owners is an Independent Third Party.

   As of the Latest Practicable Date, Haibang Ruibo directly held approximately 0.90% of our total issued Shares.

5. Longyou Haibang Xinzhi is a limited partnership established under the PRC laws and is principally engaged in venture capital investment and equity investment, the general partner of which is Haibang Management, holding, in its capacity as the general partner, 0.79% interest therein.

   As of the Latest Practicable Date, Longyou Haibang Xinzhi had two limited partners, namely, Hangzhou Lisheng Investment Management Co., Ltd.* (杭州立晟投資管理有限公司) ("**Hangzhou Lisheng**") and Jinhua Wuzhou Asset Operation Co., Ltd.* (金華市婺州資產經營有限公司) ("**Jinhua Asset Operation**"), holding 51.97% and 47.24% interest in Longyou Haibang Xinzhi, respectively. Hangzhou Lisheng was owned as to 80% by Xie Li, and Jinhua Asset Operation is ultimately controlled by Jinhua Municipal State-owned Assets Supervision and Administration Commission (金華市國有資產監督管理委員會), an Independent Third Party.

   As of the Latest Practicable Date, Longyou Haibang Xinzhi directly held approximately 0.47% of our total issued Shares.

6. Ningbo Haibang is a limited partnership established under the PRC laws and is principally engaged in venture capital investment, the general partner of which is Hangzhou Haibang Fenghua Investment Management Co., Ltd.* (杭州海邦灃華投資管理有限公司) ("**Haibang Fenghua**"), holding, in its capacity as the general partner, 0.95% interest therein. Haibang Fenghua is a company established under the PRC laws with limited liability and is wholly owned by Haibang Management.

   As of the Latest Practicable Date, Ningbo Haibang had four limited partners, among which, Longyou Haibang Xingcai Venture Capital Partnership (L.P.)* (龍游海邦星材創業投資合夥企業(有限合夥)) ("**Longyou Haibang Xingcai**") held approximately 45.24% interest in Ningbo Haibang. Longyou Haibang Xingcai is a limited partnership established under the PRC laws, the general partner of which is Haibang Fenghua. The remaining three limited partners held an aggregate of approximately 53.81% interest in Ningbo Haibang and none of them held more than 30% interest therein. To the best of our Directors' knowledge, information and belief, save for Longyou Haibang Xingcai and Haibang Fenghua (holding 0.95% interest in Ningbo Haibang), each of the limited partners of Ningbo Haibang and their ultimate beneficial owners is an Independent Third Party.

   As of the Latest Practicable Date, Ningbo Haibang directly held approximately 0.09% of our total issued Shares.

   As of the Latest Practicable Date, the Haibang Entities held in aggregate approximately 10.70% of our total issued Shares.

7. Smart Brilliant International is a limited company incorporated in Hong Kong and is principally engaged in investment holding in computer and electronics. As of the Latest Practicable Date, Smart Brilliant International is ultimately controlled by Lin Yongyu (林永育), an Independent Third Party. As of the Latest Practicable Date, Smart Brilliant International held approximately 1.73% of our total issued Shares.

Zhuhai Weiheng and Xiangheng Investment

8. Zhuhai Weiheng is a limited partnership established under the PRC laws, the general partner of which is Shenzhen Gao Ling Tiancheng Investment III Co., Ltd.* (深圳高瓴天成三期投資有限公司), in its capacity as the general partner, approximately 0.001% interest in Zhuhai Weiheng. The limited partners of Zhuhai Weiheng are private equity funds that are filed with Asset Management Association of China (AMAC). As of the Latest Practicable Date, Zhuhai Weiheng had five limited partners, among which,

Shenzhen Gao Ling Muqi Equity Investment Fund Partnership (L.P.)* (深圳高瓴慕祺股權投資基金合夥企業(有限合夥)) and Xiamen Gao Ling Ruiqi Equity Investment Fund Partnership Enterprise (L.P.)* (廈門高瓴瑞祺股權投資基金合夥企業(有限合夥)) held approximately 50.12% and 36.42% interest in Zhuhai Weiheng, respectively. The remaining three limited partners held an aggregate of approximately 13.459% interest in Zhuhai Weiheng and none of them individually held more than 20% interest therein. To the best of our Directors' knowledge, information and belief, the general partner of Zhuhai Weiheng and its ultimate beneficial owner are Independent Third Parties.

As of the Latest Practicable Date, Zhuhai Weiheng directly held approximately 8.51% of our total issued Shares.

9. Xiangheng Investment is a limited partnership established under the PRC laws, the managing partner of which is Shenzhen Gao Ling Tiancheng Investment Consultation Center III, L.P.* (深圳高瓴天成三期投資諮詢中心(有限合夥)), in its capacity as the managing partner, holding approximately 4.68% interest in Xiangheng Investment. As of the Latest Practicable Date, Xiangheng Investment had four non-managing partners which held an aggregate of approximately 95.32% interest in Xiangheng Investment. Xiangheng Investment is a private equity fund that is filed with Asset Management Association of China (AMAC). To the best of our Directors' knowledge, information and belief, the general partner of Xiangheng Investment and its ultimate beneficial owner are Independent Third Parties.

   As of the Latest Practicable Date, Xiangheng Investment directly held approximately 0.62% of our total issued Shares.

   As of the Latest Practicable Date, Zhuhai Weiheng and Xiangheng Investment held in aggregate approximately 9.13% of our total issued Shares.

10. HSG Growth is a limited liability company incorporated in Hong Kong and is wholly owned by HongShan Capital Growth Fund VI, L.P. ("**HongShan GVI Fund**"), whose general partner is HSG Growth VI Management, L.P. ("**HSG Management**"). HongShan GVI Fund is an investment fund whose primary purpose is to make equity investments in private companies. The general partner of HSG Management is HSG Holding Limited, a wholly-owned subsidiary of SNP China Enterprises Limited. Neil Nanpeng Shen, an Independent Third Party, is the sole shareholder of SNP China Enterprises Limited. To the best of our Directors' knowledge, information and belief, each of the shareholders of HSG Growth and their respective ultimate beneficial owners is an Independent Third Party. As of the Latest Practicable Date, HSG Growth held approximately 2.98% of our total issued Shares.

Junlian Entities

11. Junlian Shengyuan is a limited partnership established under the PRC laws and is principally engaged in project investment and investment management, the general partner of which is Lhasa Junqi Enterprise Management Co., Ltd.* (拉薩君祺企業管理有限公司) ("**Lhasa Junqi**"), holding, in its capacity as the general partner, 1.00% interest therein. As of the Latest Practicable Date, Junlian Shengyuan had 21 limited partners which held an aggregate of 99.00% interest in Junlian Shengyuan. Lhasa Junqi is a company established under the PRC laws with limited liability and is ultimately controlled by Zhu Linan (朱立南), Chen Hao (陳浩), Wang Nengguang (王能光) and Li Jiaqing (李家慶). To the best of our Directors' knowledge, information and belief, the general partner of Junlian Shengyuan and its ultimate beneficial owner are Independent Third Parties.

As of the Latest Practicable Date, Junlian Shengyuan had 21 limited partners, among which, National Council for Social Security Fund of the PRC* (全國社會保障基金理事會) ("**SSF**") held approximately 35.71% interest in Junlian Shengyuan. SSF is a government-affiliated institution administered by Ministry of Finance of the People's Republic of China (中華人民共和國財政部) ("**MOF**"). None of the remaining 20 limited partners individually held more than 20% interest in Junlian Shengyuan. To the best of our Directors' knowledge, information and belief, each of the limited partners of Junlian Shengyuan and their ultimate beneficial owners is an Independent Third Party.

As of the Latest Practicable Date, Junlian Shengyuan directly held approximately 2.55% of our total issued Shares.

12. Junlian Xingze is a limited partnership established under the PRC laws and is principally engaged in equity investment and investment management, the general partner of which is Lhasa Junqi, holding, in its capacity as the general partner, 0.99% interest therein.

    As of the Latest Practicable Date, Junlian Xingze had three limited partners, namely, Xiamen Junlian Yihe Venture Capital Partnership Enterprise (L.P.)* (廈門君聯逸禾創業投資合夥企業(有限合夥)) ("**Junlian Yihe**"), Zhuhai Junlian Jiayun Equity Investment Partnership Enterprise (L.P.)* (珠海君聯嘉運股權投資企業(有限合夥)) ("**Junlian Jiayun**"), and Junlian Shengyuan, holding approximately 49.36%, 29.62%, and 20.04% interest in Junlian Xingze, respectively. Junlian Yihe and Junlian Jiayun are limited partnerships established under the PRC laws and are ultimately controlled by Zhu Linan, Chen Hao, Wang Nengguang and Li Jiaqing. To the best of our Directors' knowledge, information and belief, each of the limited partners of Junlian Xingze and their ultimate beneficial owners is an Independent Third Party.

    As of the Latest Practicable Date, Junlian Xingze directly held approximately 0.95% of our total issued Shares.

13. Junlian Xingchi is a limited partnership established under the PRC laws and is principally engaged in private equity investment and investment management, the general partner of which is Lhasa Junqi, holding, in its capacity as the general partner, 1.08% interest therein.

    As of the Latest Practicable Date, Junlian Xingchi's two limited partners, Pingtan Jianfa No. 5 Equity Investment Partnership Enterprise (L.P.)* (平潭建發伍號股權投資合夥企業(有限合夥)) ("**Pingtan Jianfa**") and Junlian Shengyuan held approximately 85.66% and 13.26% interest in Junlian Xingchi, respectively. Pingtan Jianfa is a limited partnership established under the PRC laws, which is ultimately controlled by Xiamen Municipal State-owned Assets Supervision and Administration Commission (廈門市國有資產監督管理委員會). To the best of our Directors' knowledge, information and belief, each of the limited partners of Junlian Xingchi and their ultimate beneficial owners is an Independent Third Party.

    As of the Latest Practicable Date, Junlian Xingchi held approximately 0.43% of our total issued Shares.

    As of the Latest Practicable Date, the Junlian Entities held in aggregate approximately 3.93% of our total issued Shares.

14. Hai Feng Investment is a limited company incorporated in Hong Kong and is principally engaged in equity investment. As of the Latest Practicable Date, Hai Feng Investment is ultimately controlled by SK Inc., Chen Hao, Zhu Linan, Li Jiaqing and Wang Nengguang, each being an Independent Third Party. As of the Latest Practicable Date, Hai Feng Investment held approximately 1.32% of our total issued Shares.

15. Huaxin Kerui is a limited partnership established under the PRC laws and is principally engaged in IC project investment and corporate management consulting, the general partner of which is Huaxin Yuanchuang (Qingdao) Capital Management Co., Ltd.* (華芯原創(青島)投資管理有限公司) ("**Huaxin Yuanchuang**"), holding, in its capacity as the general partner, 0.01% interest therein. Huaxin Yuanchuang is a company established under the PRC laws with limited liability and is ultimately controlled by Sakarya Limited (香港薩卡里亞責任有限公司), a company incorporated in Hong Kong with limited liability. To the best of our Directors' knowledge, information and belief, the general partner of Huaxin Kerui and its ultimate beneficial owner are Independent Third Parties.

    As of the Latest Practicable Date, Huaxin Kerui had 13 limited partners, among which, Changshun (Guangzhou) Enterprise Management Partnership (L.P.)* (長舜(廣州)企業管理合夥企業(有限合夥)) ("**Changshun Guangzhou**"), held approximately 20.00% interest in Huaxin Kerui. Changshun Guangzhou is a limited partnership established under the PRC laws, which is ultimately controlled by Liang Wengen (梁穩根). The remaining 12 limited partners held an aggregate of approximately 79.99% interest in Huaxin Kerui and none of them individually held more than 20% interest therein. To the best of our Directors' knowledge, information and belief, each of the limited partners of Huaxin Kerui and their ultimate beneficial owners is an Independent Third Party.

    As of the Latest Practicable Date, Huaxin Kerui directly held approximately 2.36% of our total issued Shares.

Huaying Huachuang Entities

16. Huadeng Industry is a limited partnership established under the PRC laws and is principally engaged in automotive electronics and semiconductor industry investments, the general partner of which is Qingdao Huaying Huachuang Investment Management Center (L.P.)* (青島華盈華創投資管理中心(有限合夥)) ("**Huaying Huachuang**"), holding, in its capacity as the general partner, 1.00% interest therein. Huaying Huachuang is a limited partnership established under the PRC laws and is ultimately controlled by Ohara Capital Hong Kong Limited (華集資本香港有限公司), a company incorporated in Hong Kong with limited liability. To the best of our Directors' knowledge, information and belief, the general partner of Huadeng Industry and its ultimate beneficial owner are Independent Third Parties.

    As of the Latest Practicable Date, Huadeng Industry had nine limited partners, among which, Hefei Huadeng Huaxin Integrated Circuit Industry Investment Partnership Enterprise (L.P.)* (合肥華登華芯集成電路產業投資合夥企業(有限合夥)) ("**Huadeng Huaxin**") and Qingdao Semiconductor Industry Development Fund Partnership Enterprise (L.P.)* (青島半導體產業發展基金合夥企業(有限合夥)) ("**QD Semiconductor Development**") held approximately 36.09% and 27.11% interest in Huadeng Industry, respectively. Huadeng Huaxin is a limited partnership established under the PRC laws, which is ultimately controlled by Sakarya Limited (香港薩卡裏亞責任有限公司). QD Semiconductor Development is a limited partnership established under the PRC laws, which is ultimately controlled by Qingdao Municipal State-owned Assets Supervision and Administration Commission (青島市國有資產監督管理委員會). The remaining seven limited partners held an aggregate of approximately 35.80% interest in Huadeng Industry and none of them individually held more than 20% interest therein. To the best of our Directors' knowledge, information and belief, each of the limited partners of Huadeng Industry and their ultimate beneficial owners is an Independent Third Party.

    As of the Latest Practicable Date, Huadeng Industry directly held approximately 2.36% of our total issued Shares.

17. Huaxin Yunmai is a limited partnership established under the PRC laws and is principally engaged in equity investment, the general partner of which is Huaying Huachuang, holding approximately 0.89% interest therein.

    As of the Latest Practicable Date, Huaxin Yunmai had three limited partners, among which, Hangzhou Huaxin Yunkai Equity Investment Partnership (L.P.)* (杭州華芯雲開股權投資合夥企業(有限合夥)) ("**Huaxin Yunkai**") held approximately 72.33% interest in Huaxin Yunmai. Huaxin Yunkai is a limited partnership established under the PRC laws, which is ultimately controlled by Ohara Capital Hong Kong Limited (華集資本香港有限公司). The two remaining limited partners held an aggregate of approximately 26.78% interest in Huaxin Yunmai. To the best of our Directors' knowledge, information and belief, each of the limited partners of Huaxin Yunmai and their ultimate beneficial owners is an Independent Third Party.

    As of the Latest Practicable Date, Huaxin Yunmai directly held approximately 0.52% of our total issued Shares.

    As of the Latest Practicable Date, Huaying Huachuang Entities held in aggregate approximately 2.89% of our total issued Shares.

Hangzhou Xixin Entities

18. Xinshengwei is a limited partnership established under the PRC laws and is principally engaged in equity investment, the general partner of which is Hangzhou Xixin Equity Investment Co., Ltd.* (杭州矽芯股權投資有限公司) ("**Hangzhou Xixin**"), holding, in its capacity as the general partner, 0.11% interest therein. Hangzhou Xixin is ultimately controlled by Li Jianmin (李薦民). To the best of our Directors' knowledge, information and belief, the general partner of Xinshengwei and its ultimate beneficial owner are Independent Third Parties.

    As of the Latest Practicable Date, Xinshengwei had 12 limited partners, among which, Hangzhou High-tech held 55.49% interest therein. The 11 remaining limited partners held an aggregate of 44.40% interest in Xinshengwei and none of them held more than 20% interest therein. To the best of our Directors' knowledge, information and belief, each of the limited partners of Xinshengwei and their respective ultimate beneficial owners is an Independent Third Party.

    As of the Latest Practicable Date, Xinshengwei directly held approximately 8.51% of our total issued Shares.

19. Xinlanwei is a limited partnership established under the PRC laws and is principally engaged in equity investment, the general partner of which is Hangzhou Xinyue Corporate Management Partnership (L.P.)* (杭州芯越企業管理合夥企業(有限合夥)) ("**Hangzhou Xinyue**"), holding, in its capacity as the general partner, 1.67% interest therein. Hangzhou Xinyue is owned as to 77.68% by Hangzhou Xixin. To the best of our Directors' knowledge, information and belief, the general partner of Xinlanwei and its ultimate beneficial owner are Independent Third Parties.

    As of the Latest Practicable Date, Xinlanwei had seven limited partners which held an aggregate of 98.33% interest in Xinlanwei and none of them individually held more than 30% interest therein. To the best of our Directors' knowledge, information and belief, each of the limited partners of Xinlanwei and their respective ultimate beneficial owners is an Independent Third Party.

    As of the Latest Practicable Date, Xinlanwei directly held approximately 0.10% of our total issued Shares.

As of the Latest Practicable Date, Hangzhou Xixin Entities held in aggregate approximately 8.61% of our total issued Shares.

20. Cosmic Warrior is a limited company incorporated in Hong Kong and is principally engaged in equity investment. As of the Latest Practicable Date, Cosmic Warrior is ultimately controlled by Jing He, an Independent Third Party. As of the Latest Practicable Date, Cosmic Warrior held approximately 0.26% of our total issued Shares.

21. Xiaomi Fund is a limited partnership established under the PRC laws and is principally engaged in equity investment activities and related consulting services, the general partner of which is Hubei Xiaomi Changjiang Industrial Investment Fund Management Co., Ltd.* (湖北小米長江產業投資基金管理有限公司) ("**Xiaomi Changjiang**"), holding, in its capacity as the general partner, approximately 0.08% interest therein. Xiaomi Changjiang is a company established under the PRC laws with limited liability and is ultimately controlled by Lei Jun (雷軍). To the best of our Directors' knowledge, information and belief, the general partner of Xiaomi Fund and its ultimate beneficial owner are Independent Third Parties.

    As of the Latest Practicable Date, Xiaomi Fund had 15 limited partners which held an aggregate of approximately 99.92% interest in Xiaomi Fund and none of them individually held more than 20% interest therein. To the best of our Directors' knowledge, information and belief, each of the limited partners of Xiaomi Fund and their ultimate beneficial owners is an Independent Third Party.

    As of the Latest Practicable Date, Xiaomi Fund directly held approximately 1.89% of our total issued Shares.

22. CATL is a joint stock limited company established under the laws of the PRC and is principally engaged in research, development, production, and sales of EV batteries and ESS batteries. The shares of CATL are listed on the Stock Exchange (stock code: 3750) and the Shenzhen Stock Exchange (stock code: 300750). As of the Latest Practicable Date, CATL is ultimately controlled by Zeng Yuqun (曾毓群), an Independent Third Party. As of the Latest Practicable Date, CATL directly held approximately 1.89% of our total issued Shares.

23. Dr. Huh is our executive Director who directly held approximately 2.22% of our total issued Shares as of the Latest Practicable Date. For details about Dr. Huh, please see the section headed "Directors, Supervisor and Senior Management" in this document.

24. National Fund II is a company established under the laws of the PRC with limited liability and is principally engaged in equity investment. As of the Latest Practicable Date, the MOF is the largest shareholder of National Fund II, holding approximately 11.02% equity interests in National Fund II. China Development Bank Capital Co., Ltd.* (國開金融有限責任公司) (ultimately controlled by China Development Bank (國家開發銀行)) held approximately 10.78% equity interests in National Fund II.

    The remaining 78.2% equity interests in National Fund II are held by 26 shareholders, with none of them individually holding more than 10%. To the best of our Directors' knowledge, information and belief, each of the shareholders of National Fund II and their respective ultimate beneficial owners is an Independent Third Party. As of the Latest Practicable Date, National Fund II directly held approximately 4.64% of our total issued Shares.

25. Xinchengwei is a limited partnership established under the PRC laws and is principally engaged in equity investment, the general partner of which is Hangzhou Xixin, holding, in its capacity as the general partner, 0.02% interest therein. To the best of our Directors' knowledge, information and belief, the general partner of Xinchengwei and its ultimate beneficial owner are Independent Third Parties.

    As of the Latest Practicable Date, Xinchengwei had one limited partner, namely, Hangzhou High-tech (an Independent Third Party), holding 99.98% interest therein. According to the partnership agreement of Xinchengwei and the confirmation signed by all partners of Xinchengwei, Hangzhou Xixin, being its general partner, does not have control over Xinchengwei as the general partner cannot make major decisions on its own without the consent from the limited partner.

    As of the Latest Practicable Date, Xinchengwei directly held approximately 3.86% of our total issued Shares.

26. Xinyuwei is a limited partnership established under the PRC laws and is principally engaged in equity investment, the general partner of which is Hangzhou Xixin, holding, in its capacity as the general partner, 0.99% interest therein. To the best of our Directors' knowledge, information and belief, the general partner of Xinyuwei and its ultimate beneficial owner are Independent Third Parties.

    As of the Latest Practicable Date, Xinyuwei had one limited partner, namely, Zhejiang Industry Fund Co., Ltd* (浙江省產業基金有限公司) (ultimately controlled by Zhejiang Provincial Finance Bureau), holding 99.01% of interest in Xinyuwei. According to the partnership agreement of Xinyuwei and the confirmation signed by all partners of Xinyuwei, Hangzhou Xixin, being its general partner, does not have control over Xinyuwei as the general partner cannot make investment decisions on its own without the consent from the limited partner.

    As of the Latest Practicable Date, Xinyuwei directly held approximately 0.77% of our total issued Shares.

27. Guangqi Xinmai is a limited partnership established under the PRC laws and is principally engaged in investment activities, the general partner of which is Guangzhou Yingpeng Private Equity Fund Management Co., Ltd.* (廣州盈蓬私募基金管理有限公司) ("**Guangzhou Yingpeng**"), holding, in its capacity as the general partner, 0.10% interest therein. Guangzhou Yingpeng is a company established under the PRC laws with limited liability and is ultimately controlled by the Guangzhou Municipal State-owned Assets Supervision and Administration Commission (廣州市國有資產監督管理委員會) ("**Guangzhou SASAC**"). To the best of our Directors' knowledge, information and belief, the general partner of Guangqi Xinmai and its ultimate beneficial owner are Independent Third Parties.

    As of the Latest Practicable Date, Guangqi Xinmai had four limited partners, among which, Gongqingcheng Guangqi Jiupu 21 Equity Investment Partnership (L.P.)* (共青城廣祺玖璞貳壹股權投資合夥企業(有限合夥)) ("**Guangqi Jiupu**"), Guangdong Guangqi Ruicheng Equity Investment Partnership (L.P.)* (廣東廣祺瑞誠股權投資合夥企業(有限合夥)) ("**Guangqi Ruicheng**") and Guangdong Guangqi Yichuang No. 1 Equity Investment Partnership (L.P.)* (廣東廣祺億創壹號股權投資合夥企業(有限合夥)) ("**Guangqi Yichuang**") held approximately 45.95%, 24.98%, and 24.98% interest in Guangqi Xinmai, respectively. Guangqi Jiupu, Guangqi Ruicheng and Guangqi Yichuang are limited partnerships established under the PRC laws. Guangqi Ruicheng is ultimately controlled by Guangzhou SASAC, while Guangqi Jiupu and Guangqi Yichuang do not have an actual controller. The remaining one limited partner held approximately 4.00% interest in Guangqi Xinmai. To the best of our Directors' knowledge, information and belief, each of the limited partners of Guangqi Xinmai and their ultimate beneficial owners is an Independent Third Party.

As of the Latest Practicable Date, Guangqi Xinmai directly held approximately 0.66% of our total issued Shares.

28. Hongtu Zhanlu is a limited partnership established under the PRC laws and is principally engaged in private equity investment and investment management, the general partner of which is Huizhou Hongtu Investment Management Co., Ltd.* (惠州紅土投資管理有限公司) ("**Hongtu Investment**"), holding, in its capacity as the general partner, approximately 2.00% interest therein. Hongtu Investment is a company established under the PRC laws with limited liability and is ultimately controlled by Shenzhen Municipal State-owned Assets Supervision and Administration Commission (深圳市國有資產監督管理委員會) ("**Shenzhen SASAC**"). To the best of our Directors' knowledge, information and belief, the general partner of Hongtu Zhanlu and its ultimate beneficial owner are Independent Third Parties.

As of the Latest Practicable Date, Hongtu Zhanlu had three limited partners, among which ZTE Corporation (中興通訊股份有限公司) ("**ZTE**") and Shenzhen Hongtu Yuechuan Equity Investment Fund Partnership (L.P.)* (深圳市紅土嶽川股權投資基金合夥企業(有限合夥)) ("**Hongtu Yuechuan**") held approximately 40.00% and 40.00% interest in Hongtu Zhanlu, respectively. ZTE is a joint stock limited company established under the laws of the PRC, the shares of which are listed on the Stock Exchange (stock code: 763) and the Shenzhen Stock Exchange (stock code: 000063). Hongtu Yuechuan is a limited partnership established under the PRC laws, which is ultimately controlled by Shenzhen SASAC. The remaining one limited partner individually held approximately 18% interest in Hongtu Zhanlu. To the best of ourDirectors' knowledge, information and belief, each of the limited partners of Hongtu Zhanlu and their ultimate beneficial owners is an Independent Third Party.

As of the Latest Practicable Date, Hongtu Zhanlu directly held approximately 0.46% of our total issued Shares.

29. Jiaxing Hengjunbang is a limited partnership established under the PRC laws and is principally engaged in equity investment and industrial investment, the general partner of which is Shanghai Hengxu Chuangling Private Funds Management Co., Ltd.* (上海恒旭創領私募基金管理有限公司) ("**Hengxu Chuangling**"), holding, in its capacity as the general partner, 0.98% interest therein. Hengxu Chuangling is a company established under the PRC laws with limited liability and is ultimately controlled by Lu Yongtao (陸永濤). To the best of our Directors' knowledge, information and belief, the general partner of Jiaxing Hengjunbang and its ultimate beneficial owner are Independent Third Parties.

As of the Latest Practicable Date, Jiaxing Hengjunbang had three limited partners, among which, Jiaxing SAIC Chuangyong Equity Investment Partnership (L.P.)* (嘉興上汽創永股權投資合夥企業(有限合夥)) ("**SAIC Chuangyong**") and Shanghai Yangtze River Delta Industrial Upgrading Equity Investment Partnership (L.P.)* (上海長三角產業升級股權投資合夥企業(有限合夥)) ("**YRIUP**") held approximately 58.71% and 39.14% interest in Jiaxing Hengjunbang, respectively. SAIC Chuangyong is a limited partnership established under the PRC laws, which is ultimately controlled by Lu Yongtao and Feng Ji (馮戟). YRIUP is a limited partnership established under the PRC laws, which is ultimately controlled by Lu Yongtao. The remaining one limited partner individually held approximately 1.17% interest in Jiaxing Hengjunbang. To the best of our Directors' knowledge, information and belief, each of the limited partners of Jiaxing Hengjunbang and their ultimate beneficial owners is an Independent Third Party.

As of the Latest Practicable Date, Jiaxing Hengjunbang directly held approximately 0.66% of our total issued Shares.

30. Huaye Zhiyuan is a limited partnership established under the PRC laws and is principally engaged in private equity investment and investment management, the general partner of which is Shenzhen Hengxin Huaye Equity Investment Fund Management Co., Ltd.* (深圳市恒信華業股權投資基金管理有限公司) ("**Hengxin Huaye**"), holding, in its capacity as the general partner, approximately 0.65% interest therein. Hengxin Huaye is a company established under the PRC laws with limited liability and is ultimately controlled by Wu Hao (吳昊). To the best of our Directors' knowledge, information and belief, the general partner of Huaye Zhiyuan and its ultimate beneficial owner are Independent Third Parties.

    As of the Latest Practicable Date, Huaye Zhiyuan had 24 limited partners which held an aggregate of approximately 99.35% interest in Huaye Zhiyuan and none of them individually held more than 30% interest therein. To the best of our Directors' knowledge, information and belief, each of the limited partners of Huaye Zhiyuan and their ultimate beneficial owners is an Independent Third Party.

    As of the Latest Practicable Date, Huaye Zhiyuan directly held approximately 0.24% of our total issued Shares.

31. Jiaxing Taixin is a limited partnership established under the PRC laws and is principally engaged in venture capital investment, the general partner of which is Hangzhou Taixin Private Equity Fund Management Co., Ltd.* (杭州泰芯私募基金管理有限公司) ("**Taixin PEF**"), holding, in its capacity as the general partner, approximately 0.93% interest therein. Taixin PEF is a company established under the PRC laws with limited liability and is ultimately controlled by Li Xiang (李響). To the best of our Directors' knowledge, information and belief, the general partner of Jiaxing Taixin and its ultimate beneficial owner are Independent Third Parties.

    As of the Latest Practicable Date, Jiaxing Taixin had 10 limited partners which held an aggregate of approximately 99.07% interest in Jiaxing Taixin and none of them individually held more than 30% interest therein. To the best of our Directors' knowledge, information and belief, each of the limited partners of Jiaxing Taixin and their ultimate beneficial owners is an Independent Third Party.

    As of the Latest Practicable Date, Jiaxing Taixin directly held approximately 0.47% of our total issued Shares.

Yibin Entities

32. Yibin Chendao is a limited partnership established under the PRC laws and is principally engaged in private equity investment and investment management, the general partner of which is Chendao Capital LLP* (寧波梅山保稅港區晨道投資合夥企業(有限合夥)) ("**Chendao Capital**"), holding, in its capacity as the general partner, 0.03% interest therein. Chendao Capital is a limited partnership established under the PRC laws and is ultimately controlled by Guan Chaoyu (關朝餘). To the best of our Directors'knowledge, information and belief, the general partner of Yibin Chendao and its ultimate beneficial owner are Independent Third Parties.

    As of the Latest Practicable Date, Yibin Chendao had four limited partners, among which, Yibin Industrial Investment Group Co., Ltd.* (宜賓市產業投資集團有限公司) ("**Yibin II**") held approximately 44.10% interest in Yibin Chendao. Yibin II is a company established under the PRC laws with limited liability and is ultimately controlled by Yibin Municipal State-owned Assets Supervision and Administration Commission (宜賓市國有資產監督管理委員會) ("**Yibin SASAC**"). The remaining three limited partners held an aggregate of approximately 55.87% interest in Yibin Chendao

and none of them held more than 30% interest therein. To the best of our Directors' knowledge, information and belief, each of the limited partners of Yibin Chendao and their ultimate beneficial owners is an Independent Third Party.

As of the Latest Practicable Date, Yibin Chendao directly held approximately 0.47% of our total issued Shares.

33. Yibin Lvneng is a limited partnership established under the PRC laws and is principally engaged in private equity investment and investment management, the general partner of which is Chendao Capital, holding, in its capacity as the general partner, 0.02% interest therein.

As of the Latest Practicable Date, Yibin Lvneng had eight limited partners, among which, Yibin Development Venture Capital Co., Ltd.* (宜賓發展創投有限公司) ("**Yibin Development**") held approximately 46.50% interest in Yibin Lvneng. Yibin Development is a company established under the PRC laws with limited liability and is ultimately controlled by Yibin SASAC. The remaining seven limited partners held an aggregate of approximately 53.48% interest in Yibin Lvneng and none of them individually held more than 30% interest therein. To the best of our Directors' knowledge, information and belief, each of the limited partners of Yibin Lvneng and their ultimate beneficial owners is an Independent Third Party.

As of the Latest Practicable Date, Yibin Lvneng directly held approximately 0.47% of our total issued Shares.

As of the Latest Practicable Date, Yibin Entities held in aggregate approximately 0.95% of our total issued Shares.

34. Jingque Xinyang is a limited partnership established under the PRC laws and is principally engaged in technical services and software development, the general partner of which is Beijing Precision Lisheng Management Consulting Co., Ltd.* (北京精確力升管理諮詢有限公司) ("**Precision Lisheng**"), holding, in its capacity as the general partner, approximately 0.02% interest therein. Precision Lisheng is a company established under the PRC laws with limited liability and is ultimately controlled by Cui Yong (崔勇). To the best of our Directors' knowledge, information and belief, the general partner of Jingque Xinyang and its ultimate beneficial owner are Independent Third Parties.

As of the Latest Practicable Date, Jingque Xinyang had three limited partners, namely, Nanjing Panshang Zhicheng Venture Capital Partnership (L.P.)* (南京磐尚至成創業投資合夥企業(有限合夥)) ("**Panshang Zhicheng**"), Hangzhou Precision Future Equity Investment Partnership Enterprise (L.P.)* (杭州精確未來股權投資合夥企業(有限合夥)) ("**Precision Future**") and Xiamen Precision Blue Ocean Phade III Venture Capital Partnership (L.P.)* (廈門精確藍海三期創業投資合夥企業(有限合夥)) ("**Precision Blue Ocean**"), holding approximately 39.99%, 39.99%, and 20.00% interests in Jingque Xinyang, respectively. Panshang Zhicheng is a limited partnership established under the PRC laws, which is ultimately controlled by Guo Zhaoyuan (郭兆源). Precision Future and Precision Blue Ocean are limited partnerships established under the PRC laws and are ultimately controlled by Cui Yong. To the best of our Directors' knowledge, information and belief, each of the limited partners of Jingque Xinyang and their ultimate beneficial owners is an Independent Third Party.

As of the Latest Practicable Date, Jingque Xinyang directly held approximately 0.24% of our total issued Shares.

35. Zhejiang Innovation Capital is a company established under the laws of the PRC with limited liability and is principally engaged in industrial investment and equity investment. As of the Latest Practicable Date, Zhejiang Innovation Investment Group Co., Ltd.* (浙江省創新投資集團有限公司), the sole shareholder of Zhejiang Innovation Capital, is a company established under the PRC laws with limited liability and is ultimately controlled by the Zhejiang Provincial Finance Bureau (浙江省財政廳). To the best of our Directors' knowledge, information and belief, the sole shareholder of Zhejiang Innovation Capital and its ultimate beneficial owner are Independent Third Parties. As of the Latest Practicable Date, Zhejiang Innovation Capital directly held approximately 0.10% of our total issued Shares.

36. Guangdong Changtuoshi is a limited partnership established under the PRC laws and is principally engaged in venture capital investment, the two general partners of which are Guangdong Long Capital Venture Capital Partnership (L.P.)* (廣東長石創業投資合夥企業(有限合夥)) ("**Guangdong Long Capital**") and Hainan Changruishi Investment Partnership (L.P.)* (海南長睿石投資合夥企業)(有限合夥) ("**Hainan Changruishi**"), holding, in their capacity as the general partners, approximately 0.19% and 3.82% interests therein respectively. Guangdong Long Capital is a limited partnership established under the PRC laws and is ultimately controlled by Ding Zhongmin (丁忠民). Hainan Changruishi is also a limited partnership established under the PRC laws and is ultimately controlled by Wang Gongbin (汪恭彬). To the best of our Directors' knowledge, information and belief, the general partners of Guangdong Changtuoshi and their respective ultimate beneficial owner are Independent Third Parties.

    As of the Latest Practicable Date, Guangdong Changtuoshi had 27 limited partners which held an aggregate of approximately 95.99% interest in Guangdong Changtuoshi and none of them individually held more than 30% interest therein. To the best of our Directors' knowledge, information and belief, each of the limited partners of Guangdong Changtuoshi and their ultimate beneficial owners is an Independent Third Party.

    As of the Latest Practicable Date, Guangdong Changtuoshi directly held approximately 0.09% of our total issued Shares.

CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

	As of the Latest Practicable Date		As of the [REDACTED] (assuming the [REDACTED] is not exercised)			
Shareholder(s)	Number of Unlisted Shares	Shareholding percentage of total issued Shares	Number of H Shares held upon completion of the [REDACTED], the [REDACTED] and Conversion of Unlisted Shares into H Shares	Number of Unlisted Shares held upon completion of the [REDACTED], the [REDACTED] and Conversion of Unlisted Shares into H Shares	Total number of Shares	Shareholding percentage of total issued Shares
Single Largest Shareholder Group						
Hangzhou Moxin	3,221,936	6.44%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Smart Wealth	2,271,049	4.54%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Smart Advantage	1,153,989	2.31%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal	***6,646,974***	***13.29%***	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%

	As of the Latest Practicable Date		As of the [REDACTED] (assuming the [REDACTED] is not exercised)			
Shareholder(s)	Number of Unlisted Shares	Shareholding percentage of total issued Shares	Number of H Shares held upon completion of the [REDACTED], the [REDACTED] and Conversion of Unlisted Shares into H Shares	Number of Unlisted Shares held upon completion of the [REDACTED], the [REDACTED] and Conversion of Unlisted Shares into H Shares	Total number of Shares	Shareholding percentage of total issued Shares
[**REDACTED**] ***Investors***						
Haibang Entities						
Haibang Qiyue	4,615,954	9.23%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Haibang Ruibo	449,066	0.90%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Longyou Haibang Xinzhi	236,351	0.47%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Ningbo Haibang	47,090	0.09%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal	*5,348,461*	*10.70%*	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Zhuhai Weiheng and Xiangheng Investment						
Zhuhai Weiheng*	4,255,138	8.51%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Xiangheng Investment*	307,886	0.62%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal	*4,563,024*	*9.13%*	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Hangzhou Xixin Entities						
Xinshengwei*	4,255,138	8.51%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Xinlanwei*	49,634	0.10%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal	*4,304,772*	*8.61%*	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Xidaxin*	3,508,125	7.02%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Xihangxin	2,769,572	5.54%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
National Fund II	2,318,788	4.64%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Junlian Entities						
Junlian Shengyuan*	1,276,542	2.55%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Junlian Xingze*	472,794	0.95%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Junlian Xingchi*	214,513	0.43%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal	*1,963,849*	*3.93%*	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Xinchengwei*	1,932,323	3.86%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
HSG Growth*	1,489,284	2.98%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Huaying Huachuang Entities						
Huadeng Industry*	1,181,983	2.36%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Huaxin Yunmai*	262,349	0.52%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal	*1,444,332*	*2.89%*	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Huaxin Kerui*	1,181,983	2.36%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Dr. Huh	1,111,882	2.22%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Xiaomi Fund*	945,586	1.89%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
CATL*	945,586	1.89%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Smart Brilliant International*	866,385	1.73%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Hai Feng Investment*	662,469	1.32%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Yibin Entities						
Yibin Chendao*	236,352	0.47%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Yibin Lvneng*	236,352	0.47%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal	*472,704*	*0.95%*	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Xinyuwei*	386,464	0.77%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Guangqi Xinmai	331,256	0.66%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Jiaxing Hengjunbang*	331,256	0.66%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Jiaxing Taixin*	236,352	0.47%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%

	As of the Latest Practicable Date		As of the [REDACTED] (assuming the [REDACTED] is not exercised)			
Shareholder(s)	Number of Unlisted Shares	Shareholding percentage of total issued Shares	Number of H Shares held upon completion of the [REDACTED], the [REDACTED] and Conversion of Unlisted Shares into H Shares	Number of Unlisted Shares held upon completion of the [REDACTED], the [REDACTED] and Conversion of Unlisted Shares into H Shares	Total number of Shares	Shareholding percentage of total issued Shares
Hongtu Zhanlu	231,878	0.46%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Cosmic Warrior*	132,382	0.26%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Huaye Zhiyuan*	118,176	0.24%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Jingque Xinyang*	117,725	0.24%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Zhejiang Innovation Capital*	51,998	0.10%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Guangdong Changtuoshi*	47,271	0.09%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal for* [REDACTED] *Investors	***37,813,883***	***75.63%***	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]**%**
Other Shareholders						
Vasona*	5,539,143	11.08%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Other public Shareholders*	–	–	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Total	**50,000,000**	**100.00%**	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]**%**

* The H Shares held by these Shareholders upon [**REDACTED**] will be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules.

PUBLIC FLOAT

Immediately upon completion of the [**REDACTED**] and the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), our Company will have [**REDACTED**] Unlisted Shares and [**REDACTED**] H Shares, among which:

(i) the [**REDACTED**] Shares (representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**] assuming that the [**REDACTED**] is not exercised) will not be considered as part of the public float as such Shares are held by Hangzhou Moxin, Smart Advantage and Smart Wealth, each a core connected person of our Company pursuant to the AIC Agreement;

(ii) the [**REDACTED**] Shares (representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**] assuming that the [**REDACTED**] is not exercised) will not be considered as part of the public float as such Shares are held by Dr. Huh Youm, our executive Director and a core connected person of our Company;

(iii) the [**REDACTED**] Shares (representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**] assuming that the [**REDACTED**] is not exercised) will not be considered as part of the public float as such Shares are held by Haibang Qiyue, Haibang Ruibo, Longyou Haibang Xinzhi and Ningbo Haibang, each a close associate of Xie Li, our non-executive Director and a core connected person of our Company;

(iv) the [**REDACTED**] Shares (representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**] assuming that the [**REDACTED**] is not exercised) will not be considered as part of the public float as such Shares are held by Xihangxin, a close associate of Dr. Ren, our executive Director and a core connected person of our Company;

(v) an aggregate of [**REDACTED**] Unlisted Shares (representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**] assuming that the [**REDACTED**] is not exercised) held by [**REDACTED**] existing shareholders, namely, [**REDACTED**], will not be considered as part of the public float as such Unlisted Shares will not be converted into H Shares; and

(vi) an aggregate of [**REDACTED**] H Shares to be converted from Unlisted Shares pursuant to the full circulation application of our Company and the [**REDACTED**] (representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**] assuming that the [**REDACTED**] is not exercised) held by [**REDACTED**] existing Shareholders, namely [**REDACTED**], will be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules after the [**REDACTED**] as these Shares are not held by persons who are core connected persons of our Company upon [**REDACTED**] nor are they accustomed to take instructions from our Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by our Company's core connected persons.

Based on [**REDACTED**] Shares which are expected to be in issue immediately upon completion of the [**REDACTED**] and [**REDACTED**] (assuming the [**REDACTED**] is not exercised), the expected [**REDACTED**] of our Shares would be approximately HK$[**REDACTED**] million (assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the minimum [**REDACTED**]), HK$[**REDACTED**] million (assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the [**REDACTED**]), and HK$[**REDACTED**] million (assuming an [**REDACTED**] of HK$[**REDACTED**], being the maximum [**REDACTED**]), therefore the minimum prescribed percentage of H Shares held by public at the time of [**REDACTED**] pursuant to Rule 19A.13A(1) of the Listing Rules would be the higher of (i) the percentage that would result in the expected [**REDACTED**] of H Shares held by the public to be HK$4,500,000,000 at the time of [**REDACTED**]; and (ii) 10%. Accordingly, at least [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]% of the total number of issued Shares must be held by the public at the time of [**REDACTED**] if the [**REDACTED**] is fixed at the bottom end, mid-point or top end of the [**REDACTED**]. In light of the above, the public float of our Company, being [**REDACTED**]% upon [**REDACTED**] (assuming the [**REDACTED**] is not exercised), is in compliance with the requirements under Rule 19A.13A of the Listing Rules.

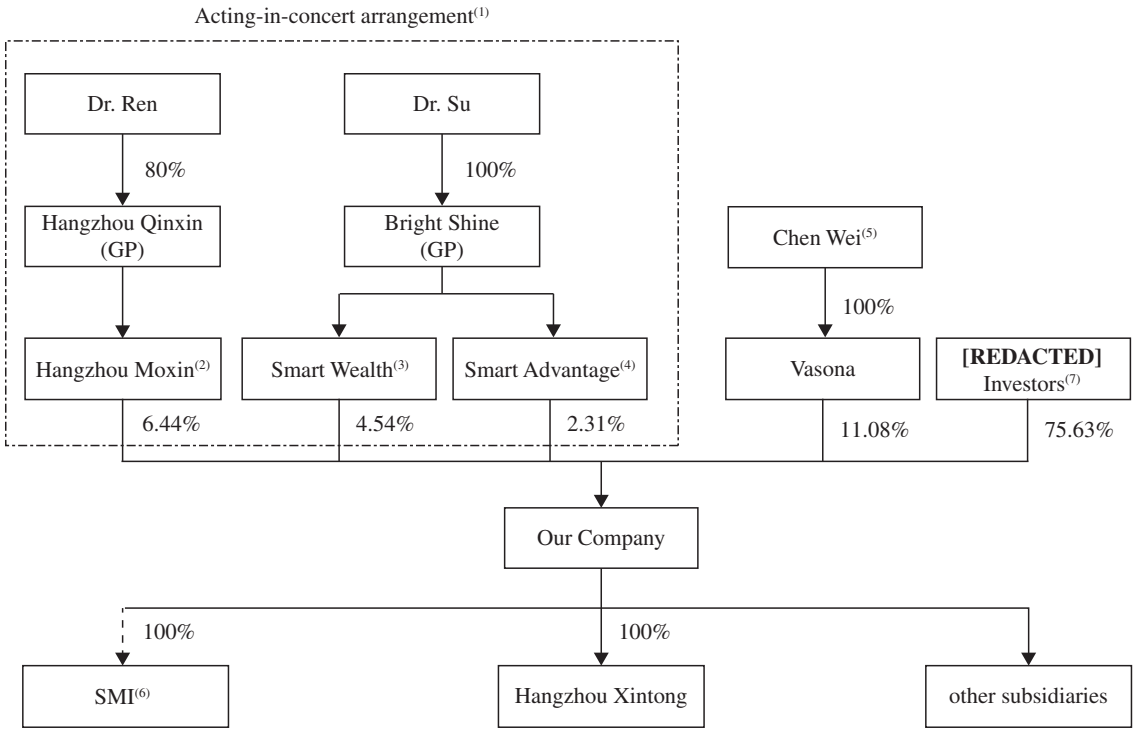
FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

To the best of our Directors' knowledge, information and belief and having made all reasonable inquiries, the [**REDACTED**] H Shares to be issued pursuant to the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) are [all] expected to be held by the public and will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise). Based on the low end of the indicative [**REDACTED**] of HK$[**REDACTED**] per H Share, the Company will satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

OUR STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart sets forth our simplified shareholding and group structure immediately prior to the [**REDACTED**]:



Notes:

(1) Immediately prior to the [**REDACTED**], the Concert Parties collectively held approximately 13.29% shareholding of our Company. For details, please see "Acting-in-concert and Single Largest Shareholder Group" in this section.

(2) Hangzhou Moxin is a limited partnership established in the PRC and one of our ESOP Platforms. For details of the interest in Hangzhou Moxin, please see "Our ESOP Platforms — Hangzhou Moxin" in this section.

(3) Smart Wealth is a limited partnership registered in Samoa and one of our ESOP Platforms. For details of the interest in Smart Wealth, please see "Our ESOP Platforms — Smart Wealth" in this section.

(4) Smart Advantage is a limited partnership registered in Samoa and one of our ESOP Platforms. For details of the interest in Smart Advantage, please see "Our ESOP Platforms — Smart Advantage" in this section.

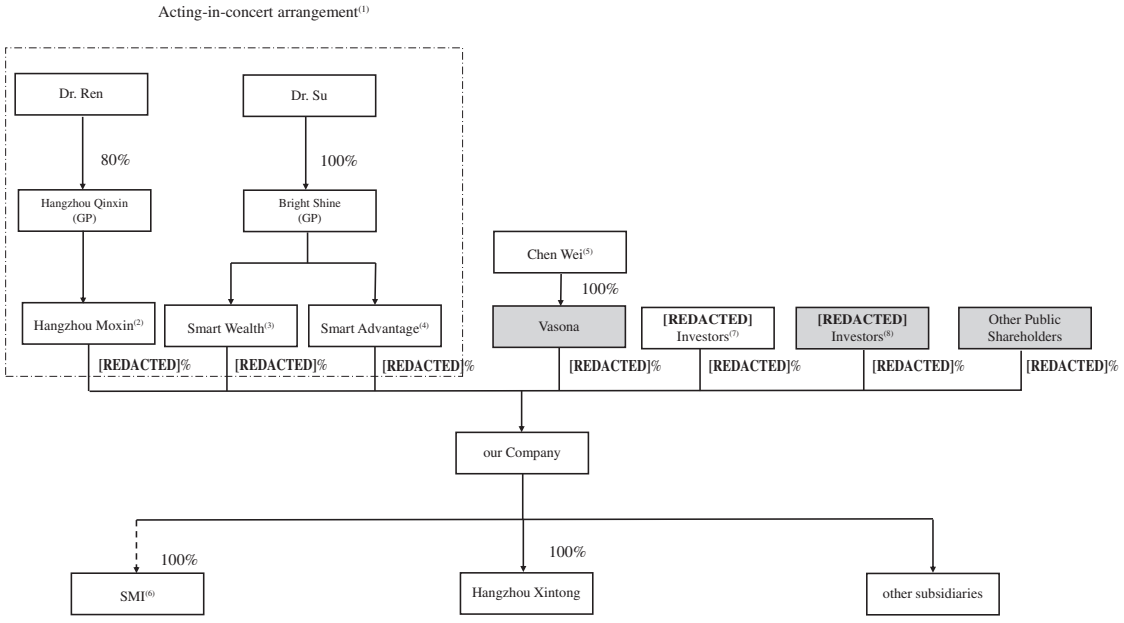
(5) Chen Wei is an Independent Third Party.

(6) SMI is an indirect wholly-owned subsidiary of our Company.

(7) For the background of our [**REDACTED**] Investors, please see "[**REDACTED**] Investments — 5. Information about the [**REDACTED**] Investors" in this section.

OUR STRUCTURE IMMEDIATELY FOLLOWING THE [REDACTED]

The following chart sets forth our simplified shareholding and group structure immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):



Notes:

H Shares held by Shareholders shaded in gray will be counted towards public float.

(1) Immediately after completion of the [**REDACTED**], the Concert Parties will collectively hold approximately [**REDACTED**]% shareholding of our Company. Please see "Acting-in-Concert and Single Largest Shareholder Group" in this section.

(2) to (6) Please refer to the notes as set forth in "Our Structure Immediately Prior to the [**REDACTED**]" above.

(7) The [**REDACTED**] Investors referred to in this note include Dr. Huh, the Haibang Entities, Xihangxin (each being a core connected person or a close associate thereof), and 11 [**REDACTED**] Investors (namely, National Fund II, Xinchengwei, Xinyuwei, Huaxin Kerui, Huadeng Industry, Huaxin Yunmai, Zhuhai Weiheng, Xiangheng Investment, Guangqi Xinmai, Hongtu Zhanlu and Jingque Xinyang) whose Unlisted Shares (in whole or in part) will not be converted into H Shares. Consequently, an aggregate of [**REDACTED**]% of the total issued Shares held by them immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) will not be counted towards the public float. For further details, please refer to the paragraph headed "Public Float" in this section.

(8) The [**REDACTED**] Investors referred to in this note include 27 [**REDACTED**] Investors (namely, Xidaxin, Cosmic Warrior, Smart Brilliant International, Xinshengwei, Xinlanwei, Xinchengwei, Xinyuwei, Hai Feng Investment, Xiaomi Fund, Zhejiang Innovation Capital, Huaxin Kerui, Huadeng Industry, Huaxin Yunmai, Zhuhai Weiheng, Xiangheng Investment, HSG Growth, Junlian Shengyuan, Junlian Xingze, Junlian Xingchi, Jiaxing Hengjunbang, Jiaxing Taixin, Jingque Xinyang, CATL, Huaye Zhiyuan, Yibin Lvneng, Yibin Chendao and Guangdong Changtuoshi) whose Unlisted Shares (in whole or in part) will be converted into H Shares. Therefore, an aggregate of [**REDACTED**]% of the total issued Shares held by them immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) will be counted towards the public float. For further details, please refer to the paragraph headed "Public Float" in this section.

OVERVIEW

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

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

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

based on revenue in 2025, we ranked:

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

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

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

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

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

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

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

Our Product Offerings

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

Mobility

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

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

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

Display

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

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

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

Power Device

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

Market Opportunities

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

Mobility

Key growth drivers for our Mobility product line include:

- Increased value of customized PMIC per device: The rapid rise of 5G and AI technologies imposes higher demands on power management for consumer electronics, further driving demand for high-capacity and fast-charging solutions, significantly increasing the value of power management chips.

- On-device AI, or Edge AI devices: PMIC will become highly efficient, highly integrated, and requires enhanced thermal management.

- Rapid growth in emerging AR/VR applications: The accelerating adoption of AR/VR technologies is creating new demand for specialized power management architectures, which further expands the market capacity.

- Wearable devices: The increasing demand for health and fitness monitoring and rapid technological advancements is driving the continued growth of wearable devices such as watches, wireless earbuds, and rings.

- Silicon anode battery adoption: Breakthroughs in advanced battery materials are catalyzing a new product upgrade cycle for PMICs, as next-generation energy storage systems require more sophisticated power regulation and optimization capabilities.

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

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

Display

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

- Increased demand for display panels driven by consumer electronics and automotive electronics, expanding our total addressable market.

- Evolving display specifications including higher resolution, thinner form factors, faster refresh rates, and better color performance of display panels require more advanced PMICs, increasing their value.

- The maturity of OLED panel technology will push OLED applications from small screens to large screens. The future trend will see IT devices (such as laptops) adopting OLED displays, expanding market size while PMIC unit prices increase with panel size.

- The growing use of foldable and multi-screen displays increases PMIC usage.

- The market is expected to grow due to the slimness and low power of AI laptops and notebooks. In addition, the application of OLEDs in automobiles is also increasing.

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

Power Device

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

- The rapid development of AI servers and data centers drives proportional growth in power electronics demand. Compared to traditional servers, AI servers require 10 times more power, significantly increasing the demand for power devices per server.

- Renewable energy is a core technology for carbon reduction, mainly applied in photovoltaics, wind power, and energy storage. DC/AC inverters used in these applications heavily rely on power devices. With the widespread adoption of electric vehicles and the large-scale deployment of data centers, global demand for new energy will surge, proportionally increasing demand for power devices.

- The trend toward electrification and intelligence in automobiles is inevitable. From powertrain to chassis to autonomous driving, the demand for power devices per vehicle is expected to increase exponentially compared to traditional internal combustion engine vehicles.

- End-users and applications continuously demand higher performance in power conversion efficiency, reliability, and low switching losses. Power devices are evolving toward higher reliability and higher power density, driving continuous growth in their value.

- The robotics industry is experiencing accelerated growth driven by upstream technological breakthroughs, expanding application scenarios, and policies tailwinds. This development is generating substantial demand for power device solutions, as robotic systems require numerous joint modules with integrated motor drives that directly correlate to increased power device requirements. Each additional robotic unit creates incremental demand for high-performance power management components, positioning our power device portfolio to benefit from this secular growth trend across industrial and service robotics applications.

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

OUR STRENGTHS

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

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

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

- ***Proprietary process technology: differentiation and performance leadership:*** Process platforms underpin the design and manufacturing of PMICs and power devices. As a key investor and joint R&D partner of Fullsemi Semiconductor, we can integrate our proprietary process platforms into chip design and manufacturing, enabling faster technology development and product iteration, improved performance, reliability and power efficiency, and stronger product differentiation. Our process nodes have evolved from 0.18μm to 55nm, with continued refinement of power device linewidths. According to Frost & Sullivan, the performance metrics of our mass-produced products are on par with global industry leaders. Our role as an investor and joint R&D partner also strengthens IP protection through joint ownership of the relevant intellectual property rights.

- ***Enhanced supply chain control: capacity, quality, and cost advantages:*** Our partnership with Fullsemi Semiconductor gives us priority access to production capacity and supports stable supply during market fluctuations. Close collaboration and real-time

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OUR STRATEGIES

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

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

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

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

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

Increase R&D investment to establish technical competitiveness

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

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

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

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

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

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

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

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

Continuously advance the construction of the digitalization system

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

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

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

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

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

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

OUR BUSINESS MODEL

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

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

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

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

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

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

OUR PRODUCTS AND SOLUTIONS

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

PMICs

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

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

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

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

Mobility

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

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

IFPM Solutions

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

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

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

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

Battery Management

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

- *Fuel gauge (電量計)*: Our fuel gauge accurately measures and tracks battery charge capacity based on various factors such as battery degradation, ambient temperature, and discharge rates. It provides precise information on battery capacity and runtime predictions across different operating scenarios. Our fuel gauge employs advanced algorithms to continuously monitor battery performance, delivering reliable power management for portable electronics. By dynamically adjusting calculations based on changing conditions, it ensures accurate battery status reporting throughout the device's lifecycle. We started with smartphone applications and are now expanding into a broader range of battery-powered IoT devices — covering the pack side with MCU, the system side without MCU, as well as both single-cell and multi-cell configurations.

- *Switching charger (開關充電器)*: Switching charger is a high-efficiency, integrated power management solution designed for fast charging in portable electronics such as mobile communication devices, laptops and tablets. It supports lithium and silicon anode battery charging across a range of 1 to 4 cells. We have been producing chargers for laptops since 2021. We consider this an important area for us, especially as the AI PC market continues to expand.

Regulators for Mobility

- *Buck-boost regulator (升降壓調節器)*: Buck-boost regulator is capable of stepping up or stepping down the input voltage to achieve a stable output. It features an integrated switch, compact package, and proprietary topology that maintains high efficiency even when input and output voltages are close. The regulator's small footprint and configurable design make it ideal for portable electronics, IoT devices, and other power-sensitive systems requiring precise voltage regulation. It can also be used to manage power for AI Edge SoCs, which are particularly power-sensitive and require precise voltage regulation.

- *Buck regulator (降壓調節器)*: Buck regulator is capable of stepping down input voltage to a lower output voltage. It features an integrated switch, compact package, ultra-low quiescent current, high efficiency, and programmable operation via I^2C interface, delivering optimized performance for space-constrained applications. The regulator's small footprint and configurable design make it ideal for portable electronics, IoT devices, and other power-sensitive systems requiring precise voltage regulation. It can also be used to manage power for AI Edge SoCs, which are particularly power-sensitive and require precise voltage regulation.

- *Boost regulator (升壓調節器)*: Boost regulator is capable of stepping up input voltage to a higher output voltage. It features an integrated switch, compact package, ultra-low quiescent current, and high efficiency, delivering optimized performance for space-constrained applications. The regulator's small footprint and configurable design make it ideal for portable electronics, IoT devices, and other power-sensitive systems requiring precise voltage regulation. We have added functionality for high-energy-density silicon anode batteries.

Interface and Protection

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

- *Load Switch (負荷開關)*: Our load switch products are characterized by a high level of integration, miniaturized design, and high reliability. These products deliver exceptional performance by achieving high voltage tolerance, low ON-resistance, and robust protection circuitry within an ultra-compact chip footprint. In response to the application requirements of next-generation portable and high-speed interface devices, our load switch portfolio incorporates a wide range of essential features for USB Type-C compatibility, including over-current protection, over-temperature protection, fast shutdown, and reverse current blocking. These products are widely applicable to all portable devices and other electronic systems with demanding power management requirements.

- *USB Interface (USB接口)*: Our USB interface products are designed in compliance with the latest USB Type-C specification, enabling high-speed data transmission and efficient power delivery in a compact and integrated format. These interface solutions feature built-in protection circuits, channel configuration, and power delivery communication capabilities, making them highly suitable for next-generation consumer electronics and mobile computing devices. The portfolio supports a wide range of input and output voltages, and comes in compact Wafer-level chip-scale packages (WLCSP) and Quad Flat No-lead (QFN) packages, enabling high integration in space-constrained portable applications such as laptops, power banks, and docking stations.

- *Voltage Level Translator (電壓電平轉換器)*: The voltage level translator products enable seamless, bi-directional signal conversion between components operating at different voltage domains, addressing the growing need for interoperability in multi-voltage system architectures. Designed to support high-speed data communication across a wide voltage range from 1.2V to 5.0V, these products are ideally suited for space-constrained and power-sensitive electronic applications. They are widely deployed in tablets, smartphones, and IoT/wearable devices, where miniaturization, low power consumption, and robust signal translation are essential requirements.

Display

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

Integrated voltage regulators

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

High Voltage Level-Shifters

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

Gamma Reference Buffers

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

LED Backlighting

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

Fully Integrated PMICs

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

Power Device Products

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

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

Medium-to-low voltage products

Shielded Gate Trench MOSFETs

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

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

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

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

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

High voltage products

Super Junction MOSFETs

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

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

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

SiC Power Devices

SiC MOSFETs

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

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

SiC Power Modules

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

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

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

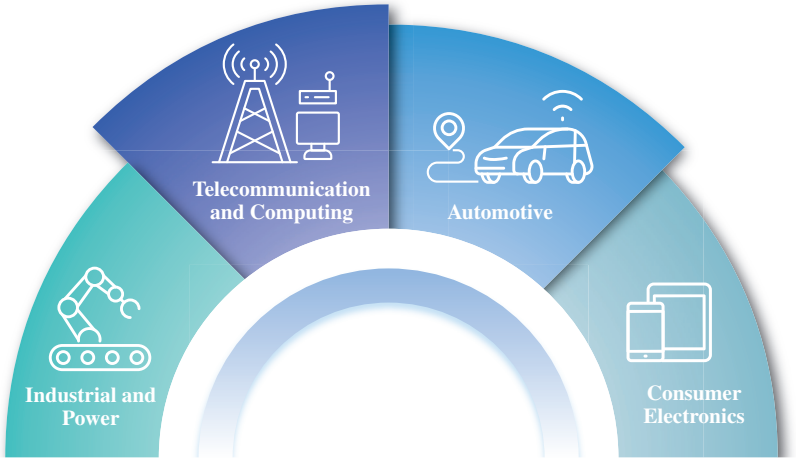
KEY OPERATING DATA

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

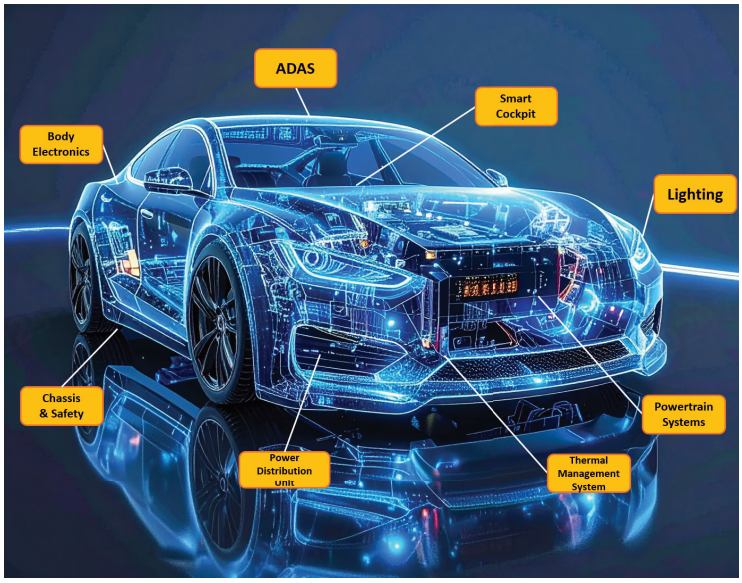
	Shipment Volume				
	For the year ended December 31,			For the four months ended April 30,	
	2023	2024	2025	2025	2026
	'000	*'000*	*'000*	*'000*	*'000*
PMIC products	503,688	442,838	492,360	153,587	171,712
Power device products	55,624	228,635	732,547	111,714	435,311
Total	**559,312**	**671,473**	**1,224,907**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

Application Areas

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



Automotive



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

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

Telecommunications and computing



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

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

Industrial Applications

High-Efficiency Power for Motion and Mobility



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

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

High-Reliability Power for Clean Energy Systems

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

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

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

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

Consumer Electronics

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

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

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

RESEARCH AND DEVELOPMENT

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

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

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

Importantly, our R&D efforts are demand-driven and highly targeted, and our R&D projects (particularly PMIC R&D projects) are typically initiated upon receipt of detailed customer specifications. During the Track Record Period, the PMIC conversion rate[1] was 83.3% in 2023, 90.5% in 2024, 81.8% in 2025 and 40.0% for the four months ended April 30, 2026, while the power

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

device conversion rate[2] was 92.3% in 2023, 72.7% in 2024, 63.6% in 2025 and 20.0% for the four months ended April 30, 2026.[3] Our R&D activities result in commercial products which, once adopted by customers and progressed into mass production, will contribute to revenue over a multi-year product life cycle.

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

Core Technologies

MOSFET

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

Super-Junction Technology

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

Charge Balance Design Technology

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

Super-Junction Structure Process Realization Technology

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

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

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

Optimization Design Technology

We apply multi-level structural optimization, including:

- Cell Shape and Size Optimization: Through optimized cell geometry, we reduce cell pitch and increase cell density per unit area, resulting in lower ON-resistance without increasing chip size.

- Doping Concentration and Distribution Control: By precisely managing the doping concentration and spatial distribution of the P-type and N-type columns, we enhance charge balance, which improves breakdown voltage and overall device reliability.

- Trench Geometry Optimization: Fine control of trench sidewall angle and depth contributes to superior electric field management and enhanced voltage-blocking capabilities.

Terminal Technology

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

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

Shielded Gate Trench (SGT) Technology

Shielded Gate Structure Design (General Technology Description of SGT)

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

Trench Structure (Process)

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

Charge Balance Design (Design)

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

Parasitic Parameter Optimization (Design)

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

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

SiC Technology

Epitaxial Layer Design

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

P-Well and Source Region Design

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

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

Gate Structure Design

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

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

Terminal Structure Design

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

Ohmic Contact Design

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

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

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

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

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

PMIC

Mobility PMIC Design

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

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

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

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

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

PMIC for Display

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

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

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

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

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

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

Process and Evaluation

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

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

R&D Process

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

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

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

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

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

PRODUCTION

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

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

QUALITY CONTROL

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

Quality Management

Our quality management system is established based on the ISO 9001 standard. We systematically analyze customer requirements during product design, and carry out product development with full consideration of performance assurance, reliability, manufacturability, and time to market. We perform quality assurance activities on all products delivered to customers. These activities are governed by documented procedures and managed through various internal IT systems, including our QMS (Quality Management System) and DPMS (Development Process Management System).

Development Quality

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

Customer Quality

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

Manufacturing Quality

As all production is outsourced, we work closely with our outsourcing partners to develop optimized manufacturing processes that minimize quality issues during mass production. We monitor process data and use statistical process control (SPC) techniques to identify process variability and assess its impact on product quality. We undertake preventive management activities to continuously improve and prevent quality issues. When quality issues occur, we conduct root cause analysis, implement corrective actions, and establish measures to prevent defect spread. We strictly manage nonconforming products. When process changes arise, we identify risks and manage changes through formal change evaluations. We conduct regular audits of our outsourcing partners to ensure stable manufacturing quality.

Document Management

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

Monitoring and Continuous Improvement of Quality Management

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

Product Return & Exchange Policy

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

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

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

SALES AND MARKETING

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

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

Pricing Policy

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

Sales model

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

Direct sales

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

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

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

Distribution

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes:

(1) In the context of our business operations, "Greater China" refers to Chinese Mainland, Hong Kong, Macau, and Taiwan, China

(2) Overseas mainly includes South Korea and Japan.

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

To the best of our knowledge, all of our distributors are Independent Third Parties. The distributors are not connected to any of our Company, our subsidiaries, our shareholders, directors, senior management or any of their respective associates. To our best knowledge, besides the ordinary course distribution arrangement with us, there is no other relationship between the distributors and each of our Company, our subsidiaries, our shareholders, directors or senior management or any of their respective associates.

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

INTELLECTUAL PROPERTY

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

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

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

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

DATA COMPLIANCE AND DATA SECURITY

Data Compliance Policies and Procedures

In recent years, data privacy and cybersecurity have emerged as critical governance priorities for companies worldwide. This is particularly pertinent as the PRC legislature and government authorities regularly introduce new cybersecurity, data security and privacy laws and regulations. Consequently, our practices regarding the collection, use, storage, disclosure and transfer of various types of data may come under increased administrative scrutiny. See "Risk Factors — Risks Relating to Our Business and Industry — Security breaches and other disruptions could compromise our confidential and proprietary information, which could cause our business and reputation to suffer" and "Risk Factors — Risks Relating to Our Business and Industry — Any failure to obtain requisite approvals, licenses or permits applicable to our business operation may have a material and adverse impact on our business, financial condition and results of operations."

In the course of our business operations, we collect, store and process business data and transaction data. Given that we only make transactions with enterprises, our business generally does not involve the collection or processing of customers' personal information.

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

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

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

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

- Data backup and recovery management: We develop and execute regular data backup plans, utilizing offsite backups and disaster recovery mechanisms to ensure the integrity and availability of critical business data, thereby safeguarding business continuity and complying with the PRC Data Security Law.

- Data classification, grading, and confidentiality policies: In accordance with the Personal Information Protection Law of the People's Republic of China (PRC PIPL) and relevant standards, we implement data classification and grading systems. Employee data, and other sensitive information are assigned appropriate protection levels, with stringent data usage, access, and transmission controls to ensure security and compliance throughout data collection, storage, processing, and transfer.

- Compliance training and risk assessment: We conduct regular training programs for employees on data privacy and cybersecurity laws and regulations to enhance compliance awareness. Simultaneously, we carry out periodic risk assessments and security audits to promptly identify and mitigate potential security risks, safeguarding data privacy and cybersecurity.

- Cross-border data transfer management: For cross-border data transfers, we strictly comply with the relevant provisions of the PRC Cybersecurity Law and PRC PIPL, conducting necessary security assessments and compliance reviews to ensure that such transfers are lawful and protect the rights of data subjects.

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

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

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

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

OUR CUSTOMERS

Top Customers

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

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

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

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

Notes:

(1) Customer A is a multinational major appliances and consumer electronics group listed on the Korea Exchange and headquartered in East Asia, primarily engaged in the research, development, manufacturing, and sales of consumer electronics, with manufacturing, sales, and research and development networks spanning more than 70 countries and regions worldwide.

(2) Customer B is a Hong Kong-based private company primarily engaged in the distribution, trading, and wholesale of electronic products, including semiconductors, mobile phones, and related electronics.

(3) Customer C is a Hong Kong-based private company primarily engaged in the distribution of semiconductor products and electronic components for LCD products, mobile phones, and electronic security systems. It is a subsidiary of a company listed on the Hong Kong Stock Exchange.

(4) Customer D is a Taiwan-based private company primarily engaged in the wholesale distribution of electronic parts, computers, and office machinery equipment.

(5) Customer E is a multinational company headquartered and incorporated in South Korea, principally engaged in the development and manufacture of advanced display technologies and products. It is listed on the Korea Exchange and the New York Stock Exchange.

(6) Customer A is a long-term customer of ours, and during the Track Record Period, it purchased our products through several different subsidiaries/divisions.

(7) Customer F is a private company registered in China, primarily engaged in the manufacturing of semiconductor discrete devices, as well as the research, development and manufacturing of integrated circuits. It is a subsidiary of a company listed on the ChiNext Board of the Shenzhen Stock Exchange.

(8) Customer G is a private company registered in China, primarily engaged in the research, development and sales of power supply products and the trading of electronic products and equipment.

(9) Customer H is a private company registered in China, primarily engaged in the packaging and testing of semiconductor discrete devices, the manufacturing and sales of integrated circuit chips and electronic components.

(10) We were incorporated in 2019. The commencement time set forth in this table refers to the commencement time of the business relationships between the relevant counterparties and established SMI, our subsidiary. We acquired SMI in 2020, and this acquisition marked the beginning of our relationship with SMI.

(11) The amount of sales includes the total transaction volume between our Group and the customers listed above as well as their subsidiaries within the scope of consolidation as of the corresponding year-end.

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

Relationship with Customer A

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

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

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

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

Salient Terms of Agreements with Major Customers

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

- *Contract Term.* Contract terms are typically three to five years. In addition, we have entered into framework agreements with certain major customers that are valid for one year from execution and automatically renew for successive one-year periods on the same terms unless either party gives notice at least one month prior to expiry.

- *Exclusivity.* The arrangement does not impose exclusivity and does not unduly restrict normal dealings with third parties.

- *Warranty Period.* The warranty period for defects is typically two years.

- *Credit terms:* Credit terms are generally 30 to 45 days.

- *Minimum purchase commitment.* There is generally no minimum purchase commitment under our customer contracts.

- *Termination, defaults, and remedies.* Our customer contracts customarily set out events of default (including delayed delivery, failure to meet specifications and late payment) and corresponding remedies, which may include price adjustments, late-payment interest, liquidated damages, termination and compensation for losses. Under certain agreements, late-payment interest and liquidated damages for our delivery delay. Either party may terminate for material breach or upon the occurrence of adverse financial or business circumstances affecting the counterparty. Following termination, the parties remain subject to customary post-termination obligations, including settlement of outstanding amounts, return of materials and cessation of use of the other party's property, in accordance with the contract terms and applicable law.

- *Price adjustment.* The product price is generally determined based on individual purchase orders agreed between the parties from time to time.

- *Renewal.* The renewal clauses generally provide for automatic renewal for successive one-year terms, unless either party provides written notice of non-renewal to the other party within the agreed advance notice period prior to the expiry of the then-current term.

- *Termination.* We may terminate the agreement with written notice in cases such as mutual agreement, uncured material breach, insolvency, change of control, or non-compliance with relevant laws. The customer may terminate the agreement for our uncured material breach, insolvency, non-compliance with laws, change in control, or upon its own bankruptcy event, and may seek cumulative legal remedies. For the purposes of the agreement, a material breach generally includes: (i) failure to cure breach: the breaching party fails to remedy a material breach within the specified cure period after receiving written notice. (ii) bankruptcy or financial distress: the breaching party files for bankruptcy, has bankruptcy filed against it, becomes insolvent, enters liquidation or receivership, or is otherwise unable to pay its debts, and fails to resolve such situation within a specified timeframe. (iii) failure to perform key obligations: includes delayed deliveries, delivery of defective or non-conforming products, failure to perform as agreed, or failure to provide reasonable assurances of future performance when requested. (iv) unauthorized assignment: assignment or disposal of contractual obligations without prior written consent from the other party. (v) material adverse impact: any breach or delay causing a material adverse effect on the achievement of the contract's purpose or the other party's business operations.

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

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

OUR SUPPLIERS

Top Suppliers

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

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

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

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

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

Notes:

(1) Supplier A is a company headquartered in South Korea specializing in the manufacturing and sale of semiconductor products, and is listed on the Korea Exchange. It is a significant player in the global semiconductor market, supplying memory chips for various applications.

(2) Supplier B is a South Korea-based IT marketing company in the semiconductor industry, with its shares listed on the Korea Exchange. It primarily engages in the distribution of IT products, including semiconductors, displays, and PC/storage products.

(3) Supplier C is DB HiTek Co., Ltd., a South Korea-based semiconductor contract manufacturing and design company, with its shares listed on the Korea Exchange. It is a world leader in specialty foundry services, providing analog and mixed-signal foundry solutions.

(4) Supplier D is Nepes Corporation, a South Korea-based company with its shares listed on the Korea Exchange. It specializes in wafer level packaging and provides full turnkey solutions including 8" and 12" flip-chip bumping and testing services.

(5) Supplier E is a member of a Taiwan-based global semiconductor group. It provides turnkey semiconductor packaging and testing solutions to leading companies worldwide, and is a subsidiary of a company listed on the Taiwan Stock Exchange and the New York Stock Exchange.

(6) Supplier F is SK Hynix System IC (Wuxi) Co., Ltd. (SK海力士系統集成電路(無錫)有限公司), a system IC manufacturer based in Wuxi, China. In 2023, Supplier A and Supplier F were aggregated for reporting purposes due to their shareholding relationship. Since 2024, Supplier F has been reported as a separate supplier following the transfer of shares from Supplier A.

(7) Supplier G is Fullsemi Semiconductor. It is a private company based in Hangzhou, China, manufacturing high-end analog integrated circuits and power semiconductors. We pursued a Virtual IDM strategy and explored investing in wafer fabrication capacity in 2019, which aligned with the local government's initiative to promote the construction of a new wafer fabrication facility. We therefore established Fullsemi Semiconductor in 2019 and were its initial sole shareholder. In 2021, new shareholders (primarily government-backed investment vehicles) were introduced through capital increases under the project funding arrangement, which diluted our shareholding. After making all reasonable enquiries, save for our equity investment in and ordinary-course dealings with Fullsemi Semiconductor, we confirm that we have no other relationship with the new shareholders or their related parties. As of the Latest Practicable Date, we held a 16.76% equity interest in Fullsemi Semiconductor. We are entitled to nominate one supervisor of Fullsemi Semiconductor, who is appointed by its shareholders' meeting in accordance with PRC law. The supervisor performs

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

(8) We were incorporated in 2019. The commencement time set forth in this table refers to the commencement time of the business relationships between the relevant counterparties and SMI, our subsidiary. We acquired SMI in 2020.

(9) The amount of purchases includes the total transaction volume between our Group and the suppliers listed above as well as their subsidiaries within the scope of consolidation as of the corresponding year-end.

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

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

Agreements with Suppliers

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

- *Material.* We shall list out the type, specifications, and quantity of required materials.

- *Payment, credit term and delivery.* Our purchase prices are determined on a case-by-case basis, depending on the specific order and the prevailing market conditions at the time of procurement. In terms of payment, we are generally granted a credit term of approximately 30 to 90 days by our suppliers, which typically commences upon the issuance of a letter of acceptance. Our suppliers are responsible for arranging the delivery of the goods to our designated locations.

- *Quality Guarantee.* Our suppliers generally provide a quality guarantee for a specified period. We are entitled to claim compensation in the event that the products fail to meet the technical specifications or contractual standards.

- *Warranty Period.* Warranty periods vary by supplier, typically ranging from two to three years.

- *Confidentiality.* Both parties are required to maintain the confidentiality of technical know-how, trade secrets, and the terms of cooperation, and not to disclose such information to any third party without prior written consent.

- *Product return.* We reserve the right to inspect and accept goods delivered under the contract. For any non-conforming products identified within the warranty period, we are entitled to return the products, request replacements, and claim compensation for any losses and applicable penalties due to breach of contract.

- *Termination.* We have the right to terminate the agreement in the event of a material breach by the supplier. For the purposes of the agreement, a material breach generally includes: (i) failure to perform key obligations: such as significant delivery delays, or failure to cure a breach within a specified period following written notice; (ii) bankruptcy or insolvency: including liquidation, insolvency, or similar proceedings that are not resolved within a specified period.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

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

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

COMPETITION

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

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

Operational Risk Management

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

Compliance Risk Management

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

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

Intellectual Property Risk Management

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

PROPERTIES

Owned Properties

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

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

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

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

Leased Properties

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

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

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

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

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

SEASONALITY

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

EMPLOYEES

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

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

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

INSURANCE

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

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

EXPORT CONTROL IMPLICATIONS

U.S. Export Controls

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

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

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

Tariffs and Trade Policy Measures

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

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

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

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

U.S. Overseas Investment Regulations and the Final Rule

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

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

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

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

Internal Control and Mitigation Measures

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

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

LICENSES AND PERMITS

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

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

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

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

LEGAL PROCEEDINGS AND COMPLIANCE

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

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

ENVIRONMENTAL SOCIAL AND CORPORATE GOVERNANCE

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

ESG Governance and Management Framework

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

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

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

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

Identification, Assessment and Mitigation of ESG Risks

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

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

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

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

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

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

Environmental Protection

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

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

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

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

Metrics and Targets

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

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

	For the year ended December 31,			For the four months ended April 30,
	2023	2024	2025	2026
Electricity consumption (MWh)	1,181.6	1,583.2	1,902.1	625.2
Gasoline consumption (L)	7,877.0	8,286.0	8,288.0	2,484.0
Diesel consumption (L)	172.0	114.0	23.0	0
Comprehensive energy consumption (MWh)	1,252.2	1,656.8	1,974.8	646.9
Comprehensive energy consumption intensity (MWh per CNY million of revenue)	0.76	1.05	1.0	0.8
Total GHG emissions[2] (Scope 1 and Scope 2) (tCO_2 equivalent)	602.3	809.8	974.5	320.8
Direct GHG emissions (Scope 1) (tCO_2 equivalent)	17.6	18.3	18.0	6.1
Indirect GHG emissions (Scope 2) (tCO_2 equivalent)	584.7	791.5	956.5	314.6
GHG emission intensity (tCO_2 equivalent per CNY million of revenue)	0.37	0.51	0.50	0.38

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

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

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

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

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

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

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

	For the year ended December 31,			For the four months ended April 30,
	2023	2024	2025	2026
Indirect GHG emissions (Scope 3) (tCO_2 equivalent)[3]	955.61	1,252.62	1,413.50	486.94
Intensity of Indirect GHG emissions (Scope 3) (tCO_2 equivalent per CNY million of revenue)	0.58	0.80	0.72	0.58

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

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

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

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

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

Climate Change and Response

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

Corporate Social Responsibility

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

Employee Wellbeing

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

Employee Safety and Health

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

Professional Development

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

Supply Chain Management

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

Anti-Corruption and Anti-Bribery

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

Industry development and charity activities

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

AWARDS AND RECOGNITION

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

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

OVERVIEW

Upon [**REDACTED**], our Board will consist of seven Directors, comprising two executive Directors, two non-executive Director and three independent non-executive Directors.

The following table sets forth certain information in respect of our Directors:

Name	Age	Position	Roles and responsibilities	Time of joining our Group	Date of Appointment as Director	Relationship with other Directors, Supervisor and senior management
Executive Directors						
Dr. Ren Yuancheng (任遠程)	50	Chairperson Executive Director Chief executive officer	Overall strategic planning, business development and operational management of our Group	June 2020	June 2020	Acting in concert with Dr. Su, our senior management
Dr. Huh Youm	74	Vice chairperson Executive Director Chief executive officer of SMI	Overseeing daily management and operations, strategic planning and business development of our Group	October 2020	August 2021	Not applicable
Non-executive Directors						
Mr. Zhang Shuai (張帥)	40	Non-executive Director	Providing advice on the operation and management of our Group	March 2025	March 2025	Not applicable
Mr. Xie Li (謝力)	51	Non-executive Director	Providing advice on the operation and management of our Group	August 2020	August 2020	Not applicable
Independent non-executive Directors						
Mr. Tong Wan Sze (湯雲斯)	58	Independent non-executive Director	Supervising and providing independent judgement to our Board	June 2025	June 2025	Not applicable
Prof. Wang Han (汪涵)	42	Independent non-executive Director	Supervising and providing independent judgement to our Board	June 2025	June 2025	Not applicable
Ms. Ho Yip Betty (何曄)	58	Independent non-executive Director	Supervising and providing independent judgement to our Board	May 2026	May 2026	Not applicable

DIRECTORS

Executive Directors

Dr. Ren Yuancheng (任遠程), aged 50, has served as a Director, the chairperson of our Board and the chief executive officer of our Company since June 2020. He has been re-designated as our executive Director in June 2025. He is responsible for the overall strategic planning, business development, and operational management of our Group. He currently also serves as a director or the legal representative of Hangzhou Xintu, Greenpine and SMI.

Dr. Ren has over 20 years of technical and management experience in the semiconductor industry. He served as the general manager of the PRC subsidiary of Monolithic Power Systems, Inc., a Nasdaq-listed company (stock code: MPWR), from May 2006 to September 2013. After that, Dr. Ren joined JoulWatt Technology Co., Ltd. as a deputy general manager until May 2020.

Dr. Ren received a bachelor's degree and a master's degree in engineering from Zhejiang University in June 1997 and March 2000, respectively. He further obtained a doctor of philosophy degree in electrical engineering from Virginia Polytechnic Institute and State University in May 2005. Dr. Ren has also been qualified as a senior engineer in 2025 with Zhejiang Province Ministry of Human Resources and Social Security (浙江省人力資源和社會保障廳).

Dr. Ren was shortlisted as a leading personnel at provincial level (省級領軍人物) in 2014 by the Hangzhou High-tech Zone (Binjiang) Talent Office (杭州高新區(濱江)人才辦).

Dr. Huh Youm, aged 74, has served as a Director and vice chairperson of our Company in August 2021. Dr. Huh is the founder and chief executive officer of SMI. He has been re-designated as our executive Director in June 2025. He is responsible for overseeing daily management and operations, strategic planning and business development of our Group. Dr. Huh currently also serves as a director of SMI and SMHK.

Dr. Huh has approximately 50 years of experience in the semiconductor and electronics industry. After obtaining his master's degree in science from Korean Advanced Institute of Science and Technology in 1976, Dr. Huh served in Samsung Electronics Co., Ltd (a company listed on the Korea Exchange with stock code 005930.KS) from 1974 to 1979 and continued his academic studies at Stanford University. Dr. Huh assumed his role as a researcher at the computer systems laboratory of Stanford University. From 1989 to 1993, Dr. Huh served as the director of computer development division of Samsung Electronics Co., Ltd. Dr. Huh continued his career in the semiconductor and electronics industry with Hyundai Electrics Industries Co., Ltd. since 1996. Dr. Huh joined SK Hynix Inc. and served as the executive vice president and head of system IC business from 1999 to 2004. In 2004, Dr. Huh founded MagnaChip Semiconductor Corporation and served as its founding chief executive officer until 2006. In February 2007, Dr. Huh founded SMI and has been serving as the chief executive officer till present.

Dr. Huh received a bachelor's degree in electrical engineering from Seoul National University in 1974, a master's degree in electrical engineering from Korean Advanced Institute of Science and Technology in 1976, and earned his doctor of philosophy degree (PhD) in electrical engineering from Stanford University in 1986.

Dr. Huh has been an advisory committee member of the Presidential Advisory Council on National Economy and Finance of the Republic of Korea prior to December 2024. He has also served as the honorary chairman of the Fabless Industry Association, the vice chairman of Korea Semiconductor Industry Association (KSIA) and as of the Latest Practicable Date, he is a member of the Asia-Pacific Leadership Council of Global Semiconductor Alliance (GSA) and a senior member of the National Academy of Engineering of Korea (NAEK).

Non-executive Directors

Mr. Zhang Shuai (張帥), aged 40, has been appointed as our Director since March 2025 and re-designated as our non-executive Director in June 2025. He is responsible for providing advice on the operation and management of our Group.

Mr. Zhang joined the China Development Bank (國家開發銀行) as an officer and was consecutively being promoted as a manager assistant and the vice division head of the Review Bureau (評審二局). Mr. Zhang joined Huaxin Investment Management Company Limited (華芯投資管理有限責任公司) in August 2020 and has consecutively served as the vice manager of investment department one and general manager of business department two.

Mr. Zhang obtained a master's degree in science from the University of Southampton in October 2007.

Mr. Zhang has served as a director of various listed companies, details of which are set out as follows:

Name of Company	Stock Exchange of which the shares of the company is listed	Stock Code	Tenure
Telink Semiconductor (Shanghai) Company Limited (泰凌微電子(上海)股份有限公司)	Shanghai Stock Exchange	688591.SH	January 2021 to December 2023
GigaDevice Semiconductor Inc. (兆易創新科技集團股份有限公司)	Shanghai Stock Exchange	603986.SH	June 2021 to June 2023
Rockchip Electronics Co., Ltd. (瑞芯微電子股份有限公司)	Shanghai Stock Exchange	603893.SH	May 2021 to June 2023
Suzhou Centec Communications Co., Ltd. (蘇州盛科通信股份有限公司)	Shanghai Stock Exchange	688702.SH	June 2021 to August 2024
Smarter Microelectronics (Guangzhou) Co., Ltd. (廣州慧智微電子股份有限公司)	Shanghai Stock Exchange	688512.SH	September 2021 to August 2024
Biwin Storage Technology Co., Ltd. (深圳佰維存儲科技股份有限公司)	Shanghai Stock Exchange	688525.SH	August 2021 to October 2025
Sai MicroElectronics. Inc. (北京賽微電子股份有限公司)	Shenzhen Stock Exchange	300456.SZ	August 2021 to present
Empyrean Technology Co., Ltd. (北京華大九天科技股份有限公司)	Shenzhen Stock Exchange	301269.SZ	December 2023 to present

Mr. Xie Li (謝力), aged 51, has been appointed as our Director since August 2020 and re-designated as our non-executive Director in June 2025. He is responsible for providing advice on the operation and management of our Group.

Mr. Xie has over 25 years experience in administrative operations and investment management. Mr. Xie began his career with Zhejiang Textile and Light Industry Group Corporation* (浙江省輕紡集團公司, previously known as 浙江省輕工業廳) last serving as the deputy secretary of the Communist Youth League Committee from August 1996 to December 1998. He then took on the role as the financial controller of Nanjing Nanda Surface and Interface Chemical Engineering Technology Research Center Co., Ltd.* (南京南大表面和界面化學工程技術研究中心有限責任公司) from January 1999 to December 2007. Mr. Xie then joined Zheshang Venture Capital Co., Ltd.* (浙商創投股份有限公司) in January 2008, serving as a partner and chairman assistant until October 2010. Since December 2014, Mr. Xie has been the chief executive officer of Zhejiang Haibang Private Equity Management Co., Ltd.* (浙江海邦私募基金管理有限公司) (previously known as Zhejiang Haibang Investment Management Co., Ltd.* (浙江海邦投資管理有限公司)).

Mr. Xie obtained a bachelor's degree in polymer materials in July 1996 from Nanjing University and a master's degree in business administration in July 2003 also from Nanjing University.

Mr. Xie has been an independent director of Shanghai Kaytune Industrial Co., Ltd. (上海凱淳實業股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code 301001.SZ) from December 2019 to November 2025.

Independent Non-executive Directors

Mr. Tong Wan Sze (湯雲斯), aged 58, is our independent non-executive Director. He was appointed as our independent non-executive Director in June 2025. He is responsible for supervising and providing independent judgement to our Board.

Mr. Tong has over 15 years of experience in corporate governance. He served as the independent non-executive director of Pan Asia Mining Limited (寰亞礦業有限公司) (a company listed on the GEM Board of the Hong Kong Stock Exchange with stock code 8173.HK) (currently known as Hephaestus Holdings Limited (客思控股有限公司)) from December 2010 to July 2016. He served in various positions of GCL New Energy Holdings Limited (協鑫新能源控股有限公司) (a company listed on the Main Board of the Hong Kong Stock Exchange with stock code 0451.HK) from July 2015 to January 2019, including the executive director, chief financial officer, and company secretary, and served as the chief financial officer at Reefan International Limited (睿凡國際股份有限公司) from January 2021 to November 2022.

Mr. Tong obtained his master's degree of business administration from the University of Strathclyde in the United Kingdom in July 2002. He received the Diploma of Certified Environmental, Social and Governance Analyst (CESGA) from The European Federation of Financial Analysts Societies in 2023, and became a fellow member of the Association of Chartered Certified Accountants (ACCA) in 2003, and a certified public accountant of the Hong Kong Institute of Certified Public Accountants (HKICPA) in 1998. Mr. Tong was recognized as one of the "2017 Top 10 CFOs (Corporate Finance) in China" (2017中國十大資本運營TOP CFO 年度人物) by the China CFO Development Center (中國CFO發展中心) in 2017.

Prof. Wang Han (汪涵) (previously known as Wang Haodong (汪皓東)), aged 42, is our independent non-executive Director. He was appointed as our independent non-executive Director in June 2025. He is responsible for supervising and providing independent judgment to our Board.

Prof. Wang has around 13 years of experience in industrial and academic research and development in the semiconductor and microelectronics engineering field. He has been working as a post-doctoral researcher for IBM T. J. Watson Research Center responsible for research and development of semiconductor technology from July 2013 to July 2014. He then was employed by the University of Southern California in August 2014 initially as an assistant professor and was promoted to be an associate professor in March 2019. Started from January 2021, Prof. Wang has been appointed by Taiwan Semiconductor Manufacturing Company as a research principal investigator and technical manager concurrent with his professorship with the University of Southern California. Prof. Wang joined the University of Hong Kong in 2023 and currently is the associate head of the Department of Electrical and Electronic Engineering and the Director of the Center for Advanced Semiconductors and Integrated Circuits.

Prof. Wang obtained both of his bachelor's degree and master's degree in electrical and information science from University of Cambridge in June 2007 and obtained his doctoral degree in electrical engineering and computer science from Massachusetts Institute of Technology in September 2013.

Prof. Wang currently also serves as the Chair of the IEEE Electron Device/Solid-State Circuit Hong Kong Joint Chapter and the Chair of the IEEE Electron Device Society Neuromorphics Technical Committee. At university, his work made key contributions in enabling the insertion of new semiconductor materials and device technologies into the International Roadmap for Devices and Systems (IRDS). Prof. Wang has published over 120 research papers in leading research journals and conferences in the field of semiconductor material and device technology, including 16 papers in Nature research journal series and 20 papers in International Electron Device Meeting (IEDM), with over 28,000 citations. He is Clarivate Analytics Highly Cited Researcher from 2018 to 2024. He successfully awarded/filed nine patents in the United States. His research works were widely featured by major public and scientific news media including Scientific America, CBC news, Nature, Science, Nature Electronics, Nature Materials and IEEE Spectrum.

Ms. Ho Yip Betty (何曄), aged 58, is our independent non-executive Director. She was appointed as our independent non-executive Director in May 2026. She is responsible for supervising and providing independent judgment to our Board.

Ms. Ho has extensive experience in public companies, healthcare, merger and acquisitions, private equity across a wide range of industries. Prior to joining our Company, Ms. Ho served as an independent non-executive director of CStone Pharmaceuticals (a company listed on the Stock Exchange with stock code: 2616) from December 30, 2024 to October 31, 2025. Before that, Ms. Ho served as chief strategy officer at DHgate Holdings Limited, a company principally engaged in cross-border e-commerce in China from April 2020 to March 2024. Ms. Ho also served as an independent non-executive director at Ezisurg Medical Co., Ltd. from August 2022 to November 2023. Ms. Ho served as chief financial officer and director of Phoenix New Media Limited (a company listed on the New York Stock Exchange with stock code: FENG) from October 2013 to November 2019 and from November 2017 to November 2019, respectively. Ms. Ho served as chief financial officer at A8 New Media Group Limited (formerly known as A8 Digital Music Holdings Limited, a company formerly listed on the Stock Exchange with stock code: 800) from July 2007 to January 2011. Ms. Ho was appointed as executive director and redesignated as non-executive director of the board of A8 New Media Group Limited from November 2007 to December 2010 and from December 2010 to May 2011, respectively.

Ms. Ho had also held various management positions in audit and investment, including chief financial officer and vice president of corporate development of LJ International, Inc. (a company listed on NASDAQ with stock code JADE).

Ms. Ho obtained her bachelor's degree in commerce from the University of Toronto in Canada in June 1993. She also completed the Stanford Executive Leadership Program and the Stanford Director's College in the United States through a hybrid of classes in person and distance learning in May 2018. Ms. Ho has been a member of the American Institute of Certified Public Accountants since September 1997.

SUPERVISOR

Ms. Sun Junping (孫君萍), aged 40, joined our Group in August 2020 as a product planner and is responsible for supervising our Board and senior management.

Prior to joining our Group, Ms. Sun served as the deputy sales at Hangzhou Meiqing Digital Technology Co., Ltd.* (杭州梅清數碼科技有限公司) from March 2017 to May 2019. From February to December 2014, Ms. Sun served as the manager of the administrative department of Putian New Energy Anhui Company Ltd.* (普天新能源安徽有限公司). From October 2008 to September 2013, Ms. Sun served at the administrative department of Lu'an Branch of China Mobile Group Anhui Co., Ltd.* (中國移動通信集團安徽有限公司六安分公司).

Ms. Sun obtained her bachelor's degree in tourism management from Anhui University of Finance and Economics (安徽財經大學) in July 2008.

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in June 2025 or June 2026, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of our proposed independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his/her appointments.

Disclosure under Rule 8.10(2) of The Listing Rules

As of the Latest Practicable Date, none of our Directors had interests in any business, which competes directly or indirectly with our business for the purpose of Rule 8.10(2) of the Listing Rules.

Other Disclosure pursuant to Rule 13.51(2) of the Listing Rules

Save as disclosed above, each of our Directors (i) did not hold other positions in our Company or other members of our Group as at the Latest Practicable Date; (ii) had no other relationship with any Directors, senior management or substantial Shareholder of our Company as at the Latest Practicable Date; and (iii) did not hold any other directorships in listed companies in the three years prior to the Latest Practicable Date.

Save as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there were no other matters with respect to the appointment of our Directors that need to be brought to the attention of our Shareholders and there was no information relating to our Directors and our Supervisor that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as at the Latest Practicable Date.

For details of the interest of our Directors in the Shares and underlying Shares of our Company (within the meaning of Part XV of the SFO) and particulars of their service contracts/letters of appointment and remuneration, see "Appendix VII — Statutory and General Information" to this document.

SENIOR MANAGEMENT

The following table shows the key information of our senior management as at the date of this document:

Name	Age	Position	Roles and responsibilities	Time of joining our Group	Date of appointment as senior management member	Relationship with other Directors, Supervisor and senior management
Dr. Ren Yuancheng (任遠程).	50	Chairperson, executive Director and chief executive officer	Overall strategic planning, business development and operational management of our Group	June 2020	June 2020	Acting in concert with Dr. Su, our senior management
Dr. Huh Youm	74	Vice chairperson, executive Director and chief executive officer of SMI	Overseeing daily management and operations, strategic planning and business development of our Group	October 2020	October 2020	Not applicable

Name	Age	Position	Roles and responsibilities	Time of joining our Group	Date of appointment as senior management member	Relationship with other Directors, Supervisor and senior management
Dr. Su Hui-Lun (蘇慧倫).	49	Executive vice president of administration and a joint company secretary	Overseeing corporate governance, legal and compliance, human resources and information technology	December 2020	June 2025	Acting in concert with Dr. Ren, our executive Director and senior management
Mr. Liang Jianxiong (梁建雄).	53	Vice president of sales	Overall sales management	April 2021	April 2021	Not applicable
Ms. Li Xiaolei (李曉蕾).	48	Chief financial officer	Overall financial matters	September 2024	June 2025	Not applicable
Mr. Kim Jong Hwan	62	Vice president	Overseeing the corporate engineering division of SMI	October 2020	June 2025	Not applicable

Our executive Directors, namely, Dr. Ren and Dr. Huh, concurrently hold senior management positions in our Group. For each of their biographies, please see "— Directors — Executive Directors" in this section above.

Dr. Su Hui-Lun (蘇慧倫), aged 49, joined our Group in December 2020 and is our executive vice president of administration and our joint company secretary, responsible for overseeing corporate governance, legal and compliance, human resources and information technology.

Dr. Su has around 25 years of experience in the legal profession. From 2003 to 2007, Dr. Su worked as the head of legal for an international monitor manufacturer which is listed on the Stock Exchange and was responsible for overseeing matters including legal, compliance, intellectual property, mergers and acquisitions. Between July 2007 and July 2008, she worked in Akin Gump LLP as the Intellectual Property Advisor. In August 2008, she joined Alston & Bird LLP, an international law firm, and subsequently became the partner in charge of Greater China practice specialising in cross-border dispute resolutions, regulatory matters such as export control and Committee on Foreign Investment in the United States, as well as mergers, acquisitions and international business transactions.

Dr. Su obtained her bachelor's degree in law from Taiwan University (臺灣大學) in June 1998, master's degree in law from University of California, Los Angeles in May 2002 and her doctoral degree in law from Tsinghua University in 2021.

Dr. Su was admitted as an attorney and counselor in the State of New York, State Bar of California, the District of Columbia, and as a solicitor of England and Wales and Hong Kong. She also obtained lawyer's qualification in the PRC. Dr. Su is a certified management accountant (CMA) and obtained the Sustainable Investing Certificate granted by the CFA Institute. Dr. Su was awarded "Women of Influence 2014" and "40 under 40 in 2016" by Silicon Valley Business Journal.

Mr. Liang Jianxiong (梁建雄), aged 53, has served as our vice president of sales since joining our Group in April 2021. In this role, he drives revenue growth, expands market share and strengthens strategic partnership with key account while developing distribution network, leading the sales, marketing, technical support and sales operation teams.

Mr. Liang has over 29 years of experience in telecommunication devices and semiconductor sector. Mr. Liang served in electricals at ZTE Corporation (a company listed on Shenzhen Stock Exchange with stock code 000063.SZ and on Hong Kong Stock Exchange with stock code 00763.HK) from September 1997 to August 2000. He then joined Lucent Technologies, Inc. as a technical manager in September 2000 until September 2003, and served as a regional general manager at Texas Instruments Semiconductor Technology Company Limited* (德州儀器半導體技術有限公司) from October 2003 to March 2021.

Mr. Liang graduated from Harbin Institute of Technology (哈爾濱工業大學) with a bachelor's degree in electrical engineering in July 1995 and obtained a master's degree in electrical engineering from Harbin Institute of Technology in July 1997.

Ms. Li Xiaolei (李曉蕾), aged 48, joined our Group in September 2024 as the assistant to our CEO and was responsible for investment, business strategy and other internal management to support CEO. She was appointed as the chief financial officer of our Company on June 25, 2025 and is responsible for overall financial matters.

Prior to joining our Group, Ms. Li has served at PricewaterhouseCoopers from August 2005 to August 2024 and was a partner of PricewaterhouseCoopers before she resigned.

Ms. Li obtained her bachelor's degree in accounting from Xi'an Jiaotong University (西安交通大學) in July 2000 and completed her post graduate studies in University of International Business and Economics (對外經濟貿易大學) in July 2005.

Mr. Kim Jong Hwan, aged 62, joined our Group in October 2020 since the acquisition of SMI and is currently our vice president and the senior vice president of engineering of SMI and is responsible for overseeing the corporate engineering division of SMI.

Mr. Kim has over 36 years of experience in the electronics and semiconductor sector. Mr. Kim worked in the power semiconductor division in Samsung Electronics Co., Ltd. (a company listed on the Korea Exchange with stock code 005930.KS) from June 1990 to April 1999, and his last ranking was E4 level, Mr. Kim continued to serve in the same division (which was subsequently spun into a company and currently known as On semiconductor Korea, Ltd.) and was promoted to be the principal engineer. Mr. Kim joined SMI in June 2010 and has served as the director of device engineering and vice president of engineering of SMI, and was promoted to his current role in March 2020.

Mr. Kim obtained his bachelor's degree in metallurgical engineering from Hanyang University in February 1990.

JOINT COMPANY SECRETARIES

Dr. Su Hui-Lun (蘇慧倫), aged 49, was appointed as our joint company secretary in June 2025. See "— Senior Management" above for details of her background.

Mr. Wong Chun Wing Samuel (黃俊穎) is one of the joint company secretaries of the Company. He is an assistant manager of the listing services division at TMF Hong Kong Limited, a company providing corporate accounting and corporate secretarial services in Hong Kong. He has around 8 years of experience in company secretarial profession. Mr. Wong is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Mr. Wong received a bachelor's degree in business administration from the Hang Seng University of Hong Kong (formerly known as Hang Seng Management College) in November 2017.

BOARD COMMITTEES

We have established three Board Committees in accordance with the relevant laws and regulations of the PRC, the Articles and the code of corporate governance practices under the Listing Rules, namely the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee. The functions of the three committees are summarized as follows:

Audit Committee

We have established an audit committee in compliance with Rule 3.21 of the Listing Rules and with written terms of reference in compliance with paragraph D.3 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules. The primary duties of our Audit Committee are to provide an independent view of the effectiveness of our financial reporting, risk management and internal control systems, oversee our audit process, develop and review policies and perform other duties and responsibilities as assigned by our Board.

Our Audit Committee comprises three members, namely Mr. Tong Wan Sze, Prof. Wang Han and Ms. Ho Yip Betty . Mr. Tong Wan Sze is the chairperson of our Audit Committee, who is an independent non-executive Director with the appropriate accounting and related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration and Appraisal Committee

We have established a remuneration and appraisal committee in compliance with Rule 3.25 of the Listing Rules and with written terms of reference in compliance in compliance with paragraph E.1 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules. The primary duties of our Remuneration and Appraisal Committee are to (i) establish, review and make recommendations to our Board on our policy and structure concerning remuneration of our Directors, Supervisor and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determine the terms of the specific remuneration package of each executive Director and senior management; and (iii) review and approve performance-based remuneration by reference to corporate goals and objectives resolved by our Board from time to time.

Our Remuneration and Appraisal Committee comprises three members, namely Mr. Tong Wan Sze, Prof. Wang Han and Ms. Ho Yip Betty. Ms. Ho is the chairperson of our Remuneration and Appraisal Committee.

Nomination Committee

We have established a nomination committee with written terms of reference in compliance with paragraph B.3 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules. The primary duties of our Nomination Committee are to (i) review the structure, size and composition of our Board at least annually, assist the Board in maintaining a board skills matrix and make recommendations regarding any proposed changes to its composition; (ii) identify, select or make recommendations to our Board on the selection of nominees for directorship; (iii) ensure the diversity of our Board; (iv) assess the independence of our independent non-executive Directors; and (v) make recommendations to our Board on relevant matters relating to the appointment, re-appointment, removal and succession of our Directors and (vi) support our Company's regular evaluation of the Board's performance.

Our Nomination Committee comprises four members, namely Dr. Ren, Mr. Tong Wan Sze, Prof. Wang Han and Ms. Ho Yip Betty. Dr. Ren is the chairperson of our Nomination Committee.

BOARD DIVERSITY POLICY

We have adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the Board Diversity Policy, we seek to achieve diversity of our Board through the consideration of a number of factors when selecting candidates to our Board, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company's competitive advantage and enhancing its ability to attract talents and to retain and motivate employees. We have also taken, and will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels.

Our Directors have a balanced mix of knowledge and skills, including in management, strategic and business development, research and development, sales and marketing, legal compliance and corporate finance. The ages of our Directors range from 40 years old to 74 years old, and we have both male and female representatives on the Board. Our Nomination Committee will review and assesses the composition of the Board and make recommendations to the Board on appointment of members of the Board. Meanwhile, our Nomination Committee will consider the benefits of all aspects of diversity, including without limitation, professional experience, skills, knowledge, education background, age, gender, cultural and ethnicity and length of service, in order to maintain an appropriate range and balance of talents, skills, experience and diversity of perspectives on the Board.

We will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels. We will encourage our incumbent Board members, in particular, members of our nomination committee, to recommend female candidate directors and take other actions to help achieve greater board diversity, for example inviting some of our outstanding female staff at mid to senior level to attend and observe Board meeting. This will allow our Board to understand more about these potential female candidates before they are nominated to our Board and provide opportunities for potential female candidates to prepare themselves for director duties. We will also continue to ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board in due time to ensure gender diversity of our Board. Our Group will continue to emphasize training of female talent and providing long-term development opportunities for our female staff including but not limited to business operation, management, accounting and finance, legal and compliance. As such, we are of the view that our Board will be offered chances to identify competent female staff at mid to senior level to be nominated as a Director in future with a pipeline of female candidates.

COMPLIANCE ADVISER

We have appointed Quam Capital Limited as our compliance adviser upon the [**REDACTED**] pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our compliance adviser will advise us when we consult our compliance adviser in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction under the Listing Rules, is contemplated by our Group, including share issues and share repurchases;

(iii) where our Group proposes to use the [**REDACTED**] of the [**REDACTED**] in a manner different from that detailed in this document or where our Group's business activities, developments or results of operation deviate from any forecast, estimate or other information in this document; and

(iv) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the [**REDACTED**] or [**REDACTED**] of the Shares.

The terms of appointment of the compliance adviser shall commence on the [**REDACTED**] and end on the date on which our Group complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**] and such appointment may be subject to extension by mutual agreement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Pursuant to code provision C.2.1 of the Corporate Governance Code in Appendix C1 to the Listing Rules, the roles of chairperson and chief executive officer should be separate and should not be performed by the same individual. Dr. Ren is currently the chairperson chief executive officer of our Company. In view of the fact that Dr. Ren has been assuming the responsibilities in the overall management and supervision of the daily operations of our Group since June 2020, our Board believes that it is in the best interest of our Group to have Dr. Ren taking up both roles for effective management and operations.

Therefore, our Directors consider that the deviation from such code provision is appropriate. Notwithstanding such deviation, our Directors are of the view that our Board is able to work efficiently and perform its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions will be made in consultation with members of our Board and the relevant Board committee, and there are three independent non-executive Directors on our Board offering independent perspective, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within our Board. Our Board shall nevertheless review the structure and composition of our Board and senior management from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of our Company.

Save as disclosed above, we expect to comply with the code provisions stated in the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules after the [**REDACTED**]. Our Company is committed to the view that our Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on our Board, which can effectively exercise independent judgment.

REMUNERATION POLICY

The aggregate amounts of remuneration (including fees, salaries, allowances and benefits in kind, performance-related bonuses, share-based payments, pension scheme contributions and termination benefits) for our Directors for each of the three years ended December 31, 2025 and four months ended April 30, 2026 was approximately RMB18.9 million, RMB19.9 million, RMB19.7 million and RMB6.3 million, respectively. There was no arrangement under which our Directors waived or agreed to waive any remuneration during the aforesaid periods.

For each of the three years ended December 31, 2025 and four months ended April 30, 2026, the five highest paid individuals of our Company included, one, two, one and two Directors, respectively. The aggregate remuneration (including salaries, allowances and benefits in kind, performance related bonus, share-based payments, pension scheme contributions and termination benefits) paid to our Group's five highest remuneration individuals were approximately RMB33.7 million, RMB33.4 million, RMB34.0 million and RMB11.3 million, respectively.

During the Track Record Period, no emolument was paid by our Group to any of our Directors or the five highest paid individuals (including Directors and employees) as an inducement to join or upon joining our Group or as compensation for loss of office.

Save as disclosed above, no other payments of remuneration have been made, or are payable, in respect of the Track Record Period, by our Group to or on behalf of any of our Directors.

Under the [**REDACTED**] ESOP, the eligible participants, including Directors, senior management and employees of our Company have been granted options to purchase the partnership interests in the ESOP Platforms which entitle them to be benefited from the underlying Shares. Further details of the terms of the [**REDACTED**] ESOP are summarized in Appendix VII — "Statutory and General Information — D. [**REDACTED**] ESOP" to this document.

SUBSTANTIAL SHAREHOLDERS

As far as our Directors are aware, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), the following persons will have an interest in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

	As of the Latest Practicable Date[1]			Immediately following completion of the [REDACTED][2]		
Name of Shareholders	**Capacity/nature of interest**	**Number of Unlisted Shares held**	**Approximate percentage of interest in the issued Share capital of our Company**	**Number of Shares held (class of Shares)**	**Approximate percentage of interest in the Unlisted Shares/H Shares (as appropriate)**	**Approximate percentage of interest in the total issued Share capital of our Company**
			(%)		*(%)*	*(%)*
Dr. Ren	Interest in controlled corporation[3]	3,221,936	6.44%	[**REDACTED**] [**REDACTED**]	[**REDACTED**]% [**REDACTED**]%	[**REDACTED**]% [**REDACTED**]%
	Interest held jointly with another person[4]	3,425,038	6.85%	[**REDACTED**] [**REDACTED**]	[**REDACTED**]% [**REDACTED**]%	[**REDACTED**]% [**REDACTED**]%
	total	*6,646,974*	*13.29%*	[**REDACTED**] [**REDACTED**]	[**REDACTED**]% [**REDACTED**]%	[**REDACTED**]% [**REDACTED**]%
Hangzhou Qinxin . . .	Interest in controlled corporation[3]	3,221,936	6.44%	[**REDACTED**] [**REDACTED**]	[**REDACTED**]% [**REDACTED**]%	[**REDACTED**]% [**REDACTED**]%
	Interest held jointly with another person[4]	3,425,038	6.85%	[**REDACTED**] [**REDACTED**]	[**REDACTED**]% [**REDACTED**]%	[**REDACTED**]% [**REDACTED**]%
	total	*6,646,974*	*13.29%*	[**REDACTED**] [**REDACTED**]	[**REDACTED**]% [**REDACTED**]%	[**REDACTED**]% [**REDACTED**]%
Hangzhou Moxin . . .	Beneficial owner	3,221,936	6.44%	[**REDACTED**] [**REDACTED**]	[**REDACTED**]% [**REDACTED**]%	[**REDACTED**]% [**REDACTED**]%
	Interest held jointly with another person[4]	3,425,038	6.85%	[**REDACTED**] [**REDACTED**]	[**REDACTED**]% [**REDACTED**]%	[**REDACTED**]% [**REDACTED**]%
	total	*6,646,974*	*13.29%*	[**REDACTED**] [**REDACTED**]	[**REDACTED**]% [**REDACTED**]%	[**REDACTED**]% [**REDACTED**]%

SUBSTANTIAL SHAREHOLDERS

	As of the Latest Practicable Date[1]			Immediately following completion of the [REDACTED][2]		
Name of Shareholders	Capacity/nature of interest	Number of Unlisted Shares held	Approximate percentage of interest in the issued Share capital of our Company	Number of Shares held (class of Shares)	Approximate percentage of interest in the Unlisted Shares/H Shares (as appropriate)	Approximate percentage of interest in the total issued Share capital of our Company
			(%)		*(%)*	*(%)*
Dr. Su	Interest in controlled corporation[5]	3,425,038	6.85%	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%
	Interest held jointly with another person[4]	3,221,936	6.44%	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%
	total	*6,646,974*	*13.29%*	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%
Bright Shine	Interest in controlled corporation[5]	3,425,038	6.85%	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%
	Interest held jointly with another person[4]	3,221,936	6.44%	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%
	total	*6,646,974*	*13.29%*	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%
Smart Wealth.	Beneficial owner	2,271,049	4.54%	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%
	Interest jointly held with another person[4]	4,375,925	8.75%	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%
	total	*6,646,974*	*13.29%*	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%
Smart Advantage . . .	Beneficial owner	1,153,989	2.31%	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%

	As of the Latest Practicable Date[1]			Immediately following completion of the [REDACTED][2]		
Name of Shareholders	**Capacity/nature of interest**	**Number of Unlisted Shares held**	**Approximate percentage of interest in the issued Share capital of our Company**	**Number of Shares held (class of Shares)**	**Approximate percentage of interest in the Unlisted Shares/H Shares (as appropriate)**	**Approximate percentage of interest in the total issued Share capital of our Company**
			(%)		*(%)*	*(%)*
	Interest jointly held with another person[4]	5,492,985	10.98%	[**REDACTED**] [**REDACTED**]	[**REDACTED**]% [**REDACTED**]%	[**REDACTED**]% [**REDACTED**]%
	total	*6,646,974*	*13.29%*	[**REDACTED**] [**REDACTED**]	[**REDACTED**]% [**REDACTED**]%	[**REDACTED**]% [**REDACTED**]%
Hangzhou High-tech Venture Capital Co., Ltd.* (杭州高新創業投資有限公司) ("**Hangzhou High-tech**")	Interest in controlled corporation[6]	6,187,461	12.37%	[**REDACTED**] [**REDACTED**]	[**REDACTED**]% [**REDACTED**]%	[**REDACTED**]% [**REDACTED**]%
Chen Wei	Interest in controlled corporation[7]	5,539,143	11.08%	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%
Vasona Technology Hong Kong Limited (瓦森納科技香港有限公司) ("**Vasona**")	Beneficial owner	5,539,143	11.08%	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%
Zhejiang Haibang Private Equity Management Co., Ltd.* (浙江海邦私募基金管理有限公司) ("**Haibang Management**") . .	Interest in controlled corporation[8]	5,348,461	10.69%	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%
Hangzhou Fenghua Zhuorui Enterprise Management Consultancy Limited Partnership (L.P.)* (杭州灃華卓睿企業管理咨詢合夥企業(有限合夥)) ("**Fenghua Zhuorui**")	Interest in controlled corporation[8]	5,348,461	10.69%	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%
Hangzhou Lisheng Investment Management Co., Ltd.* (杭州立晟投資管理有限公司) ("**Hangzhou Lisheng**")	Interest in controlled corporation[8]	5,348,461	10.69%	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%

	As of the Latest Practicable Date[1]			Immediately following completion of the [REDACTED][2]		
Name of Shareholders	**Capacity/nature of interest**	**Number of Unlisted Shares held**	**Approximate percentage of interest in the issued Share capital of our Company**	**Number of Shares held (class of Shares)**	**Approximate percentage of interest in the Unlisted Shares/H Shares (as appropriate)**	**Approximate percentage of interest in the total issued Share capital of our Company**
			(%)		*(%)*	*(%)*
Xie Li (謝力).	Interest in controlled corporation[8]	5,348,461	10.69%	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%
Hangzhou Haibang Qifeng Equity Investment Partnership (L.P.)* (杭州海邦啟峰股權投資合夥企業(有限合夥)) ("**Haibang Qifeng**").	Interest in controlled corporation[8]	4,615,954	9.23%	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%
Hangzhou Haibang Qiyue Equity Investment Partnership (L.P.)* (杭州海邦啟悅股權投資合夥企業(有限合夥)) ("**Haibang Qiyue**")	Beneficial owner	4,615,954	9.23%	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%
Zhuhai Weiheng Investment Partnership (L.P.)* (珠海巍恒投資合夥企業(有限合夥)) ("**Zhuhai Weiheng**")[9]. . . .	Beneficial owner	4,255,138	8.51%	[**REDACTED**] [**REDACTED**]	[**REDACTED**]% [**REDACTED**]%	[**REDACTED**]% [**REDACTED**]%
Hangzhou Xinshengwei Equity Investment Partnership (L.P.)* (杭州芯盛微股權投資合夥企業(有限合夥)) ("**Xinshengwei**")[10].	Beneficial owner	4,255,138	8.51%	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%
Hangzhou Xinxi Semiconductor Technology Co., Ltd.* (杭州芯喜半導體技術有限公司) ("**Hangzhou Xinxi**")	Interest in controlled corporation[11]	3,508,125	7.02%	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%

	As of the Latest Practicable Date[1]			Immediately following completion of the [REDACTED][2]		
Name of Shareholders	Capacity/nature of interest	Number of Unlisted Shares held	Approximate percentage of interest in the issued Share capital of our Company	Number of Shares held (class of Shares)	Approximate percentage of interest in the Unlisted Shares/H Shares (as appropriate)	Approximate percentage of interest in the total issued Share capital of our Company
			(%)		*(%)*	*(%)*
Hangzhou Xidaxin Corporate Management Partnership (L.P.)* (杭州喜達芯企業管理合夥企業(有限合夥)) ("**Xidaxin**") . .	Beneficial owner	3,508,125	7.02%	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of [**REDACTED**] Unlisted Shares and [**REDACTED**] H Shares in issue immediately after the completion of the [**REDACTED**], the [**REDACTED**] [and the conversion of Unlisted Shares into H Shares], assuming no exercise of the [**REDACTED**].

(3) As of the Latest Practicable Date, Hangzhou Qinxin was the general partner of Hangzhou Moxin and Hangzhou Qinxin was in turn held as to 80% by Dr. Ren. Accordingly, each of Hangzhou Qinxin and Dr. Ren was deemed to be interested in the Shares directly held by Hangzhou Moxin for the purpose of the SFO.

(4) Pursuant to an acting-in-concert agreement dated June 19, 2025, Hangzhou Moxin, Smart Advantage, Smart Wealth, Hangzhou Qinxin, Bright Shine, Dr. Ren, and Dr. Su are parties acting in concert regarding decisions at the general meetings of our Company which will continue after the [**REDACTED**]. As such, under the SFO, each of them is deemed to be interested in the Shares in which the others are interested in.

(5) As of the Latest Practicable Date, Bright Shine was the general partner of Smart Wealth and Smart Advantage. Smart Wealth and Smart Advantage are the beneficial owners of 2,271,049 Shares and 1,153,989 Shares, respectively. Bright Shine was in turn wholly owned by Dr. Su. Accordingly, each of Bright Shine and Dr. Su was deemed to be interested in the Shares held by Smart Wealth and Smart Advantage for the purpose of the SFO.

(6) As of the Latest Practicable Date, Hangzhou High-tech was a limited partner of each of Hangzhou Xinchengwei Equity Investment Partnership (L.P.)* (杭州芯成微股權投資合夥企業(有限合夥)) ("**Xinchengwei**") and Xinshengwei, holding 99.98% and 55.49% interest therein, respectively. Therefore, Hangzhou High-tech was deemed to be interested in the Shares held by Xinchengwei (which held 3.86% shareholding interests in our Company) and Xinshengwei (which held 8.51% shareholding interests in our Company) for the purpose of the SFO.

(7) As of the Latest Practicable Date, Vasona was owned as to 100% by Chen Wei. Accordingly, Chen Wei was deemed to be interested in the Shares held by Vasona under the SFO.

(8) As of the Latest Practicable Date, Haibang Management was the general partner of each of Haibang Qiyue, Hangzhou Haibang Ruibo Equity Investment Partnership (L.P.)* (杭州海邦睿柏股權投資合夥企業(有限合夥)) ("**Haibang Ruibo**") and Longyou Haibang Xinzhi Venture Investment Partnership (L.P.)* (龍游海邦新智創業投資合夥企業（有限合夥）) ("**Longyou Haibang Xinzhi**"). In addition, Ningbo Haibang Xingcai Venture Investment Partnership (L.P.)* (寧波海邦星材創業投資合夥企業(有限合夥)) ("**Ningbo Haibang**")'s general partner was Hangzhou Haibang Fenghua Investment Management Co., Ltd.* (杭州海邦澧華投資管理有限公司), which was in turn wholly owned by Haibang Management. Haibang Management was owned as to 50% by Xie Li, 36.25% by Fenghua Zhuorui, the general partner of which was Hangzhou Lisheng, which was in turn owned as to 80% by Xie Li. Therefore, each of Haibang Management, Fenghua Zhuorui, Hangzhou Lisheng and Xie Li was deemed to be interested in the Shares held by Haibang Qiyue, Haibang Ruibo, Longyou Haibang Xinzhi and Ningbo Haibang for the purpose of the SFO.

As of the Latest Practicable Date, Haibang Qifeng was a limited partner of Haibang Qiyue, holding 49.83% interest therein. Therefore, Haibang Qifeng was deemed to be interested in the 4,615,954 Shares held by Haibang Qiyue for the purpose of the SFO.

(9) Xiangheng Investment and the limited partners of Zhuhai Weiheng are private equity funds managed by Zhuhai Gao Ling Private Equity Fund Management Co., Ltd. (珠海高瓴私募基金管理有限公司) ("**Zhuhai Gao Ling**"). As such, by virtue of SFO, Zhuhai Gao Ling is deemed to be interested in the Shares held by Zhuhai Weiheng and Xiangheng Investment.

(10) As of the Latest Practicable Date, the general partner of Xinshengwei was Hangzhou Xixin Equity Investment Co., Ltd.* (杭州矽芯股權投資有限公司) ("**Hangzhou Xixin**") which is also the general partner of each of Hangzhou Xinyuwei Equity Investment Partnership (L.P.)* (杭州芯宇微股權投資合夥企業(有限合夥)) ("**Xinyuwei**") and Xinchengwei. In addition, Hangzhou Xinyue Corporate Management Partnership (L.P.)* (杭州芯越企業管理合夥企業(有限合夥)), the general partner of which was Hangzhou Xixin, was the general partner of Xinlanwei. As of the Latest Practicable Date, Hangzhou Xixin is owned as to 80% by Li Jianmin (李薦民), an Independent Third Party. Accordingly, each of Hangzhou Xixin and Li Jianmin was deemed to be interested in the Shares held by Xinlanwei (which held 0.10% shareholding interests in our Company), Xinyuwei (which held 0.77% shareholding interests in our Company), Xinchengwei (which held 3.86% shareholding interests in our Company) and Xinshengwei (which held 8.51% shareholding interests in our Company) for the purpose of the SFO.

However, according to partnership agreement of each of Xinyuwei and Xinchengwei and the confirmation signed by all the partners of Xinyuwei and Xinchengwei respectively, Hangzhou Xixin, though being the general partner of each of Xinyuwei and Xinchengwei, does not have control over Xinyuwei and Xinchengwei as Hangzhou Xixin (in its capacity of a general partner) is unable to make investment decisions on its own without the consent from the respective limited partner of Xinyuwei and Xinchengwei. Thus, Hangzhou Xixin was only able to control in aggregate 8.61% shareholding interests in our Company held by Xinlanwei and Xinshengwei.

(11) As of the Latest Practicable Date, Hangzhou Xinxi is the general partner of Xidaxin and therefore, Hangzhou Xinxi was deemed to be interested in the Shares held by Xidaxin for the purpose of the SFO.

Save as disclosed above, our Directors are not aware of any person who will, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), have any interest and/or short position in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of our Company or any other member of our Group.

SHARE CAPITAL

This section presents certain information regarding the share capital of our Company before and upon completion of the [**REDACTED**].

Before the [REDACTED]

As of the Latest Practicable Date, the share capital of our Company was RMB50,000,000 divided into 50,000,000 Unlisted Shares with a nominal value of RMB1.00 each.

Immediately prior to the [**REDACTED**], the ordinary shares of the Company will be [**REDACTED**] on a [**REDACTED**] basis, and the registered share capital of our Company will be RMB50,000,000, comprising [**REDACTED**] Unlisted Shares in issue of nominal value of RMB[**REDACTED**] each.

Upon completion of the [REDACTED] and the [REDACTED]

Immediately following the completion of the [**REDACTED**] [and the Conversion of Unlisted Shares into H Shares], [taking into account the [**REDACTED**] and assuming no exercise of the [**REDACTED**] and that no other changes are made to the issued share capital of our Company from the Latest Practicable Date to the [**REDACTED**] (except for the [**REDACTED**])], the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to the total share capital of our Company
Unlisted Shares in issue	[**REDACTED**]	[**REDACTED**]%
H Shares converted from Unlisted Shares[(1)]	[**REDACTED**]	[**REDACTED**]%
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	[100]%

Immediately following the completion of the [**REDACTED**] [and the Conversion of Unlisted Shares into H Shares], [taking into account the [**REDACTED**] and assuming full exercise of the [**REDACTED**] and no other changes are made to the issued share capital of our Company from the Latest Practicable Date to the [**REDACTED**] (except for the [**REDACTED**])], the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to the total share capital of our Company
Unlisted Shares in issue	[**REDACTED**]	[**REDACTED**]%
H Shares converted from Unlisted Shares[(1)]	[**REDACTED**]	[**REDACTED**]%
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	[100]%

Note: Immediately following the completion of the [**REDACTED**] and according to the notification on completion of filing procedures issued by the CSRC on [●], [**REDACTED**] Unlisted Shares held by a total of [**REDACTED**] existing shareholders will be converted into H Shares on a one-for-one basis and [**REDACTED**] on the Stock Exchange for [**REDACTED**].

OUR SHARES

The H Shares, to be issued following the completion of the [**REDACTED**] and converted from the Unlisted Shares, and the Unlisted Shares are both ordinary Shares in the share capital of our Company, all of which are considered as one class of Shares. Apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be [**REDACTED**] for by, or [**REDACTED**] between, investors of the PRC. H Shares may only be [**REDACTED**] for and [**REDACTED**] in Hong Kong dollars.

RANKING

Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi, as the case may be. In addition to cash, dividends may be distributed in the form of Shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC and our Articles of Association, the holders of our Unlisted Shares may, at their own option, authorise our Company to file to the CSRC for conversion of their respective Unlisted Shares to H Shares, and such converted Shares may be [**REDACTED**] and [**REDACTED**] on an overseas stock exchange provided that the conversion, [**REDACTED**] and [**REDACTED**] of such converted Shares have completed the filing procedures with securities regulatory authorities, including the CSRC. Additionally, such conversion, [**REDACTED**] and [**REDACTED**] shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted, [**REDACTED**] and [**REDACTED**] as H Shares on the Stock Exchange, the filing with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set out below, we will apply for the [**REDACTED**] of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the [**REDACTED**] to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As the [**REDACTED**] of additional Shares after the [**REDACTED**] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for [**REDACTED**] at the time of our [**REDACTED**] in Hong Kong. No Shareholder voting is required for the conversion of such Shares or the [**REDACTED**] and [**REDACTED**] of such converted Shares on an overseas stock exchange. Any application for [**REDACTED**] of the converted shares on the Stock Exchange after our [**REDACTED**] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained/filings have been completed, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the [**REDACTED**] to issue H Share certificates. Registration on the H Share register of our Company will be on the conditions that (i) the [**REDACTED**] lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be [**REDACTED**] on the Stock Exchange complies with the Listing Rules and the [**REDACTED**] and the [**REDACTED**] in force from time to time.

For further details, please refer to "Risk Factors — Risks Relating to the [**REDACTED**] — Any possible conversion of Unlisted Shares into H Shares could increase the supply of H Shares in the market, which may negatively impact the [**REDACTED**] of H Shares."

Until the converted Shares are re-registered on the H Share register of our Company, such Shares would not be [**REDACTED**] as H Shares. Below sets forth the details of our existing Shareholders' proposed conversion of Unlisted Shares into H Shares:

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

RESTRICTION ON SHARE TRANSFER

The PRC Company Law provides that in relation to the [**REDACTED**] of a company, the shares issued prior to the [**REDACTED**] shall not be transferred within a period of one year from the date on which the publicly [**REDACTED**] shares are [**REDACTED**] on any stock exchange. Accordingly, Shares issued by our Company prior to the [**REDACTED**] shall be subject to this statutory restriction and not be transferred within a period of one year from the [**REDACTED**].

Our Directors, Supervisor and senior management shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors, Supervisor and senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the Shares are [**REDACTED**] and [**REDACTED**] on a stock exchange, nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions on the transfer of our Shares held by our Directors and members of the senior management.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-Share Listed Companies (H股公司境內未上市股份申請"全流通"業務指引) announced by the CSRC, the domestic shareholders of unlisted shares shall handle share transfer registration in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the China Securities Depository and Clearing Corporation Limited of the unlisted shares involved in the application is completed.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

For details of circumstances under which a Shareholders' general meeting is required, see "Appendix VI — Summary of the Articles of Association" in this document.

[**REDACTED**] ESOP

We have adopted the [**REDACTED**] ESOP, see "Appendix VII — Statutory and General Information — D. [**REDACTED**] ESOP".

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.

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.

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.

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*
							(unaudited)			
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.

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.

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

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.

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.

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%.

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**

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.

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*	*%*	*RMB'000*	*%*
							(unaudited)			
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*	*gross profit margin*	*RMB'000*	*gross profit margin*
							(unaudited)			
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.

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.

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*	*gross profit margin*	*RMB'000*	*gross profit margin*
							(unaudited)			
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*	*gross profit margin*	*RMB'000*	*gross profit margin*
							(unaudited)			
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.

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*	*%*
							(unaudited)			
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*	*%*
							(unaudited)			
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

	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.

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*	*%*
							(unaudited)			
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*	*%*
							(unaudited)			
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**

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*	*%*
							(unaudited)			
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	(444,296)	–	(513,811)	–	(78,955)	–	(85,661)	–	4,092	–

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.

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.

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.

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.

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.

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.

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.

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.

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

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.

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**

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
	days			
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
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	308,538	371,839	440,951	443,564
Over 1 year	73,689	29,245	42,903	31,724
	382,227	401,084	483,854	475,288

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
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
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	**140,520**	**156,433**	**188,186**	**247,490**

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

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.

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.

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

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
	days			
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.

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.

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	**2,501,479**	**1,538,672**	**1,207,952**	**804,286**	**791,147**

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.

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.

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.

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.

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

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**].

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.

[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.

FUTURE PLANS

See "Business — Our Strategies" in this document for a detailed description of our future plans.

USE OF [REDACTED]

Assuming the [**REDACTED**] is not exercised, after deducting the [**REDACTED**] and other estimated [**REDACTED**] expenses payable by us in connection with the [**REDACTED**], and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the [**REDACTED**]), we estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**]. We intend to use the [**REDACTED**] from the [**REDACTED**] for the following purposes over the next five years:

- Approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used to improve our R&D capabilities and expand our product offerings, among which

  (1) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used to enhance our existing R&D capabilities and expand our product offerings. Specifically,

  (i) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used to maintain our existing R&D team, to ensure the continuity of our ongoing product pipelines and to maintain our core competencies in the power semiconductor industry. As of April 30, 2026, our R&D team comprised 337 employees, accounting for 58.0% of our total employees. Maintaining and upskilling our existing R&D team is fundamental to enhancing our R&D capabilities because (a) our R&D activities are talent-intensive and rely on the continuity and accumulated know-how of our engineers; (b) retaining and further training our current R&D personnel helps mitigate attrition and ramp-up risks that could otherwise delay our product roadmap; and (c) linking incentives to pre-defined deliverables is intended to improve R&D productivity and execution quality. As a result, we expect to maintain the continuity of our product pipelines and strengthen our technological competitiveness. We intend to use such [**REDACTED**] to fund; (i) compensation and benefits to retain key R&D personnel; (ii) structured technical, compliance and capability-building programs; and (iii) performance incentives explicitly linked to measurable R&D deliverables and milestones. We also plan to implement a number of initiatives to further enhance the capabilities of our existing R&D team, including (a) introducing or enhancing performance-based incentive schemes linked to specific R&D milestones or deliverables to further motivate the current R&D team and improve the efficiency and quality of R&D execution; (b) integrating AI-driven methodologies into the current R&D team through the procurement of hardware and software and the provision of technical training to optimize overall R&D productivity; and (c) providing rewards to R&D personnel for the successful registration of intellectual property rights to encourage the current R&D team to achieve proprietary breakthroughs.

  (ii) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, will be used to expand our production capacity and to develop our existing products through (a) the establishment of a SiC module packaging and testing production line and (b) the procurement and upgrade of R&D and testing equipment.

(a) SiC module packaging and testing production lines, comprising facility construction and utilities; procurement and installation of packaging and testing equipment; and initial staffing, raw materials and pilot production. We expect to complete site preparation and the installation of major equipment by the third quarter of 2026, and commence trial production and start mass production of the first production line by the fourth quarter of 2026. We also intend to further expand production capacity through the construction of additional production lines at the same site after the first production line achieves stable operations. Upon full commissioning, these lines are expected to increase our annual packaging capacity, and reduce outsourcing costs.

(b) PMIC and power device R&D and testing equipment, including testing platforms and accessories; reliability and environmental systems; and assembly and laboratory build-out and R&D IT infrastructure. We expect to place major purchase orders and complete delivery, installation and commissioning during the next three to five years. These investments are expected to expand our testing and reliability capacity and shorten development and verification lead time.

Total project capital expenditure is estimated at HK$[**REDACTED**] million, to be funded by HK$[**REDACTED**] million from the [**REDACTED**] and HK$[**REDACTED**] million from internal resources and/or banking facilities.

(iii) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used for iteration of our process technologies. In particular, we plan to incur costs relating to wafers, photomasks and other materials for our new product development and process technology iteration and maintain technology competitiveness.

(a) Expansion of system applications. We intend to enhance system-level optimisation of power semiconductors by aligning our process technologies with evolving application requirements, thereby enabling better performance at the end-system level.

(b) Strengthening technological innovation. We plan to increase R&D investments in low-power portable electronics and emerging display technologies, with a focus on improving energy efficiency and integration density of our products.

(c) Refining process capabilities. For PMICs, we aim to advance our process technologies toward smaller geometries and higher density to strengthen integration and power efficiency. For power devices, we plan to pursue narrower line widths and the adoption of new materials such as SiC, in order to enhance device performance and cost efficiency.

These investments are expected to strengthen our process technology platform by improving manufacturability and yield, expanding process qualification windows. Collectively, these initiatives are designed to shorten development and verification lead times, and reinforce our technology leadership.

(2) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used to invest in R&D of emerging application areas of our products including new energy vehicles, AI servers and data centers, and robotics. Specifically,

(i) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used for our process engineering and development efforts. In particular, we plan to incur costs relating to wafers, photomasks, consumables auxiliary materials and engineering verification. We are dedicated to providing customers with more comprehensive and efficient product solutions to better capture evolving market demand, and intend to focus on developing a broader range of product series across key growth industries, including:

(a) New energy vehicles. With the rapid expansion of the global new energy vehicle market, we plan to broaden our PMIC product portfolio, particularly in display-related technologies, to capture growing demand from this sector.

(b) AI servers and computing centers. Driven by the accelerated deployment of large-scale computing clusters, the AI industry is expected to generate significant demand for power semiconductors. According to Frost & Sullivan, the global power semiconductor market for AI is projected to grow at a CAGR of approximately 19.1% from 2025 to 2030. We intend to leverage our process engineering efforts to advance products such as high-current power device products optimized for AI servers and data centers, focusing on reducing energy loss and enhancing power density.

(c) Robotics. As industrial automation continues to advance, robotics applications increasingly require higher power density in joint modules to support precision components such as motion control systems and motor drives. Our process development will emphasise motor driver ICs, motion control chips and discrete power devices tailored for robotic arms and automation platforms.

(ii) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used for recruiting R&D personnel. We plan to strengthen our R&D team by hiring talents with extensive expertise in new energy vehicles, AI servers and data centers, and robotics, in order to support our expansion into these emerging application areas. Between 2026 and 2030, we intend to recruit approximately 23 to 50 new R&D personnel each year, thereby enhancing our capabilities in product design, process development and system application.

(iii) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used for purchasing R&D equipment. We plan to purchase testing equipment as well as reliability and environmental systems to support the enrichment of our product portfolio and diversify our PMIC product line to meet our customers' needs. The equipment we plan to purchase is primarily used for the analysis and testing of chips and IC, including electrical characterization and bench instrumentation, spectrum analyzers, chip testers, chip sorters and probe stations, reliability/qualification equipment, which have three to 10 years useful life for depreciation.

(3) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used to enhance the digitalization of our R&D activities. Specifically, we expect to use such [**REDACTED**] to purchase software for our product design, and to purchase hardware and equipment to further enhance our digitalization capabilities.

(a) We plan to acquire four EDA software licences for PMIC and power device development, with staged payments scheduled between 2026 and 2030. By leveraging advanced EDA tools, high-performance simulation platforms and artificial intelligence technologies, we aim to improve design automation, accuracy and efficiency. These initiatives will enable more intelligent analysis and optimisation of design data, thereby improving design yield and reducing iterations.

(b) We plan to acquire digital R&D hardware, including high-performance computing platforms and automated testing systems, to support simulation, verification and reliability testing. We are progressively transforming manual testing procedures into automated processes, significantly shortening testing cycles and improving coverage, repeatability and stability. By deepening the use of automated testing solutions, we expect to accelerate product development, enhance verification efficiency and improve product quality.

- Approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used for potential strategic investment or acquisition transactions, among which

  (1) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used for potential strategic investment or acquisition transactions that could expand our product offerings. We target entities that are complementary to, or synergistic with, our existing business, enabling us to quickly gain access to additional product lines, advanced technologies and industry resources. We expect to evaluate potential targets based on the following general criteria:

  (a) Stage of development. The target should be at a growth stage with clear scalability.

  (b) Business relevance and synergy. The target's business should be highly relevant to our core operations or strategic development direction, and demonstrate synergies with or complement our existing business. In particular, the target should: operate in areas closely related to our core business; possess strong technological capabilities or patents that enhance our own technological strengths; or enable us to expand our product offerings and accelerate penetration into additional industry verticals, including (i) power devices for AI servers and data center power architectures (such as driver MOSFETs) and (ii) PMIC products for data center power management and control.

  (c) Management capabilities. The target should have a management team with relevant industry knowledge, extensive experience and strong innovative capabilities in the semiconductor industry.

  (d) Financial health. The target should maintain a healthy financial position, with solid profitability or, at minimum, a clear and credible path to profitability.

  (e) Compliance and intellectual property. The target should not be subject to major legal disputes or compliance issues, and should have clearly defined intellectual property rights to mitigate potential risks of patent disputes.

  (2) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used for potential strategic investment or acquisition transactions that could consolidate upstream or downstream market players along the industry value chain. We evaluate investment opportunities in semiconductor ecosystem infrastructure, including wafer

fabrication, advanced packaging, testing, and process technology, to further secure our competitive edge. Through effective industry resource integration, we will strengthen our competitive positioning and drive sustainable long-term value creation. In evaluating potential investment or acquisition targets, we intend to apply the following general principles:

(a) Business relevance. The target should be engaged in wafer fabrication, advanced packaging, testing, process technology, or other activities closely related to the semiconductor ecosystem, and demonstrate clear synergies with our business.

(b) Technological capability. The target should possess advanced technology, patents or know-how that complements or enhances our own capabilities.

(c) Strategic value. The target should enable us to consolidate our value chain presence, expand product coverage, or accelerate market penetration into adjacent verticals.

(d) Management quality. The target should have an experienced management team with relevant industry knowledge and proven execution capabilities.

(e) Financial and compliance standing. The target should maintain a sound financial position and not be subject to material legal, regulatory or intellectual property disputes.

Currently, we are still in the process of searching for potential targets and have not identified any specific target, or participated in any commercial negotiation or entered into any memorandum of understanding or letter of intent with respect to any potential target.

- Approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used for improving sales and operation efficiency, among which

  (1) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used to enhance our operating facilities. In particular, we are considering the purchase of a self-owned office property to replace leased premises. The proposed office building is intended to (i) provide a more stable and cost-efficient workplace for our employees; (ii) support the continued expansion of our R&D, sales and administrative teams by accommodating additional headcount; and (iii) centralise our R&D, testing and administrative functions to improve collaboration, communication and overall operational efficiency. We expect to complete the purchase by early 2027 and commence phased fit-out and occupation thereafter. In assessing whether to continue leasing additional premises or to purchase office property, we compared the long-term cost and risk profile of both options. We believe that, over a long operating horizon, the estimated all-in cost of purchasing office property is broadly comparable to the cumulative cost of leasing an equivalent office footprint. In addition, purchasing is expected to improve (i) cost predictability by reducing exposure to rental increases and renewal uncertainty; (ii) operational stability by securing long-term premises to support our ongoing expansion; and (iii) balance sheet flexibility by preserving an underlying asset compared with leasing arrangements.

  (2) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used to expand our sales network and strengthen our after-sales services, and to purchase digital systems for our business operations.

(a) Sales network expansion. We plan to hire approximately 3-8 new sales and customer service personnel each year from 2026 to 2030 (totalling around 15-30 personnel) to broaden our geographic coverage and enhance service delivery in both domestic and overseas markets. By strengthening our international customer base while deepening market penetration in China, we aim to achieve balanced development across domestic and overseas operations. We have established supply chain integration with key international benchmark clients, leveraging our first-mover advantage to serve major overseas customers. According to Frost & Sullivan, as of December 31, 2025, the localisation rate of PMICs in Chinese Mainland was approximately 17%, while that of power devices was approximately 36%, indicating substantial potential for domestic substitution. We intend to capitalise on this opportunity by strengthening our sales network and capturing additional market share.

(b) Digitalisation of operations. We plan to invest in a suite of digital software and systems to improve operational transparency, efficiency and data security. These include electronic document and compliance systems, financial systems, office automation platforms, network and data security systems, general office software, and manufacturing and operations systems. In addition, we plan to acquire digital R&D and operational hardware, such as high-performance computing platforms and servers, to support AI-driven analytics, data processing, automated vulnerability scanning and other applications.

- Approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] million, is expected to be used for working capital and general corporate purposes.

To the extent the allocated [**REDACTED**] are insufficient, any shortfall will be funded by our internal resources and/or available banking facilities.

In the event that the [**REDACTED**] is set at the maximum [**REDACTED**] or the minimum [**REDACTED**] of the indicative [**REDACTED**], the [**REDACTED**] of the [**REDACTED**] will increase or decrease by approximately HK$[**REDACTED**] million, respectively. If we make an upward or downward [**REDACTED**] adjustment to set the final [**REDACTED**] to be above or below the mid-point of the [**REDACTED**], we will increase or decrease the allocation of the [**REDACTED**] to the above purposes on a *pro rata* basis.

The [**REDACTED**] that we would receive if the [**REDACTED**] were exercised in full would be (i) HK$[**REDACTED**] million (assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the minimum [**REDACTED**]), (ii) HK$[**REDACTED**] million (assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the [**REDACTED**]), and (iii) HK$[**REDACTED**] million (assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the maximum [**REDACTED**]).

To the extent that the [**REDACTED**] from the [**REDACTED**] (including the [**REDACTED**] from the exercise of the [**REDACTED**]) are either more or less than expected, we may adjust our allocation of the [**REDACTED**] for the above purposes on a pro rata basis.

To the extent that the [**REDACTED**] of the [**REDACTED**] are not immediately required for the above purposes or if we are unable to put into effect any part of our plan as intended, the [**REDACTED**] which are not immediately applied will only be deposited into short-term interest-bearing accounts at licensed banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions), as well as other licensed banks or authorised financial institutions in China where we have accounts with (as defined under applicable laws in China).

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The following is the text of a report set out on pages [I-1] to [I-3], received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of Hong Kong Standard on Investment Circular Reporting Engagement 200 Accountants' Reports on Historical Financial Information in Investment Circulars as issued by the Hong Kong Institute of Certified Public Accountants.

[Letterhead of PricewaterhouseCoopers]

[DRAFT]

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SILICON-MAGIC SEMICONDUCTOR TECHNOLOGY (HANGZHOU) CO., LTD. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Silicon-Magic Semiconductor Technology (Hangzhou) Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages [I-4] to [I-80], which comprises the consolidated statements of financial position as at December 31, 2023, 2024 and 2025 and April 30, 2026, the Company statements of financial position as at December 31, 2023, 2024 and 2025 and April 30, 2026 and the consolidated statements of comprehensive loss, the consolidated statements of changes in equity/(deficit) and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2026 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages [I-4] to [I-80] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [**REDACTED**] (the "Document") in connection with the initial [**REDACTED**] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set

out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at December 31, 2023, 2024 and 2025 and April 30, 2026 and the consolidated financial position of the Group as at December 31, 2023, 2024 and 2025 and April 30, 2026 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statements of comprehensive loss, the consolidated statements of changes in equity/(deficit) and the consolidated statements of cash flows for the four months ended April 30, 2025 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the International Auditing and Assurance Standards Board ("IAASB"). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-4] have been made.

Dividends

We refer to Note 46 to the Historical Financial Information which states that no dividends have been paid by Silicon-Magic Semiconductor Technology (Hangzhou) Co., Ltd. in respect of the Track Record Period.

[PricewaterhouseCoopers]
Certified Public Accountants
Hong Kong
[Date]

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Note	Year ended December 31,			Four months ended April 30,	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue	6	1,640,125	1,574,471	1,952,855	571,146	836,508
Cost of sales	9	(1,091,934)	(1,111,734)	(1,422,560)	(394,254)	(616,988)
Gross profit		548,191	462,737	530,295	176,892	219,520
Selling and marketing expenses	9	(123,499)	(137,466)	(135,422)	(42,023)	(42,155)
General and administrative expenses	9	(143,746)	(166,922)	(189,675)	(47,620)	(56,214)
Research and development expenses	9	(335,607)	(405,664)	(417,110)	(133,387)	(134,878)
Net impairment reversal/(losses) on financial assets	3	201	(123)	(26)	(364)	(633)
Other income	7	10,748	28,639	38,548	8,559	8,187
Other gains/(losses) – net	8	33,415	51,356	8,440	(25,446)	35,396
Operating (losses)/gains		(10,297)	(167,443)	(164,950)	(63,389)	29,223
Finance income	11	66,137	40,078	18,820	7,007	6,271
Finance costs	11	(510,433)	(553,889)	(97,775)	(92,668)	(2,179)
Finance costs – net	11	(444,296)	(513,811)	(78,955)	(85,661)	4,092
Share of profit/(loss) from investments accounted for using the equity method	14	6,507	4,779	(3,051)	(3,632)	(2,883)
(Loss)/Profit before income tax		(448,086)	(676,475)	(246,956)	(152,682)	30,432
Income tax expense	12	(58,173)	(20,630)	(30,817)	(6,808)	(1,954)
(Loss)/Profit for the year/period		(506,259)	(697,105)	(277,773)	(159,490)	28,478
(Loss)/Profit is attributable to:						
Owners of the Company		(506,259)	(697,744)	(276,303)	(158,284)	28,478
Non-controlling interests		–	639	(1,470)	(1,206)	–
(Loss)/Profit per share attributable to the owners of the Company						
Basic and diluted (loss)/profit per share (in RMB per share)	12a	(10.58)	(13.95)	(5.53)	(3.17)	0.57
Other comprehensive income/(loss)						
Item that may be not reclassified to profit or loss						
– Remeasurement of defined benefit plan, net of tax	38	(24,153)	(12,319)	3,343	502	489
– Changes in the fair value of financial assets at fair value through other comprehensive income		60,581	(34,431)	(807)	5,013	(64,677)
Items that may be reclassified to profit or loss						
– Exchange differences on translation of foreign operations		704	(174,970)	(25,522)	40,215	(84,638)
– Share of other comprehensive (loss)/income of investments accounted for using the equity method		(138)	(36)	(166)	3	1
Total other comprehensive income/(loss) for the year/period, net of tax		36,994	(221,756)	(23,152)	45,733	(148,825)
Total comprehensive loss for the year/period		(469,265)	(918,861)	(300,925)	(113,757)	(120,347)
Total comprehensive loss for the year/period is attributable to:						
Owners of the Company		(469,265)	(919,500)	(299,455)	(112,551)	(120,347)
Non-controlling interests		–	639	(1,470)	(1,206)	–

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at December 31,			As at April 30,
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets					
Non-current assets:					
Property, plant and equipment	*16*	40,924	133,855	297,432	316,377
Right-of-use assets	*17*	39,669	43,339	31,962	40,974
Intangible assets	*18*	225,195	140,971	78,099	111,959
Deferred income tax assets	*35*	40,334	35,280	30,662	37,490
Investments accounted for using the equity method	*14*	108,880	123,272	117,950	113,490
Financial assets at fair value through other comprehensive income	*24*	1,540,763	1,500,256	1,499,411	1,434,734
Financial assets at fair value through profit or loss	*24*	228,170	240,138	209,857	226,145
Restricted cash	*25*	50,419	46,464	44,008	44,206
Goodwill	*15*	330,693	296,141	291,492	276,265
Other non-current assets	*19*	38,636	14,613	22,155	38,583
Total non-current assets		2,643,683	2,574,329	2,623,028	2,640,223
Current assets:					
Inventories	*23*	330,591	344,060	427,055	443,275
Prepayments and other receivables	*21*	7,217	12,827	12,963	6,477
Trade and note receivables	*22*	140,520	156,433	188,186	247,490
Financial assets at fair value through profit or loss	*24*	–	891,022	600,414	931,299
Time deposits	*25*	514,042	315,578	913,785	814,152
Restricted cash	*25*	28,602	40,100	23,172	8,337
Cash and cash equivalents	*25*	2,501,479	1,538,672	1,207,952	791,147
Other current assets	*26*	31,692	46,162	38,484	40,611
Total current assets		3,554,143	3,344,854	3,412,011	3,282,788
Total assets		6,197,826	5,919,183	6,035,039	5,923,011
Net current assets/(liabilities)		3,224,543	(5,206,145)	2,864,728	2,788,007
(Deficit)/equity					
Paid-in capital/Share capital	*27*	27,080	27,080	50,000	50,000
Treasury stock	*28*	(6,453,000)	(6,453,000)	–	–
Reserves	*28*	6,731,073	6,573,434	5,097,873	4,972,066
Accumulated (losses)/profits	*29*	(2,122,413)	(2,820,157)	187,481	215,959
(Deficit)/equity attributable to owners of the Company		(1,817,260)	(2,672,643)	5,335,354	5,238,025
Non-controlling interests		–	2,639	–	–
Total (deficit)/equity		(1,817,260)	(2,670,004)	5,335,354	5,238,025

	Note	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at April 30, 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Liabilities					
Non-current liabilities					
Long-term payables	*37*	18,924	1,722	2,871	31,470
Borrowings	*39*	–	–	98,899	100,272
Long-term employee benefits	*38*	20,912	23,119	19,343	24,112
Provisions	*36*	2,437	2,445	1,752	4,191
Lease liabilities	*17*	21,663	10,364	5,138	6,561
Redemption liabilities	*30*	7,615,436	–	–	–
Deferred income tax liabilities	*35*	6,114	38	–	–
Other non-current liabilities	*40*	–	500	24,399	23,599
Total non-current liabilities		7,685,486	38,188	152,402	190,205
Current liabilities					
Derivative financial liabilities	*20*	–	39,847	–	5,308
Trade payables	*32*	135,285	165,890	289,187	238,334
Contract liabilities	*34*	6,346	8,551	15,395	26,966
Accrued expenses and other payables	*33*	168,850	156,266	226,065	202,773
Redemption liabilities-current portion	*30*	–	8,161,732	–	–
Provisions	*36*	91	362	4,433	2,458
Lease liabilities	*17*	19,028	18,351	12,203	18,942
Total current liabilities		329,600	8,550,999	547,283	494,781
Total liabilities		8,015,086	8,589,187	699,685	684,986
Total liabilities and (deficit)/equity		6,197,826	5,919,183	6,035,039	5,923,011

COMPANY STATEMENTS OF FINANCIAL POSITION

	Note	As at December 31,			As at April 30,
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets					
Non-current assets					
Property, plant and equipment	*16*	10,412	18,805	32,894	30,801
Right-of-use assets	*17*	6,926	7,424	7,276	9,545
Intangible assets	*18*	10,099	7,027	4,593	14,874
Investments in subsidiaries	*13*	1,452,045	1,655,562	1,673,853	1,680,812
Investments accounted for using the equity method	*14*	77,728	87,638	87,233	85,472
Financial assets at fair value through other comprehensive income	*24*	1,540,763	1,500,256	1,499,411	1,434,734
Financial assets at fair value through profit or loss	*24*	228,170	240,138	209,857	226,145
Restricted cash	*25*	50,419	46,464	44,008	44,206
Other non-current assets		2,346	611	2,304	3,014
Total non-current assets		3,378,908	3,563,925	3,561,429	3,529,603
Current assets					
Inventories	*23*	41,923	80,449	171,167	190,912
Prepayments and other receivables	*21*	9,242	19,549	3,215	8,126
Trade and note receivables	*22*	42,087	57,616	106,368	105,289
Financial assets at fair value through profit or loss	*24*	–	832,862	600,414	931,299
Time deposits	*25*	–	147,685	654,847	369,899
Restricted cash	*25*	28,602	40,100	23,172	8,337
Cash and cash equivalents	*25*	2,102,340	807,888	388,833	270,886
Other current assets	*26*	14,695	1,628	26,793	27,451
Total current assets		2,238,889	1,987,777	1,974,809	1,912,199
Total assets		5,617,797	5,551,702	5,536,238	5,441,802
Net current assets/(liabilities)		2,175,497	(6,302,033)	1,698,076	1,660,003
(Deficit)/equity					
(Deficit)/equity attributable to owners of the Company					
Paid-in capital/Share capital	*27*	27,080	27,080	50,000	50,000
Treasury stock	*28*	(6,453,000)	(6,453,000)	–	–
Reserves	*28*	6,847,479	6,866,793	5,394,751	5,347,352
Accumulated losses	*29*	(2,494,709)	(3,183,363)	(205,840)	(236,491)
Total (deficit)/equity		(2,073,150)	(2,742,490)	5,238,911	5,160,861

	Note	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at April 30, 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Liabilities					
Non-current liabilities					
Deferred income tax liabilities	*35*	6,114	38	–	–
Long-term payables	*37*	2,128	–	105	7,652
Lease liabilities	*17*	3,877	4,344	3,597	4,721
Redemption liabilities	*30*	7,615,436	–	–	–
Other non-current liabilities	*40*	–	–	16,892	16,372
Total non-current liabilities		7,627,555	4,382	20,594	28,745
Current liabilities					
Trade payables	*32*	40,236	91,996	174,412	139,566
Contract liabilities	*34*	3,321	5,718	14,028	25,671
Accrued expenses and other payables	*33*	16,548	27,456	83,999	81,460
Provisions		–	–	493	795
Lease liabilities	*17*	3,287	2,908	3,801	4,704
Redemption liabilities-current portion	*30*	–	8,161,732	–	–
Total current liabilities		63,392	8,289,810	276,733	252,196
Total liabilities		7,690,947	8,294,192	297,327	280,941
Total liabilities and (deficit)/equity		5,617,797	5,551,702	5,536,238	5,441,802

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY/(DEFICIT)

		Attributable to owners of the Company						
	Note	**Paid-in capital**	**Treasury stock**	**Reserves**	**Accumulated losses**	**Sub-total**	**Non-controlling interests**	**Total deficit**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at December 31, 2022		**24,898**	**(6,253,000)**	**6,351,509**	**(1,616,154)**	**(1,492,747)**	**–**	**(1,492,747)**
Comprehensive loss								
Loss for the year		–	–	–	(506,259)	(506,259)	–	(506,259)
Other comprehensive income		–	–	36,994	–	36,994	–	36,994
Total comprehensive loss for the year		**–**	**–**	**36,994**	**(506,259)**	**(469,265)**	**–**	**(469,265)**
Transactions with owners in their capacity as owners:								
Contribution from shareholders	*27*	2,182	–	294,680	–	296,862	–	296,862
Recognition of redemption rights granted to investors	*30*	–	(200,000)	–	–	(200,000)	–	(200,000)
Share-based compensation	*31*	–	–	47,890	–	47,890	–	47,890
Total transactions with owners in their capacity as owners		**2,182**	**(200,000)**	**342,570**	**–**	**144,752**	**–**	**144,752**
Balance at December 31, 2023		**27,080**	**(6,453,000)**	**6,731,073**	**(2,122,413)**	**(1,817,260)**	**–**	**(1,817,260)**
Balance at January 1, 2024		**27,080**	**(6,453,000)**	**6,731,073**	**(2,122,413)**	**(1,817,260)**	**–**	**(1,817,260)**
Comprehensive loss								
Loss for the year		–	–	–	(697,744)	(697,744)	639	(697,105)
Other comprehensive loss		–	–	(221,756)	–	(221,756)	–	(221,756)
Total comprehensive loss for the year		**–**	**–**	**(221,756)**	**(697,744)**	**(919,500)**	**639**	**(918,861)**
Transactions with owners in their capacity as owners:								
Contribution from non-controlling shareholders		–	–	–	–	–	2,000	2,000
Share-based compensation	*31*	–	–	64,117	–	64,117	–	64,117
Total transactions with owners in their capacity as owners		**–**	**–**	**64,117**	**–**	**64,117**	**2,000**	**66,117**
Balance at December 31, 2024		**27,080**	**(6,453,000)**	**6,573,434**	**(2,820,157)**	**(2,672,643)**	**2,639**	**(2,670,004)**

		Attributable to owners of the Company						
	Note	**Paid-in capital/ Share capital**	**Treasury stock**	**Reserves**	**Accumulated profits/ (losses)**	**Sub-total**	**Non-controlling interests**	**Total (deficit)/ equity**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2025		**27,080**	**(6,453,000)**	**6,573,434**	**(2,820,157)**	**(2,672,643)**	**2,639**	**(2,670,004)**
Comprehensive loss								
Loss for the year		–	–	–	(276,303)	(276,303)	(1,470)	(277,773)
Other comprehensive loss		–	–	(23,152)	–	(23,152)	–	(23,152)
Total comprehensive loss for the year		**–**	**–**	**(23,152)**	**(276,303)**	**(299,455)**	**(1,470)**	**(300,925)**
Transactions with owners in their capacity as owners:								
Termination of redemption liabilities		–	6,453,000	1,798,833	–	8,251,833	–	8,251,833
Conversion into a joint stock company		22,920	–	(3,306,861)	3,283,941	–	–	–
Disposal of a subsidiary		–	–	–	–	–	(1,169)	(1,169)
Share-based compensation	*31*	–	–	55,619	–	55,619	–	55,619
Total transactions with owners in their capacity as owners		**22,920**	**6,453,000**	**(1,452,409)**	**3,283,941**	**8,307,452**	**(1,169)**	**8,306,283**
Balance at December 31, 2025		**50,000**	**–**	**5,097,873**	**187,481**	**5,335,354**	**–**	**5,335,354**

		Attributable to owners of the Company						
	Note	**Paid-in capital/ Share capital**	**Treasury stock**	**Reserves**	**Accumulated profits/ (losses)**	**Sub-total**	**Non-controlling interests**	**Total (deficit)/ equity**
		RMB'000 (Unaudited)	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*
Balance at January 1, 2025		**27,080**	**(6,453,000)**	**6,573,434**	**(2,820,157)**	**(2,672,643)**	**2,639**	**(2,670,004)**
Comprehensive loss								
Loss for the period		–	–	–	(158,284)	(158,284)	(1,206)	(159,490)
Other comprehensive income		–	–	45,733	–	45,733	–	45,733
Total comprehensive loss for the period		**–**	**–**	**45,733**	**(158,284)**	**(112,551)**	**(1,206)**	**(113,757)**
Transactions with owners in their capacity as owners:								
Termination of redemption liabilities		–	6,453,000	1,798,833	–	8,251,833	–	8,251,833
Share-based compensation	*31*	–	–	11,755	–	11,755	–	11,755
Total transactions with owners in their capacity as owners		**–**	**6,453,000**	**1,810,588**	**–**	**8,263,588**	**–**	**8,263,588**
Balance at April 30, 2025		**27,080**	**–**	**8,429,755**	**(2,978,441)**	**5,478,394**	**1,433**	**5,479,827**

		Attributable to owners of the Company						
	Note	**Paid-in capital/ Share capital**	**Treasury stock**	**Reserves**	**Accumulated profits/ (losses)**	**Sub-total**	**Non-controlling interests**	**Total (deficit)/ equity**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2026		50,000	–	5,097,873	187,481	5,335,354	–	5,335,354
Comprehensive loss								
Profit for the period		–	–	–	28,478	28,478	–	28,478
Other comprehensive loss		–	–	(148,825)	–	(148,825)	–	(148,825)
Total comprehensive loss for the period		**–**	**–**	**(148,825)**	**28,478**	**(120,347)**	**–**	**(120,347)**
Transactions with owners in their capacity as owners:								
Share-based compensation	*31*	–	–	23,018	–	23,018	–	23,018
Total transactions with owners in their capacity as owners		**–**	**–**	**23,018**	**–**	**23,018**	**–**	**23,018**
Balance at April 30, 2026		**50,000**	**–**	**4,972,066**	**215,959**	**5,238,025**	**–**	**5,238,025**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year ended December 31,			Four months ended April 30,	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Cash flows from operating activities						
Cash generated from/(used in) operations	*43(a)*	363,069	(57,331)	24,703	(17,169)	(103,712)
Interest received		64,083	38,077	17,211	5,910	5,246
Income tax paid		(29,828)	(37,219)	(10,544)	3,108	(13,714)
Net changes in restricted cash		7,982	(7,672)	16,610	16,610	14,628
Net cash generated from/(used in) operating activities		**405,306**	**(64,145)**	**47,980**	**8,459**	**(97,552)**
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment and other non-current assets		14	147	3,652	–	200
Disposal of a subsidiary, net of cash and cash equivalents held by subsidiary at disposal date		–	–	(1,974)	–	–
Proceeds from government grants related to assets		–	–	24,503	–	–
(Payment)/settlements for other investment		(1,231)	2,781	–	–	–
Net (payment)/proceeds of time deposits with maturity over three months and other financial investment	*43(c)*	(368,618)	185,634	(577,425)	(874,483)	87,200
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets		(36,135)	(117,738)	(170,025)	(18,921)	(59,733)
Payment for deposit of land use right bidding		(15,180)	–	–	–	–
Net (payment)/proceeds from structured deposits and others	*43(c)*	–	(883,703)	299,521	152,225	(312,184)
Net cash used in investing activities		**(421,150)**	**(812,879)**	**(421,748)**	**(741,179)**	**(284,517)**
Cash flows from financing activities						
Proceeds from issuance of ordinary shares		200,000	–	–	–	–
Paid in from employee incentive plan platforms		96,862	–	–	–	–
Contributions from non-controlling shareholders		–	2,000	–	–	–
Payments of lease liabilities	*17*	(19,439)	(20,903)	(21,306)	(6,982)	(6,444)
Proceeds from borrowings	*39*	–	–	98,899	–	1,101
Payment of [**REDACTED**] expenses		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Repayment of long-term payables for acquiring intangible assets		(21,518)	(16,026)	(19,865)	(4,048)	(445)
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	*25*	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	*25*	**2,501,479**	**1,538,672**	**1,207,952**	**804,286**	**791,147**

1 GENERAL INFORMATION

Hangzhou Silicon Magic Semiconductor Technology Co., Ltd. (杭州芯邁半導體技術有限公司, the "Predecessor Company") was incorporated in Hangzhou, Zhejiang Province, the People's Republic of China (the "PRC") on September 17, 2019 as a limited liability company. The Predecessor Company was established by Ningbo Xijuda Corporate Management Partnership (L.P.) (寧波喜聚達企業管理合夥企業(有限合夥)), Smartech Limited Partnership (智科有限合夥企業), Vasona Technology Hong Kong Limited (瓦森納科技香港有限公司), Ningbo Xijuxi Corporate Management Partnership (L.P.) (寧波喜聚喜企業管理合夥企業(有限合夥)), Smart Intelligence Limited Partnership (智捷有限合夥企業) (together referred to as the "Founding Shareholders"). In June 2025, the Predecessor Company was converted into a joint stock company with limited liability under the Company Law of the PRC and was renamed as Silicon-Magic Semiconductor Technology (Hangzhou) Co., Ltd. (芯邁半導體技術(杭州)股份有限公司, the "Company"). The registered office of the Company is 1-608, 6 Lianhui Street, Xixing Subdistrict, Binjiang District, Hangzhou, Zhejiang Province, PRC.

The Company together with its subsidiaries (collectively referred to as the "Group") are primarily engaged in the design, manufacture and sales of power management integrated circuit ("PMIC") and power device products.

2 BASIS OF PREPARATION

(i) Compliance with IFRS Accounting Standards

The Historical Financial Information of the Group has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

The details of the accounting policies used in the preparation of the Historical Financial Information as set out in the notes below.

The material accounting policies applied in the preparation of the Historical Financial Information have been consistently applied to all the years/periods presented.

(ii) Historical cost convention

The Historical Financial Information has been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

(iii) New and amended standards adopted by the group

In preparation of the Historical Financial Information, all of the new standards, amendments to standards and interpretations that are effective during the Track Record Period have been adopted by the Group and consistently applied throughout the Track Record Period.

(iv) New and amended standards and interpretations not yet effective and not been early adopted by the Group

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the financial years/periods during the Track Record Period and have not been early adopted by the Group. These new standards and interpretations are:

Standards	Key requirements	Effective for annual periods beginning on or after
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to illustrative Examples on IFRS 7, IFRS 8, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosures about Uncertainties in the financial statements	1 January 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new and amended standards and has concluded on a preliminary basis that adoption of these new and amended standards is not expected to have significant impacts on the financial performance and positions of the Group when they become effective, except for IFRS 18.

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. The adoption of IFRS 18 would not significantly affect the financial position and performance of the Group. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Impact on disclosures:

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

Presentation of the statements of comprehensive loss: the major impact would be that the fair value gains/(losses) and interest income of financial assets, currently presented in the line item ″other gains/(losses) — net" and "other income" within operating (losses)/gains, would be presented below operating (losses)/gains in the statements of comprehensive loss;

Cash flow classification: the interest received currently presented within operating activities would be classified as investing activities in the statements of cash flows;

Disclosure requirements: management is currently assessing the detailed implications of management-defined performance measures. If management identify certain management-defined performance measures, the Group will disclose the related information applying the new standard on the Group's consolidated financial statements.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk primarily arises from recognized assets and liabilities denominated in a currency that is not the respective group entities' functional currency. Functional currency of the Company and its subsidiaries incorporated in Chinese mainland is Renminbi ("RMB"). Functional currency of the Company's subsidiary in South Korea is Korean Won ("KRW"). The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and entering into certain foreign exchange forward contracts with banks to minimize these exposures.

The foreign currency assets and liabilities of the Group entities are certain cash and cash equivalents, time deposits, trade and note receivables and trade payables denominated in foreign currencies of respective group entities that are exposed to foreign currency risk. The foreign exchange risk the Group is facing mainly comes from movements in the USD/RMB and USD/KRW.

If USD had strengthened by 5% against RMB with all other variables held constant, loss before income tax for the year/period would have been approximately RMB811 thousand, RMB699 thousand, RMB408 thousand, RMB3,109 thousand narrowed for the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025, and profit before income tax for the period would have been approximately RMB1,377 thousand decreased for the four months ended April 30, 2026.

If USD had strengthened by 5% against KRW with all other variables held constant, loss before income tax for the year/period would have been approximately KRW5,029 million, KRW4,199 million, KRW4,901 million and KRW4,096 million narrowed for the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025, which equal to RMB27 million, RMB22 million, RMB24 million and RMB21 million, and profit before income tax for the period would have been approximately KRW4,995 million increased for the four months ended April 30, 2026, which equal to RMB23 million.

(ii) Interest rate risk

Except for cash and cash equivalents, restricted cash, time deposits, redemption liabilities and borrowings, the Group has no other significant interest-bearing assets or liabilities. As at April 30, 2026, the borrowings of the group were carried at floating rates of one-year Loan Prime Rate (LPR) minus 49 basis points. The fair value interest rate risk arising from financial assets and liabilities carried at fixed rates is not significant for the Group.

The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate movements.

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the statements of financial position either as at fair value through other comprehensive income ("FVOCI") or at fair value through profit or loss ("FVPL"). The Group is not exposed to commodity price risk. To manage its price risk arising from the investments, the Group diversifies its portfolio. The investments are managed by management one by one, either for strategic purposes, or for the purpose of achieving investment yield and balancing the Group's liquidity level simultaneously. The sensitivity analysis is performed by management, see Note 3.3 for details.

(b) Credit risk

(i) Risk management

The Group is exposed to credit risk primarily in relation to its cash and cash equivalents, restricted cash, time deposits, trade and note receivables, and other receivables (included in "prepayments and other receivables"). The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage this risk arising from cash and cash equivalents, restricted cash and time deposits, the Group mainly transacts with state-owned or reputable financial institutions. There has been no recent history of default in relation to these financial institutions.

To manage risk arising from trade and note receivables, the Group has policies in place to ensure that sales with credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. The credit period granted to the customers is usually no more than 90 days and the credit quality of these customers is assessed by taking into account their financial position, past experience and other factors. The Group is in the progress of enhancing the collection of existing receivables, and it plans to enforce a more stringent customer admission policy, considering factors such as the historic overdue amount and duration of previous contracts.

For other receivables (included in "prepayments and other receivables"), management makes periodic collective assessments as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experiences. In view of the history of cooperation with debtors and the collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding other receivables balances due from them is low.

(ii) Impairment of financial assets

The Group performs impairment assessments under the expected credit loss ("ECL") model on financial assets at amortized cost (mainly including cash and cash equivalents, restricted cash, time deposits, trade and note receivables, other receivables included in "prepayments and other receivables"). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Cash and cash equivalents, restricted cash and time deposits

While cash and cash equivalents, restricted cash and time deposits are also subject to the impairment requirements of IFRS 9, the impairment loss is immaterial, as they are mainly placed with state-owned or reputable banks, and there has been no recent history of default in relation to these banks. These instruments are considered to have low credit risk because they have a low risk of default, and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term.

Trade and note receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses under which the lifetime expected credit losses for all trade and note receivables are estimated. To measure the expected credit losses, trade and note receivables have been grouped based on shared credit risk characteristics, credit rating and aging based on revenue recognition. The expected loss rates are based on the historical payment profiles, historical credit loss rates by industry and data published by external credit rating institution, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product (國內生產總值) in which it sells its products and services to be the most relevant factors, and accordingly adjusts the loss rates based on expected changes in certain combination of factors for each group with similar credit risk characteristics.

Details of loss allowance of trade and note receivables as at December 31, 2023, 2024 and 2025 and April 30, 2026 are included in Note 22. The note receivables are mainly constituted of bank acceptance notes and the management did not expect that there would be any significant losses from non-performance by these banks since they are state-owned or reputable financial institutions. The expected credit loss of note receivables is immaterial.

The movements on the allowance for impairment of trade and note receivables are as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
At beginning of the year/period	1,800	1,580	1,637	1,637	1,654
Allowance for impairment of trade and note receivables	1,571	1,678	1,676	2,214	2,477
Reversal of impairment of trade and note receivables	(1,772)	(1,555)	(1,650)	(1,850)	(1,844)
Exchange difference	(19)	(66)	(9)	21	(38)
At end of the year/period *(Note 22)*	1,580	1,637	1,654	2,022	2,249

(iii) Net impairment losses on financial assets recognized in profit or loss

During the years/periods presented, the following net impairment losses were recognized in profit or loss in relation to impaired financial assets:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Impairment (losses)/reversal on trade and note receivables	201	(123)	(26)	(364)	(633)

(c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents or adjust financing arrangements to meet the Group's liquidity requirements.

The table below analyzes the Group's financial liabilities excluding derivative financial liabilities measured at fair value through profit and loss into relevant maturity groupings based on the remaining periods at the end of each reporting period to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity dates of the derivative financial liabilities measured at fair value through profit and loss are within 12 months as at December 31, 2024 and April 30, 2026, respectively.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2023					
Trade payables	135,285	–	–	135,285	135,285
Accrued expenses and other payables (excluding salary payables, tax payables and current portion of long-term payables)	74,570	–	–	74,570	74,570
Long-term payables (including current portion)	16,874	18,779	1,557	37,210	35,798
Redemption liabilities (including current portion)	–	8,584,843	–	8,584,843	7,615,436
Lease liabilities (including current portion)	19,991	17,218	6,408	43,617	40,691
	246,720	8,620,840	7,965	8,875,525	7,901,780

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2024					
Trade payables	165,890	–	–	165,890	165,890
Accrued expenses and other payables (excluding salary payables, tax payables and current portion of long-term payables)	75,950	–	–	75,950	75,950
Long-term payables (including current portion)	19,149	351	1,395	20,895	20,412
Redemption liabilities (including current portion)	8,584,843	–	–	8,584,843	8,161,732
Lease liabilities (including current portion)	19,092	8,510	2,996	30,598	28,715
	8,864,924	8,861	4,391	8,878,176	8,452,699

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2025					
Trade payables	289,187	–	–	289,187	289,187
Accrued expenses and other payables (excluding salary payables, tax payables and current portion of long-term payables)	138,530	–	–	138,530	138,530
Long-term payables (including current portion)	1,070	2,211	845	4,126	3,903
Borrowings	2,495	6,202	99,000	107,697	98,899
Lease liabilities (including current portion)	12,354	4,661	1,006	18,021	17,341
	443,636	13,074	100,851	557,561	547,860

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At April 30, 2026					
Trade payables	238,334	–	–	238,334	238,334
Accrued expenses and other payables (excluding salary payables, tax payables and current portion of long-term payables)	140,967	–	–	140,967	140,967
Long-term payables (including current portion)	715	13,629	19,794	34,138	32,166
Borrowings	2,663	8,431	97,140	108,234	100,272
Lease liabilities (including current portion)	19,662	5,266	1,759	26,687	25,503
	402,341	27,326	118,693	548,360	537,242

The liquidity risk of redemption liabilities is the principal amount of the redemption liabilities plus the respective predetermined interest. The redemption liabilities have been derecognized and credited into equity due to the termination of redemption rights as of April 30, 2026, please refer to Note 30.

3.2 Capital risk management

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is not significant.

3.3 Fair value estimation

(a) Financial assets and liabilities

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at December 31, 2023	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through profit or loss				
– Unlisted equity investments	–	–	228,170	228,170
Financial assets at fair value through other comprehensive income				
– Unlisted equity investments	–	–	1,540,763	1,540,763

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at December 31, 2024	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through profit or loss				
– Unlisted equity investments	–	–	240,138	240,138
– Structured deposits	–	891,022	–	891,022
	–	891,022	240,138	1,131,160
Financial assets at fair value through other comprehensive income				
– Unlisted equity investments	–	–	1,500,256	1,500,256
Financial liabilities				
Financial liabilities at fair value through profit or loss				
– Derivative financial liabilities	–	39,847	–	39,847

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at December 31, 2025	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through profit or loss				
– Unlisted equity investments	–	–	209,857	209,857
– Structured deposits	–	600,414	–	600,414
	–	600,414	209,857	810,271
Financial assets at fair value through other comprehensive income				
– Unlisted equity investments	–	–	1,499,411	1,499,411
Note receivables measured at fair value through other comprehensive income	–	–	58,976	58,976

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at April 30, 2026	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through profit or loss				
– Unlisted equity investments	–	–	226,145	226,145
– Structured deposits	–	931,299	–	931,299
	–	931,299	226,145	1,157,444
Financial assets at fair value through other comprehensive income				
– Unlisted equity investments	–	–	1,434,734	1,434,734
Note receivables measured at fair value through other comprehensive income	–	–	35,570	35,570
Financial liabilities				
Financial liabilities at fair value through profit or loss				
– Derivative financial liabilities	–	5,308	–	5,308

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and financial liabilities at fair value through profit or loss.

In order to manage the Group's foreign currency exposure in relation to USD against KRW, the Group entered into certain foreign exchange forward contracts with banks in 2024 and in the four months ended April 30, 2026. Settlement period of the contracts in 2024 was from October 2024 to October 2025 and in the four months ended April 30, 2026 was in June 2026. The notional amount of foreign exchange forward contracts was USD 120 million in 2024 and USD 40.3 million in the four months ended April 30, 2026. These contracts are initially recognized at fair value at the date when entered into and are subsequently remeasured to their fair value at the end of each Track Record Period.

(ii) Valuation techniques used to determine fair values

The valuation of the level 3 instruments mainly included financial assets at fair value through profit or loss in unlisted equity investments and financial assets at fair value through other comprehensive income in unlisted equity investments (Note 24). As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including market approach etc.

The finance department of the Group involves independent valuers to perform the valuations of unlisted equity investments. This independent valuer reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the independent valuers on a periodical basis, in line with the Group's reporting periods.

(iii) Fair value measurements using significant unobservable inputs (level 3)

There are no transfers of financial assets or liabilities between levels 2 and 3 during the Track Record Period.

The following table presents the changes in level 3 instruments of financial assets for the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026.

	Financial assets at FVPL — Unlisted equity investments	Financial assets at FVOCI — Unlisted equity investments
	RMB'000	*RMB'000*
Opening balance at December 31, 2022	234,228	1,474,069
Gains recognized in other gains/(losses) — net *(Note 8)*	13,777	–
Gains recognized in other comprehensive income	–	66,694
Reversal of excess losses due to dilution gains	1,341	–
Preferred share conversion into common share *(Note 14)*	(14,893)	–
Exchange difference	(410)	–

	Financial assets at FVPL — Unlisted equity investments	Financial assets at FVOCI — Unlisted equity investments
	RMB'000	*RMB'000*
Others	(5,873)	–
Closing balance at December 31, 2023	**228,170**	**1,540,763**
Including unrealised gains for the year ended December 31, 2023	13,777	66,694
Gains recognized in other gains/(losses) — net *(Note 8)*	11,968	–
Losses recognized in other comprehensive income	–	(40,507)
Closing balance at December 31, 2024	**240,138**	**1,500,256**
Including unrealised gains or (losses) for the year ended December 31, 2024	11,968	(40,507)

	Financial assets at FVPL — Unlisted equity investments	Financial assets at FVOCI — Unlisted equity investments	Financial assets at FVOCI — Note receivables
	RMB'000	*RMB'000*	*RMB'000*
Opening balance at December 31, 2024	240,138	1,500,256	–
Additions	–	–	154,244
Disposals/settlements	–	–	(95,268)
Losses recognized in other comprehensive income	–	(845)	–
Losses recognized in other gains/(losses) — net *(Note 8)*	(30,281)	–	–
Closing balance at December 31, 2025	**209,857**	**1,499,411**	**58,976**
Including unrealised losses for the year ended December 31, 2025	(30,281)	(845)	–

	Financial assets at FVPL – Unlisted equity investments	Financial assets at FVOCI – Unlisted equity investments
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*
Opening balance at December 31, 2024	**240,138**	**1,500,256**
Losses recognized in other comprehensive income	–	(845)
Losses recognized in other gains/(losses) — net *(Note 8)*	(35,811)	–
Closing balance at April 30, 2025	**204,327**	**1,499,411**
Including unrealised losses for the year ended April 30, 2025	(35,811)	(845)

	Financial assets at FVPL — Unlisted equity investments	Financial assets at FVOCI — Unlisted equity investments	Financial assets at FVOCI — Note receivables
	RMB'000	*RMB'000*	*RMB'000*
Opening balance at December 31, 2025	**209,857**	**1,499,411**	**58,976**
Additions	–	–	91,477
Disposals/settlements	–	–	(114,883)
Losses recognized in other comprehensive income	–	(64,677)	–
Gains recognized in other gains/(losses) — net *(Note 8)*	16,288	–	–
Closing balance at April 30, 2026	**226,145**	**1,434,734**	**35,570**
Including unrealised gains or (losses) for the year ended April 30, 2026	16,288	(64,677)	–

Description	Fair value				Significant unobservable inputs				Range of inputs				Relationship of unobservable inputs to fair value	Sensitivity of fair value to the input
	As at December 31,			As at April 30,	As at December 31,			As at April 30,	As at December 31,			As at April 30,		
	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*										
Financial assets at FVPL – unlisted equity investments														
– Company 1	162,942	164,616	136,217	165,694	Price of latest round of financing	P/B ratio	P/B ratio	Price of latest round of financing	RMB1.92/ share	2.93	3.12	RMB1.92/ share	The higher P/B ratio, the higher the fair value The higher the financing price, the higher the fair value	1% increase (decrease) in P/B ratio would result in increase (decrease) in fair value by 2024: RMB1,644,000 (RMB1,644,000) 2025: RMB1,364,000 (RMB1,364,000) 5% increase (decrease) in Price of latest round of financing would result in increase (decrease) in fair value by 2023: RMB1,108,000 (RMB1,111,000) 5% increase (decrease) in Price of latest round of financing would result in increase (decrease) in fair value by April 30, 2026: RMB902,000 (RMB904,000)
– Company 2	65,228	75,522	73,640	60,451	P/S ratio	P/S ratio	P/S ratio	Price of latest round of financing	16.77	9.70	13.14	RMB27.64/ share	The higher P/S ratio, the higher the fair value The higher the financing price, the higher the fair value	1% increase (decrease) in P/S ratio would result in increase (decrease) in fair value by 2023: RMB398,000 (RMB398,000) 2024: RMB432,000 (RMB432,000) 2025: RMB360,000 (RMB360,000) 5% increase (decrease) in Price of latest round of financing would result in increase (decrease) in fair value by April 30, 2026: RMB552,000 (RMB577,000)
	228,170	240,138	209,857	226,145										
Financial assets at FVOCI – unlisted equity investments.	1,540,763	1,500,256	1,499,411	1,434,734	P/B ratio	P/S ratio	P/S ratio	P/S ratio	1.66	2.86	5.44	5.19 and 4.82	The higher P/B ratio, the higher fair value The higher P/S ratio, the higher fair value	1% increase (decrease) in P/B ratio would result in increase (decrease) in fair value by 2023: RMB17,445,000 (RMB17,445,000) 1% increase (decrease) in P/S ratio would result in increase (decrease) in fair value by 2024: RMB17,522,000 (RMB17,522,000) 2025: RMB17,728,000 (RMB17,728,000) April 30, 2026: RMB16,859,000 (RMB16,859,000)

If the fair value of the unlisted equity investments measured at FVOCI held by the Group be 10% higher/lower, other comprehensive income, net of tax for the years ended December 31, 2023 and for the four months ended April 30, 2025 would be RMB154 million higher/lower, and RMB151 million higher/lower, respectively, and other comprehensive loss, net of tax for the year ended December 31, 2024 and 2025 and for the four months ended April 30, 2026 would be RMB150 million lower/higher, RMB150 million lower/higher, and RMB143 million lower/higher, respectively.

If the fair value of the unlisted equity investments measured at FVPL held by the Group be 10% higher/lower, the losses before tax for the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025 would be RMB23 million lower/higher, RMB24 million lower/higher, RMB21 million lower/higher and RMB20 million lower/higher, respectively, and the profit before tax for the four months ended April 30, 2026 would be RMB23 million higher/lower.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Estimation of goodwill impairment

The Group tests whether goodwill has suffered any impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount of the asset group or group of asset groups that contain the apportioned goodwill is determined by the higher value between the present value of the future cash flows and the net value that is calculated by the fair value less the disposal costs. Accounting estimate is required for the calculation of the recoverable amount. The impairment testing is performed by assessing the recoverable amount of the asset group or group of asset groups containing the relevant goodwill, based on the present value of cash flows forecasts. Key assumptions adopted in the impairment testing of goodwill included revenue annual growth rate, gross margin, perpetual annual growth rate, pre-tax discount rate, etc. which involved critical accounting estimates and judgement.

Details of the key assumptions used in the impairment test of goodwill and the impact of possible changes in key assumptions are disclosed in Note 15.

If the actual revenue annual growth rate, perpetual annual growth rate and gross margin are higher or the actual pre-tax discount rate is lower than management's estimates, the impairment loss of goodwill previously provided for is not allowed to be reversed by the Group.

(b) Current and deferred income tax

The Group is subject to corporate income taxes in Chinese mainland and South Korea. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Deferred tax assets relating to certain temporary differences and tax losses are recognized when management considers it to be probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(c) Fair value measurement of financial assets and liabilities at level 3 fair value hierarchy

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the valuation techniques, inputs and key assumptions used in the determination of the fair value of financial assets and liabilities at level 3 fair value hierarchy see Note 3.3.

(d) Share-based payment expenses

The Group granted options and restricted share units ("RSU") to employees. The fair value of the options is determined by using the binomial option pricing model at the grant date and is expected to be expensed over the respective vesting periods. Significant assumptions, including, underlying equity value, risk-free interest rate, expected volatility, dividend yield and discount rate are made by the directors with reference to valuation reports prepared by a third-party valuer (Note 31).

The fair value of RSUs at the grant date was determined by reference to the fair value of the underlying ordinary shares on the dates of grant. The discounted cash flow method was used to determine the total equity value of the Company and the fair value of the ordinary shares. Key assumptions, such as discount rates are disclosed in Note 31.

(e) Impairment of non-financial assets other than goodwill

Non-financial assets, mainly including property, plant and equipment, right-of-use assets and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to disposal. These calculations require the use of judgments and estimates.

Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; (iii) the selection of the most appropriate valuation technique; and (iv) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated statements of comprehensive income or loss.

The Group operate business in PMIC and Power device segments, which were identified as two separate cash generating units ("CGUs") for the non-financial assets impairment testing purpose. The recoverable amount of the CGUs for the years ended December 31, 2023, 2024 and 2025 had been determined based on value in use calculations, using cash flow projections based on management's financial forecasts. Key assumptions applied in preparing the cash flow projections included revenue annual growth rate, gross margin, perpetual annual growth rate and pre-tax discount rate. Based on the result of the assessment, the recoverable amounts exceeded the carrying amounts of the CGUs with sufficient headroom. Hence, no significant impairment of non-financial assets was recognized during the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026.

5 SEGMENT INFORMATION

(a) Description of segments and principal activities

The Group are principally engaged in the design, manufacture and sales of integrated circuit products and power device products. The Group derives revenue primarily from the transfer of goods at a point in time in the PMIC products and power device products. The Group's the chief operating decision maker ("CODM"), who has been identified as the chief executive officer, reviews consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole in terms of product lines.

(b) Segment information

The Group has the following reportable segments for the Track Record Period:

- PMIC product
- Power device product

The CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. The research and development expenses, administrative expenses and selling and marketing expenses are common costs incurred for these operating segments as a whole and therefore, they are not included in the measure of the segments' performance which is used by the CODM as a basis for the purpose of resource allocation and assessment of segment performance. Net impairment (losses)/reversal on financial assets, other income, other gains/(losses) — net, finance income, finance costs, share of (loss)/profit from investments accounted for using the equity method and income tax expense are not allocated to individual operating segment, either.

There were no material inter-segment sales during the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026. The revenues from external customers reported to the CODM are measured in a manner consistent with that applied in the consolidated statements of comprehensive loss.

Other information, together with the segment information, provided to the CODM, is measured in a manner consistent with that applied in these consolidated statements of financial position. There was no segment assets or segment liabilities information provided to the CODM.

The segment information provided to the CODM for the reportable segments for the Track Record Period is as follows:

	Year ended December 31, 2023			
	PMIC products	Power device products	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue	1,597,422	38,768	3,935	1,640,125
Cost of sales	1,020,438	67,614	3,882	1,091,934
Gross profit	576,984	(28,846)	53	548,191

	Year ended December 31, 2024			
	PMIC products	Power device products	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue	1,428,228	146,037	206	1,574,471
Cost of sales	958,869	152,826	39	1,111,734
Gross profit	469,359	(6,789)	167	462,737

	Year ended December 31, 2025			
	PMIC products	Power device products	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue	1,459,071	493,564	220	1,952,855
Cost of sales	976,288	446,259	13	1,422,560
Gross profit	482,783	47,305	207	530,295

	Four months ended April 30, 2025			
	PMIC products	Power device products	Others	Total
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*
Segment revenue	496,144	74,970	32	571,146
Cost of sales	324,493	69,748	13	394,254
Gross profit	171,651	5,222	19	176,892

	Four months ended April 30, 2026			
	PMIC products	Power device products	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue	534,531	301,977	–	836,508
Cost of sales	345,188	271,800	–	616,988
Gross profit	189,343	30,177	–	219,520

(c) Geographical information

Geographical information for the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026 are as follows:

The geographical information of external sales based on the geographical location of customers are as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Revenue					
Greater China*	424,510	502,514	819,656	177,002	405,655
Overseas*	1,215,615	1,071,957	1,133,199	394,144	430,853
	1,640,125	1,574,471	1,952,855	571,146	836,508

* Greater China include Chinese mainland, Hong Kong and Taiwan. The overseas mainly include Asia area.

The geographical location of non-current assets other than financial instruments and deferred tax assets are as follows:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets other than financial instruments and deferred tax assets				
Greater China*	137,425	218,567	402,255	428,482
Overseas*	646,572	533,624	436,835	469,166
	783,997	752,191	839,090	897,648

6 REVENUE

(a) Accounting policies of revenue recognition

Revenue is recognized when, or as, the control of goods or services is transferred to the customers. Depending on the terms of the contracts and the laws applicable, control of the goods and services may be transferred over time or at a point in time.

Control of the goods and services is transferred over time if the Group's performance:

- provides all the benefits received and consumed simultaneously by the customers;
- creates or enhances an asset that the customers control as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

Revenue from sales of the Group's power devices and integrated circuit products is recognized when the Group delivers the products to the location specified in the sales contract and the customer takes possession of the products.

The Group generally offers assurance-type warranties to customers, and such warranties are not considered a distinct performance obligation to customers. The Group accounts for the warranty in accordance with IAS 37 and the estimated warranty cost was not material for the Track Record Period. (Note 36).

The credit period granted to customers by the Group is determined based on their credit risk characteristics, which is consistent with industry practice, and there is no significant financing component.

Disaggregation of revenue from contracts with customers by revenue streams is as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Sales of goods	1,636,190	1,574,265	1,952,635	571,114	836,508
– PMIC products	1,597,422	1,428,228	1,459,071	496,144	534,531
– Power device products	38,768	146,037	493,564	74,970	301,977
Others	3,935	206	220	32	–
	1,640,125	1,574,471	1,952,855	571,146	836,508

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Recognized at a point in time	1,640,125	1,574,471	1,952,855	571,146	836,508

* Greater China include Chinese mainland, Hong Kong and Taiwan. The overseas mainly include Asia area.

Revenues of approximately RMB1,078 million, RMB966 million, RMB966 million, RMB342 million and RMB359 million in the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026 respectively are derived from a single external customer. These revenues are attributed to the PMIC segment. The major customer which contributed more than 10% of total revenue of the Group for the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026 is listed as below:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
				(Unaudited)	
Percentage of revenue from the major customer to the total revenue of the Group					
Company A	65.7%	61.4%	49.5%	59.9%	42.9%

7 OTHER INCOME

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Interest income	7,619	23,882	27,131	7,358	6,054
Government grants	3,065	4,601	11,192	976	1,855
Others	64	156	225	225	278
	10,748	28,639	38,548	8,559	8,187

8 OTHER GAINS/(LOSSES) — NET

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Fair value changes of financial assets at FVPL					
– unlisted companies	13,777	11,968	(30,281)	(35,811)	16,288
– structured deposits	–	7,319	16,646	5,875	5,230
Net fair value (losses)/gains on derivative financial instruments	–	(44,602)	32,881	15,094	8,037
Dilution gains/(losses) of investments using equity method	17,498	13,389	(1,701)	–	–
Gains on disposal of a subsidiary *(i)*	–	–	2,679	–	–
Net foreign exchange gains/(losses)	3,763	63,874	(11,418)	(8,812)	6,459
Others	(1,623)	(592)	(366)	(1,792)	(618)
	33,415	51,356	8,440	(25,446)	35,396

(i) In August 2025, the Group disposed its equity interest of 80.02% in an immaterial subsidiary to a non-controlling shareholder, with a cash consideration of RMB1.

9 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses, general and administrative expenses and research and development expenses are analyzed as follows:

	Year ended December 31,			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	1,122,843	1,155,273	1,466,907	408,941	637,698
Employee benefit expenses	354,399	441,632	458,766	142,560	159,247
Depreciation and amortization	116,405	115,864	108,748	39,022	26,517
[**REDACTED**] Expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Provision for impairment of inventories	5,461	22,451	18,126	3,470	1,021
IP license fee	15,166	10,678	–	–	–
Outsourced R&D expenses	26,229	22,351	19,273	6,256	6,053
Professional service expenses	16,798	17,278	14,285	2,905	3,807
Changes in inventories of finished goods	(7,758)	(16,297)	(11,029)	(3,041)	(6,124)
Marketing, conference and traveling expenses	13,167	13,084	12,767	3,663	4,520
Freight expenses	5,931	4,591	5,315	1,600	2,285
Utilities, property management and administrative expenses	9,811	9,711	10,624	3,269	2,764
Other expenses	16,334	25,170	25,903	8,639	7,642
	1,694,786	1,821,786	2,164,767	617,284	850,235

10 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Wages, salaries and bonuses	254,124	301,536	322,375	104,715	111,346
Share-based payments expenses	47,890	64,117	55,619	11,755	23,018
Pension expenses-defined contribution plan	15,359	25,214	18,540	6,656	5,622
Housing funds and other social securities insurance expenses	24,793	31,922	41,979	12,476	12,686
Pension expenses-defined benefit plan *(Note 38)*	9,726	15,914	18,364	5,905	6,002
Pension expenses- long-term service reward	2,507	2,929	1,889	1,053	573
	354,399	441,632	458,766	142,560	159,247

(a) Defined contribution plans

Employees of the Group participate in employee social insurance plans. The plans are organized and administered by the government authorities. Except for the contributions made to these social insurance plans, the Group has no other commitments owing to the employees. No forfeited contributions were utilised during the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026 to offset the Group's contribution to the above mentioned social insurance plans. According to the relevant regulations, the contributions that should be borne by the companies within the Group as required by the above social insurance plans are principally determined based on percentages of the basic salaries of employees, subject to certain ceilings imposed. These contributions are expensed as incurred.

As at 31 December 2023, 2024 and 2025 and April 30, 2026, the contributions payable in respect of the abovementioned social insurance plan amounted to RMB2,468,000, RMB2,126,000, RMB2,241,000 and RMB2,315,000 respectively.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026 included 1, 2, 1, 1 and 2 directors respectively, whose emoluments are disclosed in Note 44. The emoluments payable to the remaining 4, 3, 4, 4 and 3 individuals during the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026 respectively are as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Wages and salaries	6,654	4,961	6,269	2,064	1,452
Discretionary bonuses	3,601	637	1,476	7	2
Social securities and housing fund	818	895	1,336	486	351
Share-based compensation	6,523	6,960	8,822	2,309	3,195
	17,596	13,453	17,903	4,866	5,000

The emoluments of the above individuals fell within the following bands:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
				(Unaudited)	
Emoluments bands:					
HK$1,000,001 to HK$1,500,000	–	–	–	3	–
HK$1,500,001 to HK$2,000,000	–	–	–	1	3
HK$3,000,001 to HK$3,500,000	1	–	–	–	–
HK$3,500,001 to HK$4,000,000	1	–	–	–	–
HK$4,000,001 to HK$4,500,000	1	1	2	–	–
HK$4,500,001 to HK$5,000,000	–	1	–	–	–
HK$5,000,001 to HK$5,500,000	–	–	1	–	–
HK$5,500,001 to HK$6,000,000	–	–	1	–	–
HK$6,000,001 to HK$6,500,000	–	1	–	–	–
HK$8,000,001 to HK$8,500,000	1	–	–	–	–
	4	3	4	4	3

During the Track Record Period, no director or the five highest paid individuals received any emolument from the Group as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office.

11 FINANCE COSTS — NET

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Finance income					
Interest income	66,137	40,078	18,820	7,007	6,271
Finance costs					
Interest expenses on redemption liabilities	(502,974)	(546,296)	(90,101)	(90,101)	–
Interest expenses on lease liabilities	(2,242)	(1,865)	(1,109)	(430)	(214)

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Interest expenses on long-term payables and long-term employee benefits	(5,217)	(5,728)	(6,565)	(2,137)	(1,965)
Interest expenses on bank loans	–	–	(512)	–	(887)
	(510,433)	(553,889)	(98,287)	(92,668)	(3,066)
Amounts capitalized in qualifying assets of construction in progress	–	–	512	–	887
Finance costs – net	**(444,296)**	**(513,811)**	**(78,955)**	**(85,661)**	**4,092**

12 INCOME TAX EXPENSES

(a) PRC Corporate Income Tax ("CIT")

The income tax provision of the Group in respect of its operations in Chinese mainland was calculated at tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretation and practices in respect thereof.

The Company is qualified as "High and New Technology Enterprises" ("HNTEs") under the relevant PRC laws and regulations. Accordingly, the Company was entitled to a preferential income tax rate of 15% since 2023. The Company will reapply for HNTEs status every three years.

(b) Korea Corporate Income Tax

Subsidiary incorporated in South Korea is subject to Korea profits tax of which the tax rate is listed below for the Track Record Period.

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
				(Unaudited)	
Assessable profits					
KRW200 million or less	9.90%	9.90%	9.90%	9.90%	11.00%
More than KRW200 million and less than KRW20 billion	20.90%	20.90%	20.90%	20.90%	22.00%
More than KRW20 billion and less than KRW300 billion	23.10%	23.10%	23.10%	23.10%	24.20%
Over KRW300 billion	26.40%	26.40%	26.40%	26.40%	27.50%

Research and development (R&D) tax incentives

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. Mitus could claim R&D expenditure at either (i) 8% of the current qualifying R&D expenses or (ii) 40% of the incremental portion of the R&D expenses in the current year over the expenses in 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 next ten years.

The income tax expenses of the Group for the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026 are as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Current tax	31,548	16,464	27,492	8,509	10,723
Deferred income tax expenses *(Note 35)*	26,625	4,166	3,325	(1,701)	(8,769)
Income tax expenses	58,173	20,630	30,817	6,808	1,954

(c) Tax reconciliation

The tax on the Group's (loss)/profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the consolidated entities as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
(Loss)/Profit before income tax expenses	(448,086)	(676,475)	(246,956)	(152,682)	30,432
Tax calculated at statutory income tax rate of 25%	(112,022)	(169,119)	(61,739)	(38,171)	7,608
Tax effects of:					
– Effect of different tax rates in other jurisdictions *(iv)*	(2,577)	3,282	4,111	(5,502)	(10,432)
– Effect of preferential income tax rates	55,531	68,865	30,642	17,856	3,065
– Expenses not deductible for tax purposes *(i)*	10,872	13,745	26,237	4,142	5,441
– Recognition of previously unrecognized tax losses and temporary differences	(875)	(22)	(140)	–	(25)
– Research and development related super-deduction and tax credit recognized as deferred income tax assets *(ii) (iv)*	1,867	(17,678)	(17,669)	(2,935)	(17,565)
– Tax losses and temporary differences for which no deferred income tax assets was recognized *(iii)*	105,377	121,557	49,375	31,418	13,862
	58,173	20,630	30,817	6,808	1,954

(i) Expenses not deductible for tax purposes mainly comprise share-based payment expenses relating to the share-based awards granted by the Company to the employees. These share-based payment expenses were non-deductible for tax purposes for the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026 according to the applicable tax regulations. Expenses not deductible for tax purposes for the year ended December 31, 2025 also include the interest of the redemption liabilities which were not tax-deductible since the redemption liabilities have been irrevocably terminated.

(ii) According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 175% of their research and development expenses for the first three quarters of 2022, and 200% of it for the remaining period, so incurred as tax deductible expenses when determining their assessable profits for that year ("Super-deduction"). The Group has made its best estimation for the Super-deduction to be claimed for the Group's entities in ascertaining their assessable profits for the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026.

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. The Group has made its best estimation and recognized deferred tax assets for the tax credit related to qualifying R&D expenditure.

(iii) As at December 31, 2023, 2024, and 2025 and April 30, 2026, the Group had temporary differences which were not recognized as deferred income tax assets of approximately RMB1,129 million, RMB1,682 million, RMB30 million and RMB32 million respectively that can be carried forward against future taxable income. The reduction of the temporary difference which was not recognized as deferred income tax asset in 2025 is attributable to the termination of redemption liabilities, which results in the previously unrecognized temporary difference of RMB1,669 million as of December 31, 2024 no longer being tax-deductible.

As at December 31, 2023, 2024 and 2025 and April 30, 2026, the Group had unused tax losses which were not recognized as deferred income tax assets of approximately RMB183 million, RMB426 million, RMB738 million and RMB806 million respectively that can be carried forward against future taxable income. The unused tax losses of the Group were mainly from the companies incorporated in the PRC, where the accumulated tax losses will normally expire within 5 years. Pursuant to the relevant regulations on the extension of expiry of unused tax losses of HNTEs issued in August 2018, the accumulated tax losses of the Company will expire within 10 years.

(iv) As the estimated taxable profits generated by Mitus in the year of 2026 were higher than previously expected, the Group recognized deferred tax assets for temporary differences and the tax credit related to qualifying R&D expenditure, based on the future taxable profits expected to be sufficient to recover the deferred tax assets.

As at December 31, 2023, 2024 and 2025 and April 30, 2025 and 2026, the expiry dates of the unused tax losses for which no deferred tax asset is recognised are set out as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Year ending December 31, 2027	1,693	1,693	–	1,693	–
Year ending December 31, 2028	29,290	29,290	10,932	29,290	10,932
Year ending December 31, 2029	–	26,889	26,889	26,889	26,889
Year ending December 31, 2030	–	–	22,411	21,107	10,582
Year ending December 31, 2031	–	–	31,148	31,148	35,000
Year ending December 31, 2032	49,339	35,356	33,151	32,846	33,151
Year ending December 31, 2033	97,986	97,986	97,986	97,986	97,986
Year ending December 31, 2034	–	227,247	227,247	227,247	232,447
Year ending December 31, 2035	–	–	278,837	168,241	282,837
Year ending December 31, 2036	–	–	–	–	66,650
No expiry due date	4,941	7,298	9,734	8,460	9,846
	183,249	425,759	738,335	644,907	806,320

(d) Withholding income tax ("WHT")

According to the PRC enterprise income tax Law, distribution of profits earned by PRC companies since January 1, 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies.

The Company does not have any plan to require any of its subsidiaries, including its overseas subsidiaries to distribute their retained earnings and intends to retain them to operate and expand the business in the locations of business operation. Accordingly, no deferred income tax liability on WHT was recognized as at the end of each reporting period.

12a (LOSS)/PROFIT PER SHARE

(i) Basic

Basic (loss)/profit per share is calculated by dividing the net (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Year ended December 31			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
(Loss)/Profit attributable to owners of the Company (RMB'000)	(506,259)	(697,744)	(276,303)	(158,284)	28,478
Weighted average number of ordinary shares outstanding (thousands) *(a)*	47,839	50,000	50,000	50,000	50,000
Basic (loss)/profit per share (RMB)	(10.58)	(13.95)	(5.53)	(3.17)	0.57

(a) The weighted average number of ordinary shares has been retrospectively adjusted for the effect of the conversion of the Predecessor Company into a joint stock company as if the conversion had occurred at the beginning of the earliest year reported. Those shares with redemption right are also treated as ordinary shares for the purpose of calculating basic (loss)/profit per share.

(ii) Diluted

Diluted (loss)/profit per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary share.

The Company has no dilutive instrument for the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026. Accordingly, dilutive (loss)/profit per share is the same as basic (loss)/profit per share of the respective periods.

Pursuant to the shareholders' resolutions of the Company dated June 26, 2025, the Company will implement a [**REDACTED**] arrangement immediately prior to the [**REDACTED**]. The (loss)/profit per share presented above has not been taken into account the proposed [**REDACTED**] because it has not become effective as at the date of this report.

13 SUBSIDIARIES

(a) Subsidiaries of the Group

The Group's principal subsidiaries at December 31, 2023, 2024 and 2025 and April 30, 2026 are set out below. Unless otherwise stated, the proportion of ownership interests held equals to the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name	Place of operation and date of incorporation/ establishment	Principal activities	Paid in capital as at April 30, 2025	Ownership interest held By the Group as at								
				December 31,						April 30,		Date of report
				2023		2024		2025		2026		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
Silicon Mitus Inc. ("Mitus") *(i)* . .	South Korea February 5, 2007	Product development and manufacturing	KRW2,671,499,000	–	100.0%	–	100.0%	–	100.0%	–	100.0%	100.0%
Hangzhou Xintong Semiconductor Technology Co., Ltd. (杭州芯通半導體技術有限公司)	Hangzhou, PRC July 20, 2023	Product development and technical support	RMB200,000,000	–	–	100.0%	–	100.0%	–	100.0%	–	100.0%

(i) The Company, through a wholly owned subsidiary, acquired the 99.996% equity interest of Mitus through a series of transactions which were completed on October 30, 2020 with a total consideration of USD355 million, equivalent to approximately RMB2,386 million. The Company further acquired the remaining 0.004% shareholding in 2022.

(b) Investment in subsidiaries — the Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost of investments.	2,545,892	2,756,409	2,770,700	2,777,659
Less: Impairment	(1,093,847)	(1,100,847)	(1,096,847)	(1,096,847)
	1,452,045	1,655,562	1,673,853	1,680,812

	Year ended December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost of investments				
At beginning of the year/period.	2,463,997	2,545,892	2,756,409	2,770,700
Additional investments in subsidiaries .	81,895	210,517	18,291	6,959
Disposal of a subsidiary *(Note 8)*. . . .	–	–	(4,000)	–
At end of the year/period	2,545,892	2,756,409	2,770,700	2,777,659

	Year ended December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Impairment				
At beginning of the year/period.	1,093,847	1,093,847	1,100,847	1,096,847
Impairment	–	7,000	–	–
Disposal of a subsidiary *(Note 8)*. . . .	–	–	(4,000)	–
At end of the year/period	1,093,847	1,100,847	1,096,847	1,096,847

The Company records in its statements of financial position the "Investments in subsidiaries" including i) the paid-in capital to its directly held subsidiaries as listed above at RMB51 million, RMB170 million, RMB nil and RMB nil for the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2026, respectively, and ii) share-based compensation expenses for historical share incentives granted to certain employees of the subsidiaries using the Company's equity instruments, amounted to RMB31 million, RMB41 million, RMB18 million and RMB7 million for the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026, respectively.

14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The Group

	Year ended December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	65,000	108,880	123,272	117,950
Conversion from preferred shares	14,893	–	–	–
Share of profit/(loss)	12,380	4,779	(3,051)	(2,883)
Share of other comprehensive (loss)/income of investments accounted for using the equity method	(138)	(36)	(166)	1
Dilution gains/(losses)	16,157	13,389	(1,701)	–
Exchange difference	588	(3,740)	(404)	(1,578)
At end of the year/period	108,880	123,272	117,950	113,490

The Group has interests in a number of individually immaterial associates that are accounted for using the equity method. The aggregate carrying amount and the Group's share of the results of individually immaterial associates are as follows:

	As at/Year ended December 31,			As at/Four months ended April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Aggregate carrying amount of individually immaterial associates	108,880	123,272	117,950	113,490
Aggregate amounts of the Group's share of gains/(losses) from operations	12,380	4,779	(3,051)	(2,883)
Other comprehensive (loss)/income	(138)	(36)	(166)	1
Total comprehensive income/(loss)	12,242	4,743	(3,217)	(2,882)

The Company

	Year ended December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	65,000	77,728	87,638	87,233
Share of profit/(loss)	12,728	9,910	1,296	(1,761)
Dilution losses	–	–	(1,701)	–
At end of the year/period	77,728	87,638	87,233	85,472

Set out below are the details of the associates, accounted for using the equity method, of the Group as at December 31, 2023, 2024 and 2025 and April 30, 2026.

Name of entity	Place of operation	% of ownership interest As at December 31,			% of ownership interest As at April 31,
		2023	2024	2025	2026
Hangzhou Zhitong Enterprise Management LP ("Zhitong") *(i)*	Zhejiang, PRC	65.0%	61.9%	58.8%	58.8%
Iron Device Co, Ltd ("Iron device") *(ii)*	Seoul, South Korea	23.7%	17.9%	17.9%	17.9%

(i) Zhitong is an investment company, and principally engaged in equity investment in unlisted companies in the same industry. In December 2022, the Company, together with other partners, jointly established Zhitong and the Company serves as a limited partner with 1/3 of the total voting rights. The Company has significant influence on Zhitong and recognizes Zhitong as an associate. The share of profit/(loss) of Zhitong arises from changes in fair value of the invested companies as Zhitong measured the investments at fair value through profit and loss.

(ii) Iron Device is an associate of Mitus which is engaged in development and manufacturing of audio and power related IC devices. Mitus invested in both common shares and preferred shares. The preferred shares count for 15.22% of its voting rights according to the Article of Iron Device. The Group has significant influence on Iron Device and recognized the common share held as investment in associate, and the preferred shares held as financial assets at fair value through profit and losses (Note 24).

In 2023, Mitus exercised its conversion right of preferred shares of Iron Device and converted all of its preferred shares into common shares, Iron Device also completed new financing in 2023, in aggregate leading to share interest of Mitus decreased. Iron Device was listed on South Korean Stock Exchange in 2024 and the 2,500,000 common shares held by Mitus is subject to a two-year lock-up period. After the conversion, the investment of Iron Device is accounted for using equity method. The new financing from listing led to the decrease of share interest of Mitus further. Mitus has a representative seat on Iron Device's board of directors and has the power to participate in Iron Device's financial and operating policy decisions, the investment in Iron Device's common shares is accounted for using equity method in the Tracking Record Period. The quoted fair value of the investments in Iron Device was RMB46 million, RMB40 million and RMB42 million as of December 31, 2024 and 2025 and April 30, 2026, respectively, which were higher than the carrying amount.

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

When assessing whether the Group has the significant influence over the investees, the Group considers all the facts and circumstances including the right to appoint the representation on the board of directors, participation in policy-making processes, material transactions between the Group and its investee; interchange of managerial personnel; provision of essential technical information, as well as the existence and effect of substantive potential voting rights. In assessing whether potential voting rights are substantive, the Group also examines all facts and circumstances, including the terms and conditions of exercise of the potential voting rights and any other contractual arrangements whether considered individually or in combination.

15 GOODWILL

	Year ended December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period				
Cost	1,387,461	1,385,165	1,240,439	1,220,965
Accumulated impairment	(1,056,220)	(1,054,472)	(944,298)	(929,473)
Net book amount	331,241	330,693	296,141	291,492
Exchange difference of net book value	(548)	(34,552)	(4,649)	(15,227)
At end of the year/period				
Cost	1,385,165	1,240,439	1,220,965	1,157,186
Accumulated impairment	(1,054,472)	(944,298)	(929,473)	(880,921)
Net book amount	330,693	296,141	291,492	276,265

(a) Impairment tests for goodwill

The carrying amount of goodwill allocated to the Group of Cash-Generating Units ("CGU" or "CGUs") are as follows:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Mitus	1,385,165	1,240,439	1,220,965	1,157,186
Less: Impairment	(1,054,472)	(944,298)	(929,473)	(880,921)
	330,693	296,141	291,492	276,265

Detail impairment tests on the goodwill of the Group have been conducted by the management as at December 31, 2023, 2024 and 2025, according to IAS 36 "Impairment of assets". For the purposes of impairment review, the recoverable amounts of CGU are determined based on value in use ("VIU") calculations by using the discounted cash flow method. The management has conducted a retrospective review and the actual situation for the four months ended April 30, 2026 has demonstrated a positive result compared to the projection period during the impairment test on December 31, 2025. As of April 30, 2026, no significant adverse changes have been noted, thus no further detailed impairment test was conducted accordingly.

In 2021, the impairment for goodwill was recognized for KRW191,239 million (RMB1,025 million) as a result of the impairment test. The key assumptions used by management for VIU calculation for the impairment test of Mitus as at December 31, 2021 included: the revenue annual growth rates of -12%~3%; the gross margins of 32%~37%; the perpetual annual growth rates of 1.5%; and the pre-tax discount rates of 13.93%.

The key assumptions used by management for VIU calculation for the impairment test of Mitus as at December 31, 2023, 2024 and 2025, included: the revenue annual growth rates of -7%~6%, -3%~5% and -7%~12%; the gross margins of 33%~34%, 33%~34% and 31%~33%; the perpetual annual growth rates of 2%, 2%, and 2%; and the pre-tax discount rates of 12.90%, 12.83% and 13.04%, respectively.

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Revenue annual growth rate	Revenue annual growth rate is estimated over the five-year forecast period; based on past performance and management's expectations of market development. The management of the Group used a five-year period as the projection period for the cash flow forecast, which was in line with the period length used in the corresponding strategic planning and long-term budgeting purpose for many years. Based on the industry knowledge and understanding of the market and business cycle, the management considered that before the projections move into a long term stable period, such five-year period projection was reasonable and supportable.
Gross margin	Based on past performance and management's expectations for the future.
Perpetual annual growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the forecast period. The rates are determined after making reference to long term inflation rate of South Korea. The perpetual annual growth rates remained stable which was due to the fact that the long term inflation rates of South Korea were relatively stable during the Track Record Period.
Pre-tax discount rate	Estimated by using the weighted average cost of capital ("WACC") method. The WACC was calculated by referring to public market data including risk free rate, market return, beta of comparable public companies etc. and the specific risk of the business.

Based on management's assessment on the recoverable amounts, the headroom of Mitus Group as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Mitus	116,308	101,640	187,705

The headroom as of December 31, 2025 has no significant adverse changes noted in subsequent periods.

(b) Impact of possible changes in key assumptions

For the sensitivity analysis of Mitus Group conducted during the impairment review, had there been reasonably possible changes with reduction of the gross margin of each year during the forecast period by 0.50%, or an increase in pre-tax discount rate by 0.50%, or a reduction of perpetual annual growth rate by 0.50%, it would cause the reduction of the recoverable amount of Mitus Group as follows, if one of the key assumptions was to change while other variables held constant: As at December 31, 2023, the recoverable amount would decrease by RMB75 million, RMB43 million, and RMB28 million. As at December 31, 2024, the recoverable amount would decrease by RMB70 million, RMB41 million, and RMB27 million. As at December 31, 2025, the recoverable amount would decrease by RMB76 million, RMB36 million, and RMB22 million.

Had there been changes with reduction of the gross margin of each year during the forecast period by 1.23%, or an increase in pre-tax discount rate by 3.26%, after incorporating any consequential effects of the change on the other variables used to measure recoverable amount, the aggregate of the recoverable amount would be equal to the carrying amount.

As disclosed above, the management has considered and assessed reasonably possible changes for the key assumptions and has not identified any instances that would cause the carrying amounts of the CGUs to exceed their recoverable amounts as at December 31, 2023, 2024 and 2025, respectively. No significant adverse changes have been noted since the end of the reporting period.

16 PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery and equipment	Electronic equipment	Leasehold improvement	Office furniture	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost						
At December 31, 2022	60,335	11,627	10,031	2,113	–	84,106
Purchase	10,582	3,437	3,866	1,749	–	19,634
Disposals	(24)	(955)	(1,357)	–	–	(2,336)
Exchange difference	29	(9)	(18)	10	–	12
At December 31, 2023	70,922	14,100	12,522	3,872	–	101,416
Accumulated depreciation						
At December 31, 2022	(30,568)	(6,006)	(7,176)	(817)	–	(44,567)
Addition	(12,987)	(2,318)	(1,446)	(545)	–	(17,296)
Disposals	24	955	483	–	–	1,462
Exchange difference	(92)	5	1	(5)	–	(91)
At December 31, 2023	(43,623)	(7,364)	(8,138)	(1,367)	–	(60,492)
Net book value						
At December 31, 2022	29,767	5,621	2,855	1,296	–	39,539
At December 31, 2023	27,299	6,736	4,384	2,505	–	40,924
Cost						
At December 31, 2023	70,922	14,100	12,522	3,872	–	101,416
Purchase	30,964	6,069	547	1,221	75,531	114,332
Transfer from construction in progress	16,971	–	–	–	(16,971)	–
Disposals	–	(781)	–	(191)	–	(972)
Exchange difference	(7,703)	(1,309)	(715)	(215)	–	(9,942)
At December 31, 2024	111,154	18,079	12,354	4,687	58,560	204,834
Accumulated depreciation						
At December 31, 2023	(43,623)	(7,364)	(8,138)	(1,367)	–	(60,492)
Addition	(11,709)	(2,686)	(1,479)	(622)	–	(16,496)
Disposals	–	781	–	80	–	861
Exchange difference	4,834	642	665	107	–	6,248
At December 31, 2024	(50,498)	(8,627)	(8,952)	(1,802)	–	(69,879)
Provision for impairment loss						
At December 31, 2023	–	–	–	–	–	–
Addition	(188)	–	–	(912)	–	(1,100)
At December 31, 2024	(188)	–	–	(912)	–	(1,100)
Net book value						
At December 31, 2023	27,299	6,736	4,384	2,505	–	40,924
At December 31, 2024	60,468	9,452	3,402	1,973	58,560	133,855
Cost						
At December 31, 2024	111,154	18,079	12,354	4,687	58,560	204,834
Purchase	23,598	1,570	231	178	161,016	186,593
Transfer from construction in progress	23,326	–	851	–	(24,177)	–
Disposals	–	(574)	–	(912)	–	(1,486)
Exchange difference	(1,323)	(238)	(97)	(31)	–	(1,689)
At December 31, 2025	156,755	18,837	13,339	3,922	195,399	388,252
Accumulated depreciation						
At December 31, 2024	(50,498)	(8,627)	(8,952)	(1,802)	–	(69,879)
Addition	(17,499)	(3,185)	(1,349)	(628)	–	(22,661)
Disposals	–	386	–	1	–	387
Exchange difference	1,058	161	97	17	–	1,333
At December 31, 2025	(66,939)	(11,265)	(10,204)	(2,412)	–	(90,820)

	Machinery and equipment	Electronic equipment	Leasehold improvement	Office furniture	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Provision for impairment loss						
At December 31, 2024	(188)	–	–	(912)	–	(1,100)
Disposal	188	–	–	912	–	1,100
At December 31, 2025	–	–	–	–	–	–
Net book value						
At December 31, 2024	60,468	9,452	3,402	1,973	58,560	133,855
At December 31, 2025	89,816	7,572	3,135	1,510	195,399	297,432
Cost						
At December 31, 2025	156,755	18,837	13,339	3,922	195,399	388,252
Purchase	13,967	3,483	–	8	12,928	30,386
Transfer from construction in progress	131	–	1,041	–	(1,172)	–
Disposals	(951)	(41)	–	–	–	(992)
Exchange difference	(4,343)	(808)	(318)	(98)	–	(5,567)
At April 30, 2026	165,559	21,471	14,062	3,832	207,155	412,079
Accumulated depreciation						
At December 31, 2025	(66,939)	(11,265)	(10,204)	(2,412)	–	(90,820)
Addition	(6,864)	(1,075)	(521)	(206)	–	(8,666)
Disposals	951	41	–	–	–	992
Exchange difference	1,976	437	309	70	–	2,792
At April 30, 2026	(70,876)	(11,862)	(10,416)	(2,548)	–	(95,702)
Net book value						
At December 31, 2025	89,816	7,572	3,135	1,510	195,399	297,432
At April 30, 2026	94,683	9,609	3,646	1,284	207,155	316,377

Depreciation expenses have been charged to profit or loss and are presented in the consolidated statements of comprehensive loss as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Cost of sales	4,166	2,311	3,500	867	1,917
Selling and marketing expenses	230	252	270	93	74
General and administrative expenses	2,886	3,506	3,680	1,167	1,194
Research and development expenses	10,014	10,427	15,211	4,860	5,481
	17,296	16,496	22,661	6,987	8,666

The Company

	Machinery and equipment	Electronic equipment	Leasehold improvement	Office furniture	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost					
At December 31, 2022	3,281	1,339	1,916	700	7,236
Purchase	3,606	1,370	3,053	485	8,514
At December 31, 2023	6,887	2,709	4,969	1,185	15,750
Accumulated depreciation					
At December 31, 2022	(647)	(637)	(1,036)	(171)	(2,491)
Addition	(1,531)	(532)	(643)	(141)	(2,847)
At December 31, 2023	(2,178)	(1,169)	(1,679)	(312)	(5,338)

	Machinery and equipment	Electronic equipment	Leasehold improvement	Office furniture	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Net book value					
At December 31, 2022	2,634	702	880	529	4,745
At December 31, 2023	4,709	1,540	3,290	873	10,412
Cost					
At December 31, 2023	6,887	2,709	4,969	1,185	15,750
Purchase	10,866	1,295	368	64	12,593
At December 31, 2024	17,753	4,004	5,337	1,249	28,343
Accumulated depreciation					
At December 31, 2023	(2,178)	(1,169)	(1,679)	(312)	(5,338)
Addition	(2,310)	(701)	(961)	(228)	(4,200)
At December 31, 2024	(4,488)	(1,870)	(2,640)	(540)	(9,538)
Net book value					
At December 31, 2023	4,709	1,540	3,290	873	10,412
At December 31, 2024	13,265	2,134	2,697	709	18,805
Cost					
At December 31, 2024	17,753	4,004	5,337	1,249	28,343
Purchase	18,974	197	851	135	20,157
At December 31, 2025	36,727	4,201	6,188	1,384	48,500
Accumulated depreciation					
At December 31, 2024	(4,488)	(1,870)	(2,640)	(540)	(9,538)
Addition	(4,051)	(946)	(826)	(245)	(6,068)
At December 31, 2025	(8,539)	(2,816)	(3,466)	(785)	(15,606)
Net book value					
At December 31, 2024	13,265	2,134	2,697	709	18,805
At December 31, 2025	28,188	1,385	2,722	599	32,894
Cost					
At December 31, 2025	36,727	4,201	6,188	1,384	48,500
Purchase	351	31	–	5	387
At April 30, 2026	37,078	4,232	6,188	1,389	48,887
Accumulated depreciation					
At December 31, 2025	(8,539)	(2,816)	(3,466)	(785)	(15,606)
Addition	(1,768)	(298)	(329)	(85)	(2,480)
At April 30, 2026	(10,307)	(3,114)	(3,795)	(870)	(18,086)
Net book value					
At December 31, 2025	28,188	1,385	2,722	599	32,894
At April 30, 2026	26,771	1,118	2,393	519	30,801

(a) Depreciation methods and useful lives

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Machinery and equipment . . . . . 3-10 years
- Electronic equipment . . . . . 3-5 years
- Office furniture . . . . . 3-5 years
- Leasehold improvement . . . . . the shorter of the beneficial period and the remaining lease term

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

17 LEASES

This note provides information for leases where the Group is a lessee.

The Group

(a) Amounts recognized in the consolidated statements of financial position

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Right-of-use assets				
Buildings	39,077	26,780	16,075	25,018
Vehicles	592	1,158	799	972
Land-use Rights	–	15,401	15,088	14,984
	39,669	43,339	31,962	40,974
Lease liabilities				
Current	19,028	18,351	12,203	18,942
Non-current	21,663	10,364	5,138	6,561
	40,691	28,715	17,341	25,503

Additions to buildings leases during the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026 were RMB18,982,000, RMB8,374,000, RMB8,693,000, RMB3,283,000 and RMB15,467,000, respectively. Additions to vehicles leases during the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026 were RMB49,000, RMB1,276,000, RMB218,000, RMB57,000 and RMB403,000, respectively. Additions to land-use rights during the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026 were RMB nil, RMB15,635,000, RMB nil, RMB nil and RMB nil, respectively.

(b) Amounts recognized in the consolidated statements of comprehensive loss

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Depreciation charge of right-of-use assets					
Buildings	16,447	18,595	19,414	6,411	5,931
Vehicles	488	608	564	183	182
Land-use rights	–	235	313	104	104
	16,935	19,438	20,291	6,698	6,217
Interest expense *(Note 11)*	2,242	1,865	1,109	430	214
Expense relating to short-term and low-value leases not included in lease liabilities	419	437	739	220	118

The total cash outflows for long-term leases please refer to the payments for lease liabilities in the consolidated statements of cash flows, and short-term leases during the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026 were approximately RMB419,000, RMB437,000, RMB739,000, RMB220,000 and RMB118,000, respectively.

(c) The Group's leasing activities and how these are accounted for

The Group leases offices, vehicles as lessee. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option, and

- lease payments to be made under reasonably certain extension options are also included in the measurement of lease liabilities.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

The Group's lease payments are deductible upon payment for tax purposes. In accounting for the deferred tax relating to the lease, the Group separately accounts for the deferred taxation on the taxable temporary difference and the deductible temporary difference, which upon initial recognition are equal and offset to zero. Deferred tax is recognized on subsequent changes to the taxable and temporary differences.

(d) Land-use right

Land-use right is recognized at cost. Amortization is calculated using the straight-line method based on the beneficial period for fifty years.

The Company

Amounts recognized in the company statements of financial position

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Right-of-use assets				
Buildings	6,926	7,424	7,276	9,545
Lease liabilities				
Current	3,287	2,908	3,801	4,704
Non-current	3,877	4,344	3,597	4,721
	7,164	7,252	7,398	9,425

Additions to buildings leases during the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026 were RMB6,019,000, RMB3,723,000, RMB3,160,000, RMB2,740,000 and RMB4,115,000, respectively.

18 INTANGIBLE ASSETS

The Group

	Computer software	Customer relationship	Patents and non-patent technologies	Trademark rights	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost						
At December 31, 2022	55,655	140,749	131,167	104,435	5,168	437,174
Purchase	63,493	–	1,700	–	4,118	69,311
Disposal	(37,952)	–	–	–	–	(37,952)
Exchange difference	252	(233)	(217)	(173)	74	(297)
At December 31, 2023	81,448	140,516	132,650	104,262	9,360	468,236

	Computer software	Customer relationship	Patents and non-patent technologies	Trademark rights	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated amortization						
At December 31, 2022	(40,772)	(63,337)	(69,846)	(23,504)	–	(197,459)
Addition	(22,415)	(27,573)	(21,954)	(10,232)	–	(82,174)
Disposal	37,952	–	–	–	–	37,952
Exchange difference	357	(426)	(305)	(158)	–	(532)
At December 31, 2023	(24,878)	(91,336)	(92,105)	(33,894)	–	(242,213)
Provision for impairment loss						
At December 31, 2022	–	–	–	–	(828)	(828)
Addition	–	–	–	–	–	–
Disposal	–	–	–	–	–	–
Exchange difference	–	–	–	–	–	–
At December 31, 2023	–	–	–	–	(828)	(828)
Net book value						
At December 31, 2022	14,883	77,412	61,321	80,931	4,340	238,887
At December 31, 2023	56,570	49,180	40,545	70,368	8,532	225,195
Cost						
At December 31, 2023	81,448	140,516	132,650	104,262	9,360	468,236
Purchase	5,264	–	–	–	11,317	16,581
Disposal	(2,283)	–	–	–	–	(2,283)
Exchange difference	(7,597)	(14,681)	(13,682)	(10,894)	(1,649)	(48,503)
At December 31, 2024	76,832	125,835	118,968	93,368	19,028	434,031
Accumulated amortization						
At December 31, 2023	(24,878)	(91,336)	(92,105)	(33,894)	–	(242,213)
Addition	(22,098)	(26,783)	(21,358)	(9,926)	–	(80,165)
Disposal	2,283	–	–	–	–	2,283
Exchange difference	3,448	11,159	10,864	4,128	–	29,599
At December 31, 2024	(41,245)	(106,960)	(102,599)	(39,692)	–	(290,496)
Provision for impairment loss						
At December 31, 2023	–	–	–	–	(828)	(828)
Addition	(707)	–	–	–	(1,186)	(1,893)
Disposal	–	–	–	–	–	–
Exchange difference	–	–	–	–	157	157
At December 31, 2024	(707)	–	–	–	(1,857)	(2,564)
Net book value						
At December 31, 2023	56,570	49,180	40,545	70,368	8,532	225,195
At December 31, 2024	34,880	18,875	16,369	53,676	17,171	140,971
Cost						
At December 31, 2024	76,832	125,835	118,968	93,368	19,028	434,031
Purchase	5,963	–	–	–	–	5,963
Disposal	–	–	–	–	(3,831)	(3,831)
Disposal of a subsidiary	(707)	–	–	–	–	(707)
Exchange difference	(1,196)	(1,975)	(1,841)	(1,466)	(167)	(6,645)
At December 31, 2025	80,892	123,860	117,127	91,902	15,030	428,811
Accumulated amortization						
At December 31, 2024	(41,245)	(106,960)	(102,599)	(39,692)	–	(290,496)
Addition	(21,943)	(19,238)	(15,409)	(9,519)	–	(66,109)
Exchange difference	1,207	2,338	2,129	949	–	6,623
At December 31, 2025	(61,981)	(123,860)	(115,879)	(48,262)	–	(349,982)

	Computer software	Customer relationship	Patents and non-patent technologies	Trademark rights	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Provision for impairment loss						
At December 31, 2024	(707)	–	–	–	(1,857)	(2,564)
Reversal	–	–	–	–	1,137	1,137
Disposal of a subsidiary	707	–	–	–	–	707
Exchange difference	–	–	–	–	(10)	(10)
At December 31, 2025	–	–	–	–	(730)	(730)
Net book value						
At December 31, 2024	34,880	18,875	16,369	53,676	17,171	140,971
At December 31, 2025	18,911	–	1,248	43,640	14,300	78,099
Cost						
At December 31, 2025	80,892	123,860	117,127	91,902	15,030	428,811
Purchase	45,238	–	1,000	–	3,852	50,090
Disposal	–	–	–	–	–	–
Exchange difference	(4,406)	(6,470)	(6,029)	(4,801)	(875)	(22,581)
At April 30, 2026	121,724	117,390	112,098	87,101	18,007	456,320
Accumulated amortization						
At December 31, 2025	(61,981)	(123,860)	(115,879)	(48,262)	–	(349,982)
Addition	(8,692)	–	(73)	(2,973)	–	(11,738)
Exchange difference	2,962	6,470	6,029	2,590	–	18,051
At April 30, 2026	(67,711)	(117,390)	(109,923)	(48,645)	–	(343,669)
Provision for impairment loss						
At December 31, 2025	–	–	–	–	(730)	(730)
Reversal	–	–	–	–	–	–
Exchange difference	–	–	–	–	38	38
At April 30, 2026	–	–	–	–	(692)	(692)
Net book value						
At December 31, 2025	18,911	–	1,248	43,640	14,300	78,099
At April 30, 2026	54,013	–	2,175	38,456	17,315	111,959

The amortization of intangible assets recognized in the consolidated statements of comprehensive loss are analysed as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Selling and marketing expenses	38,022	36,937	29,011	11,661	3,053
General and administrative expenses	1,571	2,260	2,507	824	813
Research and development expenses	42,581	40,968	34,591	12,956	7,872
	82,174	80,165	66,109	25,441	11,738

The Company

	Computer Software	Patents	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost			
At December 31, 2022	447	–	447
Increases in the current year			
Purchase	9,117	1,700	10,817
At December 31, 2023	9,564	1,700	11,264
Accumulated amortization			
At December 31, 2022	(79)	–	(79)
Increases in the current year			
Addition	(973)	(113)	(1,086)
At December 31, 2023	(1,052)	(113)	(1,165)
Net book value			
At December 31, 2022	368	–	368
At December 31, 2023	8,512	1,587	10,099
Cost			
At December 31, 2023	9,564	1,700	11,264
Increases in the current year			
Purchase	486	–	486
At December 31, 2024	10,050	1,700	11,750
Accumulated amortization			
At December 31, 2023	(1,052)	(113)	(1,165)
Increase in the current year			
Addition	(3,388)	(170)	(3,558)
At December 31, 2024	(4,440)	(283)	(4,723)
Net book value			
At December 31, 2023	8,512	1,587	10,099
At December 31, 2024	5,610	1,417	7,027
Cost			
At December 31, 2024	10,050	1,700	11,750
Increases in the current year			
Purchase	1,192	–	1,192
At December 31, 2025	11,242	1,700	12,942
Accumulated amortization			
At December 31, 2024	(4,440)	(283)	(4,723)
Increase in the current period/year			
Addition	(3,456)	(170)	(3,626)
At December 31, 2025	(7,896)	(453)	(8,349)
Net book value			
At December 31, 2024	5,610	1,417	7,027
At December 31, 2025	3,346	1,247	4,593
Cost			
At December 31, 2025	11,242	1,700	12,942
Increases in the current period	–	–	–
Purchase	11,544	1,000	12,544
At April 30, 2026	22,786	2,700	25,486
Accumulated amortization			
At December 31, 2025	(7,896)	(453)	(8,349)
Increase in the current period	–	–	–
Addition	(2,190)	(73)	(2,263)
At April 30, 2026	(10,086)	(526)	(10,612)

	Computer Software	Patents	Total
	RMB'000	*RMB'000*	*RMB'000*
Net book value			
At December 31, 2025	3,346	1,247	4,593
At April 30, 2026	12,700	2,174	14,874

Patents and non-patent technologies

The cost of patent and non-patent technologies obtained in the business combinations involving enterprises not under common control is measured at fair value. Patents and non-patent technologies are amortized on a straight-line basis based on the statutory period of validity, the period as stipulated by contracts or the beneficial period over their estimated useful life up to five years.

Trademark rights

The cost of trademark rights obtained in the business combinations involving enterprises not under common control is measured at fair value. Trademark rights are amortized on a straight-line basis based on the beneficial period for ten years.

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire the specific software.

Computer software licenses are amortized on a straight-line basis based on the beneficial period for 3 to 5 years.

Research and development

Research expenditure is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

No research expenditure is recognized as intangible assets in the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026.

Customer relationship

Customer relationships acquired in a business combination are recognized at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate its cost over the expected life of the customer relationships for five years. The expected useful life is determined with reference to the past experience of the customer churn rate and the projected period of future economic benefits from customer relationships.

Others of intangible assets mainly consist of golf club memberships with indefinite useful life, which are purchased for business and employee benefit. The Group test the intangible assets with an indefinite useful life for impairment by comparing their recoverable amounts with their carrying amount annually and whenever there is an indication that the intangible asset may be impaired. The recoverable amounts of the golf club memberships are the higher of the assets' fair value less costs of disposal and its value in use.

19 OTHER NON-CURRENT ASSETS

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Valued-added tax ("VAT") to be deducted or refunded	–	–	15,434	20,824
Rental deposits	26,738	10,102	2,489	12,956
Prepayments for property, plant and equipment	11,898	4,511	4,232	4,803
	38,636	14,613	22,155	38,583

20 FINANCIAL INSTRUMENTS BY CATEGORY

	Notes	As at December 31,			As at April 30,
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets					
Financial assets at amortized cost:					
– Trade and note receivables	*22*	140,520	156,433	129,210	211,920
– Other receivables (included in prepayments and other receivables)	*21*	1,918	2,634	9,475	4,560
– Cash and cash equivalents	*25*	2,501,479	1,538,672	1,207,952	791,147
– Other non-current assets	*19*	26,738	10,102	2,489	12,956
– Restricted cash	*25*	79,021	86,564	67,180	52,543
– Time deposits	*25*	514,042	315,578	913,785	814,152
Financial assets at fair value through profit or loss:					
– Unlisted equity investment	*24*	228,170	240,138	209,857	226,145
– Structured deposits	*3.3*	–	891,022	600,414	931,299
Financial assets at fair value through other comprehensive income:					
– Note receivables	*22*	–	–	58,976	35,570
– Unlisted equity investment	*24*	1,540,763	1,500,256	1,499,411	1,434,734
		5,032,651	4,741,399	4,698,749	4,515,026
Financial liabilities					
Financial liabilities at amortized cost:					
– Trade payables	*32*	135,285	165,890	289,187	238,334
– Lease liabilities	*17*	40,691	28,715	17,341	25,503
– Accrued expenses and other payables (excluding tax payables and salary payables)	*33*	91,444	94,640	139,562	141,663
– Long-term payables	*37*	18,924	1,722	2,871	31,470
– Redemption liabilities	*30*	7,615,436	8,161,732	–	–
– Borrowings	*39*	–	–	98,899	100,272
Financial liabilities at fair value through profit or loss					
– Derivative financial liabilities	*3.3*	–	39,847	–	5,308
		7,901,780	8,492,546	547,860	542,550

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

21 PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other receivables				
– Rental, bidding and other deposits	36	1,503	9,044	4,324
– Receivables from employees and others	1,882	1,131	431	236
Gross other receivables	1,918	2,634	9,475	4,560
Less: loss allowance	–	–	–	–
	1,918	2,634	9,475	4,560
Prepayment to suppliers	5,299	10,193	3,488	1,917
Total	7,217	12,827	12,963	6,477

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other receivables				
– Receivables from subsidiaries	3,928	14,419	766	6,251
– Rental, bidding and other deposits	3	3	5	5
– Receivables from employees and others	1,509	761	408	228
Gross other receivables	5,440	15,183	1,179	6,484
Less: loss allowance	–	–	–	–
	5,440	15,183	1,179	6,484
Prepayment to suppliers	3,802	4,366	2,036	1,642
Total	9,242	19,549	3,215	8,126

22 TRADE AND NOTE RECEIVABLES

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
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)
Subtotal	140,520	156,433	188,186	247,490
– measured at amortized cost *(Note 20)*	140,520	156,433	129,210	211,920
– measured at FVOCI *(Note 20)*	–	–	58,976	35,570
Total trade and note receivables	140,520	156,433	188,186	247,490
Expected credit losses rate	1.1%	1.0%	0.9%	0.9%

The Group's trade receivables denominated in foreign currencies are mainly USD.

The carrying amounts of the Group's note receivables measured at fair value through other comprehensive income endorsed by the Group was RMB62 million and RMB29 million, respectively, during the year ended December 31, 2025 and the four months ended April 30, 2026.

The Group decides trading terms with customers on a case-by-case basis. The credit terms given to trade customers are determined on an individual basis with the normal contractual credit period mainly within 90 days. The aging analysis of the trade and note receivables based on date of revenue recognition is as follows:

	As at December 31,			As at 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

Due to the short-term nature of the current receivables, their carrying amounts are considered to be approximately the same as their fair values.

The Group does not hold any collateral as security over these debtors as at December 31, 2023, 2024 and 2025 and April 30, 2026.

As at December 31, 2023, 2024 and 2025 and April 30, 2026, the Group did not identify any individually impaired trade and note receivables for the assessment of loss allowance.

The movement on the allowance for impairment of trade and note receivables please refer to Note 3.1.

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	43,145	50,270	48,636	71,332
Note receivables	–	8,552	58,976	35,570
Less: loss allowance	(1,058)	(1,206)	(1,244)	(1,613)
Subtotal	42,087	57,616	106,368	105,289
– measured at amortized cost *(Note 20)*	42,087	57,616	47,392	69,719
– measured at FVOCI *(Note 20)*	–	–	58,976	35,570
Total trade and note receivables	42,087	57,616	106,368	105,289
Expected credit losses rate	2.5%	2.1%	1.2%	1.5%

The Company's trade receivables denominated in foreign currencies are mainly USD.

The carrying amounts of the Company's note receivables measured at fair value through other comprehensive income endorsed by the Company was RMB62 million and RMB29 million, respectively, during the year ended December 31, 2025 and the four months ended April 30, 2026.

The Company decides trading terms with customers on a case-by-case basis. The credit terms given to trade customers are determined on an individual basis with the normal contractual credit period mainly within 90 days. The aging analysis of the trade and note receivables based on date of revenue recognition is as follows:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	43,145	58,822	107,612	106,902
Less: loss allowance	(1,058)	(1,206)	(1,244)	(1,613)
	42,087	57,616	106,368	105,289

Due to the short-term nature of the current receivables, their carrying amounts are considered to be approximately the same as their fair values.

The Company does not hold any collateral as security over these debtors as at December 31, 2023, 2024 and 2025 and April 30, 2026.

23 INVENTORIES

The Group

	As at December 31,			As at 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)
	330,591	344,060	427,055	443,275

(a) Amounts recognized in profit or loss

Inventories recognized as cost of sales during the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026 was RMB1,063 million, RMB1,086 million, RMB1,399 million, RMB387 million and RMB610 million, respectively.

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of direct material is determined on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Work in process	45,360	45,619	125,847	152,456
Raw materials	7,169	28,672	28,777	14,525
Finished goods	9,761	33,084	35,827	39,892
Contract fulfilment cost	–	31	62	64
	62,290	107,406	190,513	206,937
Less: allowance for impairment of inventories	(20,367)	(26,957)	(19,346)	(16,025)
	41,923	80,449	171,167	190,912

24 FINANCIAL ASSETS AT FAIR VALUE

(a) Financial assets at FVPL

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets				
Unlisted equity investment *(i)*	228,170	240,138	209,857	226,145
Current assets				
Structured deposits	–	891,022	600,414	931,299

Financial assets at FVPL were presented within investing activities in the consolidated statement of cash flows. The net fair value gains of FVPL for the years ended December 31, 2023 and 2024 and the four months ended April 30, 2026 were RMB14 million, RMB19 million and RMB22 million, respectively, and the net fair value losses of FVPL for the year ended December 31, 2025 and the four months ended April 30, 2025 were RMB14 million and RMB30 million, respectively (Note 8).

(i) The Group holds redeemable convertible preferred share or ordinary shares with preference rights of the following entities. The investments in these entities are measured at fair value through profit or loss.

Company name	Place of incorporation and operation and date of incorporation	Attributable equity interests to the Group			
		As at December 31,			As at April 30,
		2023	2024	2025	2026
Zhejiang Hexin Integrated Circuit Co., Ltd ("浙江禾芯集成電路有限公司")	The PRC, January 8, 2021	10.47%	10.29%	10.29%	9.92%
Huaxin (Jiaxing) Intelligent Manufacturing Co., Ltd ("華芯(嘉興)智能裝備有限公司")	The PRC, June 17, 2021	4.81%	4.81%	4.81%	4.57%

Carrying amount of the above investments as at December 31, 2023, 2024 and 2025 and April 30, 2026 are set forth below:

Company name	Carrying amount			
	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Zhejiang Hexin Integrated Circuit Co., Ltd ("浙江禾芯集成電路有限公司")	162,942	164,616	136,217	165,694
Huaxin (Jiaxing) Intelligent Manufacturing Co., Ltd ("華芯(嘉興)智能裝備有限公司")	65,228	75,522	73,640	60,451
	228,170	240,138	209,857	226,145

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets				
Unlisted equity investment *(i)*	228,170	240,138	209,857	226,145
Current assets				
Structured deposits	–	832,862	600,414	931,299

Financial assets at FVPL were presented within investing activities in the consolidated statement of cash flows.

(i) The Company holds redeemable convertible preferred share or ordinary shares with preference rights of the following entities. The investments in these entities are measured at fair value through profit or loss.

Company name	Place of incorporation and operation and date of incorporation	Attributable equity interests to the Group			
		As at December 31,			As at April 30,
		2023	2024	2025	2026
Zhejiang Hexin Integrated Circuit Co., Ltd ("浙江禾芯集成電路有限公司")	The PRC, January 8, 2021	10.47%	10.29%	10.29%	9.92%
Huaxin (Jiaxing) Intelligent Manufacturing Co., Ltd ("華芯(嘉興)智能裝備有限公司")	The PRC, June 17, 2021	4.81%	4.81%	4.81%	4.57%

Carrying amount of the above investments as at December 31, 2023, 2024 and 2025 and April 30, 2026 are set forth below:

Company name	Carrying amount			
	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Zhejiang Hexin Integrated Circuit Co., Ltd ("浙江禾芯集成電路有限公司")	162,942	164,616	136,217	165,694
Huaxin (Jiaxing) Intelligent Manufacturing Co., Ltd ("華芯(嘉興)智能裝備有限公司")	65,228	75,522	73,640	60,451
	228,170	240,138	209,857	226,145

(b) Financial assets at FVOCI

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets				
Note receivables	–	–	58,976	35,570
Non-current assets				
Unlisted equity investment *(i)*	1,540,763	1,500,256	1,499,411	1,434,734

(i) The Group holds 16.76% equity interest in Fullsemi Semiconductor, a wafer fabrication foundry. In accordance with the articles of association of Hangzhou Fullsemi and the relevant agreements signed by its all shareholders, the Company has no right to appoint director to Hangzhou Fullsemi, and no director of Hangzhou Fullsemi is on behalf of the Company. In addition, there are no substantive potential voting rights which can be currently exercisable solely on the Group's discretion throughout the Track Record Period. The Group's purchases from Fullsemi Semiconductor amounted to approximately RMB24 million, RMB135 million, RMB434 million and RMB231 million for the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026, respectively. Such transactions were entered into based on the market price mechanism, and the Group does not believe that the past and anticipated transaction volume in future between the Group and Fullsemi Semiconductor indicates that Fullsemi Semiconductor's operation and business substantially relies on the Group.

Therefore, the Group determines that it has no significant influence over Fullsemi Semiconductor and has irrevocably designated the investment as FVOCI.

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets				
Note receivables	–	–	58,976	35,570
Non-current assets				
Unlisted equity investment	1,540,763	1,500,256	1,499,411	1,434,734

Risk exposure and fair value measurements

Information about the Group's exposure to financial risk is provided in Note 3.1 and information about the methods and assumptions used in determining fair value is set out in Note 3.3.

Accounting policies

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ('OCI') or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivative instruments

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period, and the changes are recognised in profit and loss and presented whin "other gains/(losses) — net" in the statement of comprehensive income.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "other gains/(losses) — net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in "other gains/(losses) — net". Interest income from these financial assets is included in "finance income" using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains/(losses) — net" and impairment losses are presented as separate line item in the consolidated income statements.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within "other gains/(losses) — net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in profit or loss and presented within "other gains/(losses) — net" in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

25 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents

The Group

	As at December 31,			As at 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 *(b)*	(79,021)	(86,564)	(67,180)	(52,543)
Time deposits with maturity over 3 months *(c)*	(514,042)	(315,578)	(913,785)	(814,152)
Cash and cash equivalents	2,501,479	1,538,672	1,207,952	791,147

Cash and cash equivalents of the Group are denominated in the following currencies:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	2,116,194	825,237	426,332	280,833
USD	213,680	390,522	418,362	148,867
KRW	171,191	322,590	362,646	360,925
Others	414	323	612	522
Total	2,501,479	1,538,672	1,207,952	791,147

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at banks	2,181,361	1,042,137	1,110,860	693,328
Less: Restricted cash *(b)*	(79,021)	(86,564)	(67,180)	(52,543)
Time deposits with maturity over 3 months *(c)*	–	(147,685)	(654,847)	(369,899)
Cash and cash equivalents	2,102,340	807,888	388,833	270,886

Cash and cash equivalents of the Company are denominated in the following currencies:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	2,070,545	767,617	361,255	249,765
USD	31,795	40,271	27,578	21,121
Total	2,102,340	807,888	388,833	270,886

(b) Restricted cash

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current	50,419	46,464	44,008	44,206
Current	28,602	40,100	23,172	8,337
	79,021	86,564	67,180	52,543

Restricted cash is security deposit for performance guarantee issued for the Company.

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current	50,419	46,464	44,008	44,206
Current	28,602	40,100	23,172	8,337
	79,021	86,564	67,180	52,543

(c) Time deposits with maturity over 3 months

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Principal	512,919	314,400	905,922	807,748
Interest income	1,123	1,178	7,863	6,404
	514,042	315,578	913,785	814,152

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Principal	–	147,153	648,746	367,746
Interest income	–	532	6,101	2,153
	–	147,685	654,847	369,899

26 OTHER CURRENT ASSETS

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Value-added tax ("VAT") to be deducted or refunded	28,420	41,619	33,650	35,105
Income tax refund receivables	–	4,543	–	–
Others	3,272	–	4,834	5,506
	31,692	46,162	38,484	40,611

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
VAT input to be deducted	14,695	1,628	21,959	21,945
Others	–	–	4,834	5,506
	14,695	1,628	26,793	27,451

27 PAID-IN CAPITAL/SHARE CAPITAL

	Paid-in capital/ Share capital
	RMB'000
At December 31, 2022	24,898
Contributions from shareholders	2,182
At December 31, 2023	27,080
Contributions from shareholders	–
At December 31, 2024	27,080
Conversion into a joint stock company	22,920
At December 31, 2025	50,000
(Unaudited)	
Contributions from shareholders	–
At April 30, 2025	27,080
Contributions from shareholders	–
At April 30, 2026	50,000

28 TREASURY STOCK AND RESERVES

The Group

		Reserve			
	Treasury stock	Share premium	Share-based payments reserves	Other reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2022	(6,253,000)	6,261,819	220,716	(131,026)	6,351,509
Contribution from shareholders *(i)*	–	294,680	–	–	294,680
Share-based payment compensation *(Note 31)*	–	–	47,890	–	47,890
Recognition of redemption liabilities for the preferred rights granted to investors *(Note 30)*	(200,000)	–	–	–	–
Recognition of financial assets at fair value through other comprehensive income *(Note 24)*	–	–	–	60,581	60,581
Changes arising from remeasurement of defined benefit plan, net of tax	–	–	–	(24,153)	(24,153)
Currency translation differences of foreign operations	–	–	–	704	704
Share of other comprehensive loss of investments accounted for using the equity method	–	–	–	(138)	(138)
At December 31, 2023	(6,453,000)	6,556,499	268,606	(94,032)	6,731,073
At January 1, 2024	(6,453,000)	6,556,499	268,606	(94,032)	6,731,073
Share-based payment compensation *(Note 31)*	–	–	64,117	–	64,117
Recognition of financial assets at fair value through other comprehensive income *(Note 24)*	–	–	–	(34,431)	(34,431)
Changes arising from remeasurement of defined benefit plan, net of tax	–	–	–	(12,319)	(12,319)
Currency translation differences of foreign operations	–	–	–	(174,970)	(174,970)

		Reserve			
	Treasury stock	Share premium	Share-based payments reserves	Other reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Share of other comprehensive loss of investments accounted for using the equity method	–	–	–	(36)	(36)
At December 31, 2024	(6,453,000)	6,556,499	332,723	(315,788)	6,573,434

		Reserve			
	Treasury stock	Share premium	Share-based payments reserves	Other reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025	(6,453,000)	6,556,499	332,723	(315,788)	6,573,434
Termination of redemption liabilities	6,453,000	1,798,833	–	–	1,798,833
Share-based payment compensation *(Note 31)*	–	–	55,619	–	55,619
Recognition of financial assets at fair value through other comprehensive income *(Note 24)*	–	–	–	(807)	(807)
Changes arising from remeasurement of defined benefit plan, net of tax	–	–	–	3,343	3,343
Conversion into a joint stock company	–	–	–	(3,306,861)	(3,306,861)
Currency translation differences of foreign operations	–	–	–	(25,522)	(25,522)
Share of other comprehensive income of investments accounted for using the equity method	–	–	–	(166)	(166)
At December 31, 2025	–	8,355,332	388,342	(3,645,801)	5,097,873

		Reserve			
	Treasury stock	Share premium	Share-based payments reserves	Other reserves	Total reserves
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*
At January 1, 2025	(6,453,000)	6,556,499	332,723	(315,788)	6,573,434
Termination of redemption liabilities	6,453,000	1,798,833	–	–	1,798,833
Share-based payment compensation *(Note 31)*	–	–	11,755	–	11,755
Recognition of financial assets at fair value through other comprehensive income *(Note 24)*	–	–	–	5,013	5,013
Changes arising from remeasurement of defined benefit plan, net of tax	–	–	–	502	502
Currency translation differences of foreign operations	–	–	–	40,215	40,215
Share of other comprehensive income of investments accounted for using the equity method	–	–	–	3	3
At April 30, 2025	–	8,355,332	344,478	(270,055)	8,429,755

		Reserve			
	Treasury stock	Share premium	Share-based payments reserves	Other reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2026	–	8,355,332	388,342	(3,645,801)	5,097,873
Share-based payment compensation *(Note 31)*	–	–	23,018	–	23,018
Recognition of financial assets at fair value through other comprehensive income *(Note 24)*	–	–	–	(64,677)	(64,677)
Changes arising from remeasurement of defined benefit plan, net of tax	–	–	–	489	489
Currency translation differences of foreign operations	–	–	–	(84,638)	(84,638)
Share of other comprehensive income of investments accounted for using the equity method	–	–	–	1	1
At April 30, 2026	–	8,355,332	411,360	(3,794,626)	4,972,066

The Company

		Reserve			
	Treasury stock	Share premium	Share-based payments reserves	Other reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2022	(6,253,000)	6,261,819	216,251	(25,931)	6,452,139
Contribution from shareholders *(i)*	–	294,680	–	–	294,680
Recognition of redemption liabilities for the preferred rights granted to investors *(Note 30)*	(200,000)	–	–	–	–
Share-based payment compensation *(Note 31)*	–	–	40,079	–	40,079
Fair value gain from financial assets at fair value through other comprehensive income	–	–	–	60,581	60,581
At December 31, 2023	(6,453,000)	6,556,499	256,330	34,650	6,847,479

		Reserve			
	Treasury stock	Share premium	Share-based payments reserves	Other reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2024	(6,453,000)	6,556,499	256,330	34,650	6,847,479
Share-based payment compensation *(Note 31)*	–	–	53,745	–	53,745
Fair value loss from financial assets at fair value through other comprehensive income	–	–	–	(34,431)	(34,431)
At December 31, 2024	(6,453,000)	6,556,499	310,075	219	6,866,793

		Reserve			
	Treasury stock	Share premium	Share-based payments reserves	Other reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025	(6,453,000)	6,556,499	310,075	219	6,866,793

		Reserve			
	Treasury stock	Share premium	Share-based payments reserves	Other reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Termination of redemption liabilities	6,453,000	1,798,833	–	–	1,798,833
Share-based payment compensation *(Note 31)*	–	–	36,793	–	36,793
Conversion into a joint stock company	–	–	–	(3,306,861)	(3,306,861)
Fair value loss from financial assets at fair value through other comprehensive income	–	–	–	(807)	(807)
At December 31, 2025	–	8,355,332	346,868	(3,307,449)	5,394,751

		Reserve			
	Treasury stock	Share premium	Share-based payments reserves	Other reserves	Total reserves
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*
At January 1, 2025	(6,453,000)	6,556,499	310,075	219	6,866,793
Termination of redemption liabilities	6,453,000	1,798,833	–	–	1,798,833
Share-based payment compensation *(Note 31)*	–	–	6,352	–	6,352
Fair value gain from financial assets at fair value through other comprehensive income	–	–	–	5,013	5,013
At April 30, 2025	–	8,355,332	316,427	5,232	8,676,991

		Reserve			
	Treasury stock	Share premium	Share-based payments reserves	Other reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2026	–	8,355,332	346,868	(3,307,449)	5,394,751
Share-based payment compensation *(Note 31)*	–	–	17,278	–	17,278
Fair value loss from financial assets at fair value through other comprehensive income	–	–	–	(64,677)	(64,677)
At April 30, 2026	–	8,355,332	364,146	(3,372,126)	5,347,352

(i) The Company received contributions from employee incentive plan platforms equal to RMB96,862,000 in the year of 2023. Among which RMB1,926,000 was recognized as share capital (Note 27).

29 ACCUMULATED (LOSSES)/PROFITS

The Group

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
At beginning of the year/period	(1,616,154)	(2,122,413)	(2,820,157)	(2,820,157)	187,481
Net (loss)/gain for the year/period	(506,259)	(697,744)	(276,303)	(158,284)	28,478
Conversion into a joint stock company	–	–	3,283,941	–	–
At end of the year/period	(2,122,413)	(2,820,157)	187,481	(2,978,441)	215,959

The Company

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
At beginning of the year/period	(1,939,400)	(2,494,709)	(3,183,363)	(3,183,363)	(205,840)
Net loss for the year/period	(555,309)	(688,654)	(306,418)	(178,554)	(30,651)
Conversion into a joint stock company	–	–	3,283,941	–	–
At end of the year/period	(2,494,709)	(3,183,363)	(205,840)	(3,361,917)	(236,491)

30 REDEMPTION LIABILITIES

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Redemption liabilities	7,615,436	8,161,732	–	–

Since the date of incorporation, the Company has completed Series Angel, Series A, Series A+, Series Pre-B and Series B (together as "Investors") of financing from shareholders by issuing common capitals to the shareholders. At the same time, the Company agreed with the shareholders in separate agreements to grant the shareholders with redemption rights and liquidation preference, etc. (collectively referred as "redeemable rights"). The Company recognised its obligation of redeemable rights of the redemption liabilities as financial liabilities at amortised cost, and finance cost is recognized in statements of comprehensive loss on effective interest method.

Effective on February 27, 2025, the Company and investors agreed to unconditionally terminate the above mentioned redeemable rights with immediate effect. The redemption liabilities of approximately RMB8,252 million and the treasury stock of approximately RMB6,453 million were derecognized, with the difference of approximately RMB1,799 million credited to the reserve. The redeemable rights will not be reinstated upon any occurrence since the redemption liabilities have been irrevocably terminated on 27 February 2025.

Series	Year of subscription	Registered capital subscribed	Consideration per registered capital	Total consideration	Present value of expected redemption amount as of issue date
			RMB	*RMB'000*	*RMB'000*
Series A	2020	10,105,391	378.81	3,828,000	3,828,000
Series A+	2022	2,511,710	477.76	1,200,000	1,200,000
Series Pre-B	2022	484,401	557.39	270,000	270,000
Series B *(i)*	2022	1,478,490	781.20	1,155,000	1,155,000

(i) The Company received contribution equal to RMB200 million from one of Series B investors in the year of 2023.

The movements of redemption liabilities during the Track Record Period are:

	RMB'000
At December 31, 2022	6,912,462
Recognition of redemption liabilities	200,000
Charged to finance costs	502,974
At December 31, 2023	7,615,436
At January 1, 2024	7,615,436
Recognition of redemption liabilities	–
Charged to finance costs	546,296
At December 31, 2024	8,161,732
At January 1, 2025	8,161,732
Recognition of redemption liabilities	–
Charged to finance costs	90,101
Termination of redemption liabilities	(8,251,833)
At December 31, 2025	–

	RMB'000
At January 1, 2026	–
Recognition of redemption liabilities	–
Charged to finance costs	–
	–
At April 30, 2026	–

(i) Key terms of preferred rights granted

Redeemable right

Series A, Series A+, Series Pre-B and Series B investors have rights to require the Company to redeem their investments if the Company fails to achieve a qualified [**REDACTED**] or merger and acquisition within five years from the closing date of the Series A financing.

The redemption amount is the total amount paid by the Investors to obtain the equity interest of the Company, plus an annual simple interest rate of 8% for a period of time commencing from actual payment date of the investment funds to the date of stated in the contracts to the date triggering redemption.

Anti-dilution rights

If the Company increases its share at a price lower than the price paid by the Investors on a per share basis, the Investors have a right to require: (1) the Founding Shareholders to transfer the equity interests of the Company they directly or indirectly held to the Investors at the lowest price allowed by the law; or (2) the Company to issue new share for nominal consideration to the Investors.

(ii) Accounting policies for redemption liabilities

A contract that contains an obligation to repurchase the Company's equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount, even if the Company's obligation to purchase is conditional on the counterparty exercising a right to redeem. The Company undertakes such redemption obligations as certain preferred rights are granted to the Investors in the Company's financing process, such redemption obligation is recognized as financial liability initially at the present value of the redemption amount and subsequently measured at amortized cost with interest charged in finance costs.

The Group derecognizes redemption liabilities when, and only when, the redemption obligations are discharged, cancelled or expired. The carrying amount of the redemption liabilities derecognized is then credited into equity as the contract expired without delivery.

Treasury stock is recorded to reflect the carrying amount of the redemption liabilities when it is initially reclassified from equity and will be reclassified to equity when the redemption liabilities are derecognized upon the Group's obligations in connection with those redemption liabilities are discharged, canceled or expired.

31 SHARE-BASED COMPENSATION

(i) Employee Incentive Plan

After the establishment of the Company, the founders of the Company reserved certain shares in 3 partnership platforms for future employee incentive grant. Since then, certain restricted interests and options are granted to employees from time to time. The options granted allow employees to purchase certain interests of the partnership platforms at fixed price before the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and indirectly hold the shares of the Company. The majority of the options granted have been converted into restricted interest by December 31, 2023 and 2024 and all options granted have been converted into restricted interest by December 31, 2025.

There are certain vesting conditions for the Employee Incentive Plan, including service condition and performance condition. The options and restricted interest, including the restricted interest converted from the options, are subject to service condition and performance condition during the Track Record Period. The shares of the Company held by the grantees indirectly through the partnership platforms are subject to service condition and performance condition during the Track Record Period are as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
				(Unaudited)	
At the beginning of the year/period	1,922,663	2,376,779	2,380,091	2,380,091	2,474,144
Granted	508,502	32,250	239,793	–	–
Forfeited	(54,386)	(28,938)	(145,740)	(61,844)	(22,793)
At the end of the year/period	2,376,779	2,380,091	2,474,144	2,318,247	2,451,351

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
General and administrative expenses	19,660	27,609	26,383	7,001	10,134
Research and development expenses	18,786	25,538	8,876	5,547	7,052
Selling and marketing expenses	9,444	10,970	20,360	(793)	5,832
	47,890	64,117	55,619	11,755	23,018

In December 2024, the Company modified certain conditions of the employee incentive plan which resulted in reduction of the vesting periods of the employee incentive plan. Accordingly, the cumulative modification expenses were recognized in the consolidated statements of comprehensive loss in 2024.

(ii) Accounting policies

Equity-settled share-based payment transactions

The Group operates certain share incentive plans, under which it receives services from employees as consideration for equity instruments ("options" or "restricted shares") of the Group. The fair value of services received in exchange for the grant of equity instruments is recognized as an expense in the consolidated statement of comprehensive loss with a corresponding increase in equity.

In terms of the options awarded to employees, the total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Service and non-marketing performance vesting conditions are included in the calculation of the number of options that are expected to vest. The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the service conditions and non-marketing vesting performance conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the share options or the restricted shares are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in reserves will continue to be held in equity.

Modifications

Where the terms of the share-based payment plan are modified, the Group recognises the effects of modifications that are beneficial to the employee. If the Group modifies the vesting conditions in a way that is beneficial to the employees, the Group shall take into account the modified vesting conditions when accounting for the vesting conditions. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification.

If the Group modifies the terms or conditions of its equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the Group shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred.

(iii) Fair value of the underlying equity of the Company and share options and restricted interests

In the years ended December 31, 2023 and 2024, the Company has used the Binomial option-pricing model to determine the fair value of the share options based on the fair value of the underlying equity of the Company as at the grant date. The Company has adopted the equity allocation model to determine the fair value of the underlying equity of the Company, and recognized share-based compensation based on the fair value of the underlying equity. In the year ended December 31, 2025, the Group used the discounted cash flow method to determine the underlying equity fair value of the Company. The Group determines the fair value of restricted interests on the basis of the fair value of the underlying ordinary shares on the date when the equity instruments are granted, less the exercise price. Key assumptions are set out below:

The Group

	Year ended December 31,		
	2023	2024	2025
Fair value per share (RMB Yuan)	212.6-248.4	288.0	487.3
Exercise price (RMB Yuan)	40.0	40.0	40.0
Risk-free interest rate	1.5%-2.3%	1.5%-1.7%	–
Dividend yield	–	–	–
Expected volatility	33.4%-41.7%	42.4%-44.3%	–
Discount rate	14%	14%	13%

32 TRADE PAYABLES

(a) Trade payables primarily include payables for inventories and outsourcing fees.

(b) Aging analysis of the trade payables based on invoice date at the end of each reporting period is as follows:

The Group

	As at December 31,			As at 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

The carrying amounts of the Group's trade payables are mainly denominated in RMB.

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	40,236	91,996	174,412	139,566

The carrying amounts of the Company's trade payables are mainly denominated in RMB.

33 ACCRUED EXPENSES AND OTHER PAYABLES

The Group

	As at December 31,			As at 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
Deposit payable	–	–	64	9,090
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
	168,850	156,266	226,065	202,773

(i) The Company withheld a portion of the Mitus acquisition consideration to mitigate withholding and remittance tax risks. The changes of balances as at December 31, 2023, 2024 and 2025 and April 30, 2026 are due to the exchange rate fluctuations of USD (the denomination currency of acquisition consideration) against RMB.

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Salary payables	11,677	22,631	32,247	21,848
Tax payables	495	79	1,388	2,736
Payables for R&D related expenses	115	346	–	–
Payables for acquisition of long-term assets	2,426	2,405	6,106	1,969
Deposit payable	–	–	64	9,090
[**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Amount due to subsidiaries	–	–	22,332	22,432
Others	1,835	1,995	3,781	2,759
	16,548	27,456	83,999	81,460

34 CONTRACT LIABILITIES

The Group has recognized the following revenue-related contract liabilities:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities *(i)*	6,346	8,551	15,395	26,966

The Company has recognized the following revenue-related contract liabilities:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities *(i)*	3,321	5,718	14,028	25,671

(i) Contract liabilities mainly arise from the advance payments from customers upon which the performance obligations have been established while the underlying services are yet to be provided.

Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue, which was included in the contract liability balance at the beginning of each period, recognized during each of the Track Record Period related to carried-forward contract liabilities.

The Group

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Revenue recognized that was included in the contract liability balance at the beginning of the period . .	2,575	135	2,640	2,515	9,094

The Company

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Revenue recognized that was included in the contract liability balance at the beginning of the period . .	2,575	135	2,516	2,515	8,956

Transaction price allocated to the unsatisfied performance obligations

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Aggregate amount of transaction price allocated to contracts that are partially or fully unsatisfied	278,892	301,471	709,313	1,051,010

Management expects that the unsatisfied obligations of RMB278,892 thousand, RMB301,471 thousand, RMB709,313 thousand and RMB1,011,567 thousand as at December 31, 2023, 2024 and 2025 and April 30, 2026, respectively will be recognised as revenue during the next twelve months.

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Aggregate amount of transaction price allocated to contracts that are partially or fully unsatisfied	44,943	41,878	335,418	665,838

Management expects that the unsatisfied obligations of RMB44,943 thousand, RMB41,878 thousand, RMB335,418 and RMB626,395 thousand as at December 31, 2023, 2024 and 2025 and April 30, 2026, respectively will be recognised as revenue during the next twelve months.

35 DEFERRED INCOME TAX ASSETS/LIABILITIES

The Group

Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rates at which are expected to be applied at the time of reversal of the temporary differences.

As at December 31, 2023, 2024 and 2025 and April 30, 2026, the deferred tax assets and deferred tax liabilities are as follows:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets:				
– to be recovered after 12 months	81,307	73,602	46,813	54,425
– to be recovered within 12 months	23,777	14,680	18,190	21,864
Offset by deferred tax liabilities	(64,750)	(53,002)	(34,341)	(38,799)
Net deferred income tax assets	40,334	35,280	30,662	37,490
Deferred tax liabilities:				
– to be recovered after 12 months	65,552	50,096	29,318	30,197
– to be recovered within 12 months	5,312	2,944	5,023	8,602
Offset by deferred income tax assets	(64,750)	(53,002)	(34,341)	(38,799)
Net deferred income tax liabilities	6,114	38	–	–

(a) The movements in deferred income tax assets and deferred income tax liabilities during the Track Record Period are as follows:

Deferred tax assets	Tax credits from research and development expenditure	Provision for impairment of inventories	Defined benefit obligation	Tax losses	Intangible assets under development in tax book	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2022	82,195	13,204	9,941	15,913	5,254	15,880	142,387
(Charged)/credit to profit or loss	(29,041)	(3,469)	(3,333)	(5,517)	(1,008)	(292)	(42,660)
Credit/(charged) to equity	–	–	6,219	–	–	–	6,219
Exchange difference	(695)	(145)	39	–	(28)	(33)	(862)
As at December 31, 2023	52,459	9,590	12,866	10,396	4,218	15,555	105,084
Credit/(charged) to profit or loss	(6,349)	(2,068)	(2,062)	2,098	767	(3,438)	(11,052)
Credit/(charged) to equity	–	–	3,101	–	–	–	3,101
Exchange difference	(5,106)	(502)	(1,406)	–	(486)	(1,351)	(8,851)
As at December 31, 2024	41,004	7,020	12,499	12,494	4,499	10,766	88,282
Credit/(charged) to profit or loss	(17,709)	91	(2,016)	(6,116)	755	3,415	(21,580)
Credit/(charged) to equity	–	–	(1,230)	–	–	–	(1,230)
Exchange difference	(37)	(89)	(85)	–	(97)	(161)	(469)
As at December 31, 2025	23,258	7,022	9,168	6,378	5,157	14,020	65,003
Credit/(charged) to profit or loss	4,580	(895)	1,869	3,224	1,619	4,103	14,500
Credit/(charged) to equity	–	–	(228)	–	–	–	(228)
Exchange difference	(1,322)	(206)	(517)	–	(307)	(634)	(2,986)
As at April 30, 2026	26,516	5,921	10,292	9,602	6,469	17,489	76,289

Deferred tax liabilities	Acquisition revaluation surplus	Investments measured at fair value	Equity method investments	Fair value of plan assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2022	47,220	16,046	37	10,927	7,128	81,358
(Credit)/charged to profit or loss	(13,291)	(4,321)	2,366	487	(1,276)	(16,035)
Charged/(credit) to equity	–	6,113	–	(202)	–	5,911
Exchange difference	(333)	–	9	(13)	(33)	(370)
As at December 31, 2023	33,596	17,838	2,412	11,199	5,819	70,864
(Credit)/charged to profit or loss	(12,271)	1,795	3,885	1,227	(1,522)	(6,886)
(Credit)/charged to equity	–	(6,076)	–	(174)	–	(6,250)
Exchange difference	(2,785)	–	(194)	(1,232)	(477)	(4,688)
As at December 31, 2024	18,540	13,557	6,103	11,020	3,820	53,040
(Credit)/charged to profit or loss	(9,323)	(4,542)	(355)	(2,376)	(1,659)	(18,255)
(Credit)/charged to equity	–	(38)	–	(347)	–	(385)
Exchange difference	29	–	(24)	(80)	16	(59)
As at December 31, 2025	9,246	8,977	5,724	8,217	2,177	34,341
(Credit)/charged to profit or loss	(655)	2,443	(437)	1,065	3,315	5,731
(Credit)/charged to equity	–	–	–	(90)	–	(90)
Exchange difference	(467)	–	(107)	(452)	(157)	(1,183)
As at April 30, 2026	8,124	11,420	5,180	8,740	5,335	38,799

The Company

Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rates at which are expected to be applied at the time of reversal of the temporary differences.

As at December 31, 2023, 2024 and 2025 and April 30, 2026, the deferred tax assets and deferred tax liabilities are as follows:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets:				
– to be recovered after 12 months	10,452	12,538	9,026	12,389
– to be recovered within 12 months	3,214	5,004	4,469	2,646
Offset by deferred tax liabilities	(13,666)	(17,542)	(13,495)	(15,035)
Net deferred income tax assets	–	–	–	–
Deferred tax liabilities:				
– to be recovered after 12 months	19,780	16,980	12,569	14,766
– to be recovered within 12 months	–	600	926	269
Offset by deferred income tax assets	(13,666)	(17,542)	(13,495)	(15,035)
Net deferred income tax liabilities	6,114	38	–	–

(a) The movements in deferred income tax assets and deferred income tax liabilities during the Track Record Period are as follows:

Deferred tax assets	Provision for impairment of inventories	Tax losses	Government grants	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2022	122	15,871	–	184	16,177
Credit/(charged) to profit or loss	2,933	(5,474)	–	30	(2,511)
As at December 31, 2023	3,055	10,397	–	214	13,666
Credit to profit or loss	988	2,098	–	790	3,876
As at December 31, 2024	4,043	12,495	–	1,004	17,542

Deferred tax assets	Provision for impairment of inventories	Tax losses	Government grants	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Credit/(charged) to profit or loss	(1,142)	(6,116)	2,586	625	(4,047)
As at December 31, 2025	2,901	6,379	2,586	1,629	13,495
Credit/(charged) to profit or loss	(498)	3,224	(2,586)	1,400	1,540
As at April 30, 2026	2,403	9,603	–	3,029	15,035

Deferred tax liabilities	Investments measured at fair value	Equity method investments	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2022	16,046	–	131	16,177
(Credit)/charged to profit or loss	(4,321)	1,909	(98)	(2,510)
Charged/(credit) to equity	6,113	–	–	6,113
As at December 31, 2023	17,838	1,909	33	19,780
Charged to profit or loss	1,795	1,487	594	3,876
Credit to equity	(6,076)	–	–	(6,076)
As at December 31, 2024	13,557	3,396	627	17,580
(Credit)/charged to profit or loss	(4,542)	194	301	(4,047)
Charged/(credit) to equity	(38)	–	–	(38)
As at December 31, 2025	8,977	3,590	928	13,495
Charged/(credit) to profit or loss	2,443	(264)	(639)	1,540
As at April 30, 2026	11,420	3,326	289	15,035

36 PROVISIONS

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Restoration liabilities	2,348	2,102	171	2,405
Warranty provisions	89	343	1,581	1,786
	2,437	2,445	1,752	4,191
Current				
Restoration liabilities	–	–	2,340	–
Warranty provisions	91	362	2,093	2,458
	91	362	4,433	2,458

	Warranty provisions	Restoration liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
Opening balance at December 31, 2022	2,560	1,438	3,998
Net amount of (utilization)/provision during the year	(2,330)	894	(1,436)
Exchange difference	(50)	16	(34)
Closing balance at December 31, 2023	180	2,348	2,528

	Warranty provisions	Restoration liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
Net amount of provision/(utilization) during the year	578	(1)	577
Exchange difference	(53)	(245)	(298)
Closing balance at December 31, 2024	705	2,102	2,807
Net amount of provision during the year	3,068	458	3,526
Exchange difference	(99)	(49)	(148)
Closing balance at December 31, 2025	3,674	2,511	6,185
Net amount of provision during the year	1,240	26	1,266
Exchange difference	(670)	(132)	(802)
Closing balance at April 30, 2026	4,244	2,405	6,649

37 LONG-TERM PAYABLES

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Long term payables for computer software	34,241	19,017	2,530	30,865
Others	1,557	1,395	1,373	1,301
	35,798	20,412	3,903	32,166
Amount due within one year	(16,874)	(18,690)	(1,032)	(696)
Amount due over one year	18,924	1,722	2,871	31,470

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Software usage fee	4,256	2,128	105	7,652
Amount due within one year	(2,128)	(2,128)	–	–
Amount due over one year	2,128	–	105	7,652

38 LONG-TERM EMPLOYEE BENEFITS

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payables for defined benefit plans *(a)*	14,416	15,454	11,013	15,846
Other long-term benefits payables	6,496	7,665	8,330	8,266
Long-term employee benefits payables	20,912	23,119	19,343	24,112

(a) Defined benefit plans

The Group's Korean subsidiary Silicon Mitus Inc. operates defined benefit pension plans in South Korea. The plans provide benefits after retirement to qualifying employees in the form of pension payable. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The defined benefit plans are administered by separate funds that are legally separated from the subsidiaries. Plan assets held in trusts are governed by local regulations and practice in South Korea, and all plan assets invest in bank management products. The defined benefits obligation of the Group recognized on the balance sheet date is calculated using the projected unit credit method, and reviewed by external independent actuary institution.

	As at December 31,			As at April 30
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Present value of obligation	111,301	130,664	106,258	105,177
Less: Fair value of plan assets	(96,885)	(115,210)	(95,245)	(89,331)
Defined benefit liabilities	14,416	15,454	11,013	15,846

Present value of obligation is as below:

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Present value of obligation				
At beginning of the year/period	70,953	111,301	130,664	106,258
Current service cost	9,641	15,159	18,364	6,002
Past service cost	85	755	–	–
Interest expense	3,511	4,567	5,270	1,529
Actuarial losses/(gains)	29,607	14,763	(5,887)	(1,034)
Payments made	(2,800)	(2,356)	(40,896)	(1,920)
Exchange difference	304	(13,525)	(1,257)	(5,658)
At end of the year/period	111,301	130,664	106,258	105,177

Fair value of plan assets

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	78,145	96,885	115,210	95,245
Interest income	3,886	3,954	4,631	1,367
Actuarial losses	(967)	(831)	(1,661)	(407)
Payments made	(2,800)	(2,356)	(40,896)	(1,920)
Contributions from the employer	18,393	29,467	19,125	–
Exchange difference	228	(11,909)	(1,164)	(4,954)
At end of the year/period	96,885	115,210	95,245	89,331

	As at December 31,			As at April 30,
	2023	2024	2025	2026
Discount rate (%)	4.5%	4.1%	4.6%	5.1%
Salary growth rates (%)	6.0%	6.5%	7.0%	7.5%
Early retirement rate (%)	10.4%	7.4%	7.5%	7.5%
Retirement age	60	60	60	60

The sensitivity of the benefit obligation to changes in the weighted principal assumptions is:

	Increase in assumption	(Decrease)/Increase impact on defined benefit obligation			
		As at December 31,			As at April 30,
		2023	2024	2025	2026
Discount rate (%)	1%	-7.2%	-8.7%	-10.2%	-9.9%
Salary growth rates (%)	1%	8.1%	9.8%	11.5%	11.2%

	Decrease in assumption	(Decrease)/Increase impact on defined benefit obligation			
		As at December 31,			As at April 30,
		2023	2024	2025	2026
Discount rate (%)	1%	8.3%	10.1%	11.9%	11.6%
Salary growth rates (%)	1%	-7.2%	-8.6%	-10.0%	-9.8%

39 BORROWINGS

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans, secured *(a)*	–	–	98,899	100,272

As at December 31, 2023, 2024 and 2025 and April 30, 2026, the Group's borrowings were repayable as follows:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	–	–	–	272
Between 1 and 2 years	–	–	1,842	6,074
Between 2 and 5 years	–	–	97,057	93,926
	–	–	98,899	100,272

The weighted average effective interest rate of bank loans for the years ended April 30, 2026 was 2.51%.

(a) The secured bank loans were amounted to RMB100 million as at April 30, 2026, of which was secured by the construction in progress and the Group's land use rights.

40 OTHER NON-CURRENT LIABILITIES

The Group

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred government grants *(a)*	–	500	24,399	23,599

(a) The Group received government grants from local governments as support for research and development expenditures relating to innovation activities and purchase of property, plant and equipment.

The Company

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred government grants	–	–	16,892	16,372

41 COMMITMENTS

(a) Capital commitments

Significant capital expenditures contracted for at the end of the reporting period but not recognised as liabilities yet are as follows:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	1,796	122,123	53,321	26,616

(b) Lease commitments

Certain lease arrangements were contracted before year-end while the related lease commencement date is in the following year. As the underlying assets were not available for use by the Company and the Company cannot control the related assets before the lease commencement date, hence no right-of-use assets and lease liabilities are recorded at year-end before the lease commencement.

Such lease commitments at the end of each reporting period but not recognised as liabilities are as follows:

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	250	282	348	–
After 1 year but within 2 years	156	97	237	–
After 2 years but within 3 years	117	41	138	–
After 3 years but within 4 years	71	34	88	–
After 4 years but within 5 years	28	20	16	–
Total	622	474	827	–

For other lease arrangements which have been in use or control before the year-end, the Company records them as right-of-use assets and lease liabilities accordingly.

42 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

The following transactions were carried out between the Group and its related parties during the years presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and relationships with related parties

Name of the related party	Relationship with the Group
Bright Shine Worldwide Inc.	General partner of shareholder

(b) Transactions with related parties

Loan to/(repaid by) a related party

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Bright Shine Worldwide Inc..	–	172	(172)	975	–

(c) Balances with related parties

Prepayments and other receivables from a related party

	As at December 31,			As at April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bright Shine Worldwide Inc.	–	172	–	–

The balance with related party consists is non-trade in nature, which was settled in the first half year of 2025.

(d) Key management compensation

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Share-based compensation expenses.	16,402	17,842	20,739	5,532	7,845
Wages and salaries	8,993	9,831	10,561	3,319	3,379
Bonus	925	1,153	2,172	7	5
Social securities and housing fund	794	1,011	1,355	456	519
	27,114	29,837	34,827	9,314	11,748

43 CASH FLOW INFORMATION

(a) Cash generated from/(used in) operations

Reconciliation of (loss)/profit for the year to cash used in operations:

	Notes	Year ended December 31,			Four months ended April 30,	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
(Loss)/Profit before income tax:		(448,086)	(676,475)	(246,956)	(152,682)	30,432
Adjustments for:						
Depreciation and amortization	*9*	116,405	115,864	108,748	39,022	26,517
Share-based compensation	*31*	47,890	64,117	55,619	11,755	23,018
Share of (loss)/profit from investments accounted for using the equity method . .	*14*	(6,507)	(4,779)	3,051	3,632	2,883
Amortization expenses for non-current assets		314	209	–	–	–
Impairment of intangible assets and property, plant and equipment		–	2,993	(1,137)	–	–

	Notes	Year ended December 31,			Four months ended April 30,	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Other gains/(losses) – net	8	(34,286)	9,552	(20,046)	14,842	(29,755)
Other income	7	(7,619)	(23,882)	(33,696)	(7,358)	(6,854)
Finance costs – net	11	444,296	513,811	78,955	85,661	(4,092)
Provision for impairment of inventories		5,461	22,451	18,126	3,470	1,021
Warranty expenses		(2,229)	2,010	8,458	2,701	873
Net impairment (losses)/reversal on financial assets		(201)	123	26	364	633
Changes in working capital:						
– Inventories		194,303	(66,445)	(105,131)	(6,740)	(30,819)
– Trade and note receivables		(15,381)	(29,358)	(32,861)	(10,262)	(66,042)
– Prepayment and other receivables		9,313	(4,838)	(1,896)	2,335	(4,300)
– Other current assets		803	(15,662)	3,500	12,354	(2,698)
– Other non-current assets		7,634	–	(15,434)	(9,664)	(5,390)
– Trade payables		59,961	41,446	126,089	11,306	(44,890)
– Accrued expenses and other payables		6,758	2,513	58,889	8,483	(13,789)
– Contract liabilities		547	2,521	13,823	2,949	14,417
– Long-term employee benefits		(16,307)	(14,002)	(485)	(29,337)	5,123
– Other non-current liabilities		–	500	7,061	–	–
Cash generated from/(used in) operations		363,069	(57,331)	24,703	(17,169)	(103,712)

(b) Non-cash investing and financing activities

The major non-cash investing and financing activities during the Track Record Period mainly include: (i) the right-of-use assets obtained in exchange for the lease liabilities as described in Note 17; (ii) the conversion of the Predecessor Company into a joint stock company as described in Note 1; (iii) the conversion of preferred shares of Iron Device into common shares as described in Note 14; and (iv) The redemption liabilities were derecognized and credited into equity due to the termination of redemption rights as described in Note 30.

(c) Net cash used in investing activities

During the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026, the payments of time deposits with maturity over three months and other financial investment were RMB1,166 million, RMB990 million, RMB2,838 million, RMB1,062 million and RMB468 million, and the amounts of withdrawals were RMB797 million, RMB1,176 million, RMB2,261 million, RMB188 million and RMB555 million, respectively.

During the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026, the payments of structured deposits and others were RMB nil, RMB2,088 million, RMB4,161 million, RMB1,274 million and RMB1,411 million, and the amounts of withdrawals were RMB nil, RMB1,204 million, RMB4,461 million, RMB1,426 million and RMB1,099 million, respectively.

Considering factors that the turnover is quick, the amounts are large, and the maturities are short, the Group presented the above mentioned cash inflows and outflows on a net basis.

(d) Reconciliation of liabilities generated from financing activities

	Redemption liabilities	Lease liabilities	Long-term payables (including current portion)	Borrowings
	RMB'000	RMB'000	RMB'000	RMB'000
Liabilities from financing activities as at December 31, 2022	6,912,462	37,969	8,236	–
Additions of financing liabilities	–	19,031	48,425	–
Financing cash flows	–	(17,802)	(21,518)	–
Additions of redemption liabilities	200,000	–	–	–

	Redemption liabilities	Lease liabilities	Long-term payables (including current portion)	Borrowings
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest accrual during the year	502,974	2,242	568	–
Early termination of leasing contract	–	(714)	–	–
Currency translation differences	–	(35)	87	–
Liabilities from financing activities as at December 31, 2023	7,615,436	40,691	35,798	–
Additions of financing liabilities	–	9,650	350	–
Financing cash flows	–	(20,903)	(16,026)	–
Interest accrual during the year	546,296	1,865	894	–
Currency exchange differences	–	(2,588)	(604)	–
Liabilities from financing activities as at December 31, 2024	8,161,732	28,715	20,412	–
Additions of financing liabilities	–	8,792	2,613	–
Termination of redemption liabilities	(8,251,833)	–	–	–
Financing cash flows	–	(21,306)	(19,865)	98,899
Interest accrual during the year	90,101	1,109	541	512
Others	–	–	–	(512)
Currency exchange differences	–	31	202	–
Liabilities from financing activities as at December 31, 2025	–	17,341	3,903	98,899
Additions of financing liabilities	–	15,038	29,485	–
Financing cash flows	–	(6,444)	(445)	1,101
Interest accrual during the period	–	214	123	887
Others	–	–	–	(887)
Currency exchange differences	–	(646)	(900)	–
Liabilities from financing activities as at April 30, 2026	–	25,503	32,166	100,000

44 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of every director of the Company and the Predecessor Company for the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2025 and 2026 were set out below:

		For the Year ended December 31, 2023					
	Note	Director fees	Wages and salaries	Discretionary bonuses	Social securities and housing fund	Share-based compensation	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Dr. Ren Yuancheng (任遠程)	*(i)*	–	1,725	291	215	633	2,864
Dr. Huh Youm	*(ii)*	–	3,165	53	117	12,734	16,069
Non-Executive directors							
Mr. Xie Li (謝力)	*(iii)*	–	–	–	–	–	–
Mr. Zhang Shuai (張帥)	*(iv)*	–	–	–	–	–	–
		–	4,890	344	332	13,367	18,933

		For the Year ended December 31, 2024					
	Note	Director fees	Wages and salaries	Discretionary bonuses	Social securities and housing fund	Share-based compensation	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Dr. Ren Yuancheng (任遠程)	*(i)*	–	1,747	291	226	1,363	3,627
Dr. Huh Youm	*(ii)*	–	3,176	160	184	12,769	16,289

		For the Year ended December 31, 2024					
	Note	Director fees	Wages and salaries	Discretionary bonuses	Social securities and housing fund	Share-based compensation	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-Executive directors							
Mr. Xie Li (謝力) . . .	*(iii)*	–	–	–	–	–	–
Mr. Zhang Shuai (張帥)	*(iv)*	–	–	–	–	–	–
		–	4,923	451	410	14,132	19,916

		For the Year ended December 31, 2025					
	Note	Director fees	Wages and salaries	Discretionary bonuses	Social securities and housing fund	Share-based compensation	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Dr. Ren Yuancheng (任遠程)	*(i)*	–	1,754	495	137	1,227	3,613
Dr. Huh Youm	*(ii)*	–	3,116	55	461	12,461	16,093
Non-Executive directors							
Mr. Xie Li (謝力) . . .	*(iii)*	–	–	–	–	–	–
Mr. Zhang Shuai (張帥)	*(iv)*	–	–	–	–	–	–
		–	4,870	550	598	13,688	19,706

		For the Year ended April 30, 2025					
	Note	Director fees	Wages and salaries	Discretionary bonuses	Social securities and housing fund	Share-based compensation	Total
		RMB'000 (Unaudited)	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*
Executive directors							
Dr. Ren Yuancheng (任遠程)	*(i)*	–	585	2	45	332	964
Dr. Huh Youm	*(ii)*	–	947	2	148	4,097	5,194
Non-Executive directors							
Mr. Xie Li (謝力) . . .	*(iii)*	–	–	–	–	–	–
Mr. Zhang Shuai (張帥)	*(iv)*	–	–	–	–	–	–
		–	1,532	4	193	4,429	6,158

		For the Year ended April 30, 2026					
	Note	Director fees	Wages and salaries	Discretionary bonuses	Social securities and housing fund	Share-based compensation	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Dr. Ren Yuancheng (任遠程)	*(i)*	–	585	1	46	460	1,091
Dr. Huh Youm	*(ii)*	–	928	2	197	4,097	5,225
Non-Executive directors							
Mr. Xie Li (謝力) . . .	*(iii)*	–	–	–	–	–	–
Mr. Zhang Shuai (張帥)	*(iv)*	–	–	–	–	–	–
		–	1,513	3	243	4,557	6,316

(i) Dr. Ren Yuancheng (任遠程) was appointed as a director effective from June 2020.

(ii) Dr. Huh Youm was appointed as a director effective from August 2021.

(iii) Mr. Xie Li (謝力) was appointed as a director effective from August 2020.

(iv) Mr. Zhang Shuai (張帥) was appointed as a director effective from March 2025.

(v) Mr. Tong Wan Sze (湯雲斯), Prof. Wang Han (汪涵) and Dr. Yu Li (于靂) were appointed as Independent Non-executive Directors of the Company in June 2025.

(vi) Mr. Huang Liming (黃立明) was appointed as a director of the Predecessor Company effective from September 2020 and resigned in June 2025.

(vii) Mr. Fu Shuowen (傅碩文) was appointed as a director of the Predecessor Company effective from June 2020 and resigned in June 2023.

(viii) Mr. Yan Xiaolang (嚴曉浪) was appointed as a director of the Predecessor Company effective from June 2023 and resigned in June 2025.

(ix) Mr. Cai Jing (蔡靖) was appointed as a director of the Predecessor Company effective from June 2023 and resigned in March 2025.

Mr. Tong Wan Sze (湯雲斯), Prof. Wang Han (汪涵), Dr. Yu Li (于靂), Mr. Huang Liming (黃立明), Mr. Fu Shuowen (傅碩文), and Mr. Cai Jing (蔡靖) did not receive any emoluments or benefit from the Group during the Track Record Period.

(b) Directors' retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors for the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026.

(c) Consideration provided to third parties for making available directors' services

No consideration was provided to third parties for making available directors' services during the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026.

(d) Information about loans, quasi-loans or other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans or other dealings were entered into by the Company in favour of directors, controlled bodies corporate by and connected entities with such directors during the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026.

(e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026.

45 CONTINGENCIES

The Group did not have any material contingent liabilities as at April 30, 2026.

46 DIVIDENDS

No dividends have been paid or declared by the Company or the companies now comprising the Group during each of the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026.

47 SUMMARY OF OTHER ACCOUNTING POLICIES

47.1 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

When assessing whether the Group has the control over an entity, the Group considers all the facts and circumstances including the existence and effect of substantive potential voting rights. In assessing whether potential voting rights are substantive, the Group also examines all facts and circumstances, including the terms and conditions of exercise of the potential voting rights and any other contractual arrangements whether considered individually or in combination.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive loss, statements of changes in equity/(deficit) and balance sheets respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognized at cost.

When assessing whether the Group has the significant influence over the investees, the Group considers all the facts and circumstances including the right to appoint the representation on the board of directors, participation in policy-making processes, material transactions between the Group and its investee; interchange of managerial personnel; provision of essential technical information, as well as the existence and effect of substantive potential voting rights. In assessing whether potential voting rights are substantive, the Group also examines all facts and circumstances, including the terms and conditions of exercise of the potential voting rights and any other contractual arrangements whether considered individually or in combination.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iv) Changes in ownership interests

When the Group ceases to consolidate or equity account for an investment because of a loss of control, or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable IFRS Accounting Standards.

47.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

47.3 Trade receivables

Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.1 for a description of the Group's impairment policies.

47.4 Share capital and treasury stock

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases its equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury stock until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

Treasury stock is recorded to reflect the carrying amount of the redemption liabilities when it is initially reclassified from equity and will be reversed back to equity when the redemption liabilities are derecognized upon the Group's obligations in connection with those redemption liabilities are discharged, cancelled or expired.

47.5 Financial liabilities at fair value through profit or loss

The Investors were granted with preferred rights, such as an "anti-dilution right", pursuant to which the Investors have a right to require: (1) the Founding Shareholders to transfer the equity interests of the Company they directly or indirectly held to the Investors at the lowest price allowed by law; or (2) the Company to issue new shares for nominal consideration to the Investors; or (3) the Company or Founding Shareholders to compensate the Investors in cash. The specific method shall be selected and determined by the Investors, and the Company and its Founding Shareholders shall be liable for this jointly and severally. The anti-dilution right is out of the control of the Company.

Any anti-dilution right granted is bifurcated and accounted for within financial liabilities at fair value through profit or loss. It is initially recognized at fair value and subsequently carried at fair value with fair value changes recognized in "Other gains/(losses) — net" in the consolidated statements of comprehensive loss. The financial liabilities are classified as non-current liabilities unless the Company has an obligation to settle the liabilities within 12 months after the end of the reporting period.

The Company derecognizes such financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The carrying amount of the financial liabilities derecognized is then credited into equity.

47.6 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). Functional currency of the Company and its subsidiaries incorporated in Chinese mainland is Renminbi ("RMB"). Functional currency of the Company's subsidiary in South Korea is Korean Won ("KRW"). As the major operations of the Group are within the Chinese mainland, the Group determined to present the Historical Financial Information in RMB.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss, except when deferred in equity if they are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within "other gains/(losses) — net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognized in other comprehensive income.

47.7 Impairment of non-financial assets

Assets that have a definite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes

of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

47.8 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where the Company currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

47.9 Prepayments and other receivables

Prepayments and other receivables comprise mainly upfront payments made to suppliers, deductible value-added tax ("VAT"), deposits and others.

Prepayments to suppliers for services will be subsequently recorded in the consolidated statements of comprehensive income in accordance with the applicable performance requirements within one year or less and therefore are all classified as current assets.

Prepayments to suppliers due for transfer to property, plant and equipment are classified as other non-current assets.

47.10 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

47.11 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

47.12 Income tax

The income tax comprises current and deferred income tax. The income tax expense or credit for the period is recognized in the consolidated statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the income tax is also recognized in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

(iii) Offsetting

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

47.13 Employee benefits

(i) Pension obligations, housing funds and other social welfare benefits

Full-time employees of the Group in the Chinese mainland are entitled to staff welfare benefits including pension, work-related injury benefits, maternity insurances, medical insurances, unemployment benefits and housing fund plans through a PRC government-mandated defined contribution plan. Chinese labor regulation requires that the Group make contributions to the government for these benefits based on certain percentage of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the required contributions. Under these plans, the Group contributes on a monthly basis and expensed as incurred. The Group has no further payment obligation for post-retirement benefits beyond the required contributions.

(ii) Bonus plans

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are measured at the amounts expected to be paid when they are settled.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(iv) Employees leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

(v) Post-employment benefits

The Group classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plans other than defined contribution plans.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligations less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method at the interest rate of treasury bonds with similar obligation term and currency. The charges related to supplementary retirement benefits (including current service costs, historical service costs and gains or losses on settlement) and net interest are recognized in profit or loss for the current period or included in the cost of an asset, and the changes arising from remeasurement in net liabilities or net assets of defined benefit plans are recognized in other comprehensive income.

47.14 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

47.15 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants relating to expenses items are deferred and recognized in the consolidated statement of comprehensive income over the period necessary to match them with the expenses that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and credited to profit or loss on a straight-line basis over the expected useful lives of the related assets.

47.16 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets. Interest income from financial assets at amortized cost and financial assets at FVOCI calculated using the effective interest method is recognized in profit or loss as part of other income. Interest income from current deposits is included in finance income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

47.17 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in other gains/(losses) — net in the consolidated statement of comprehensive loss.

47.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Borrowings are derecognised when the obligation specified in the contract is extinguished, cancelled or expired.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the group has a right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

47.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the consolidated financial statements in the year in which the dividends are approved by the Company's shareholders or directors, where appropriate.

During the Track Record Period, there was no dividend.

48 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no material events subsequent to the four months ended April 30, 2026.

II. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company in respect of any period subsequent to April 30, 2026 and up to the date of this report.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[●]

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of H shares are subject to the laws and practices of the PRC and of jurisdictions in which holders of H shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken into account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an investment in H shares, nor does it take into account the specific circumstances of any particular investors, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect.

This discussion does not address any aspects of PRC taxation other than income tax, capital gains tax, value-added tax, stamp duty and estate duty. Prospective investors are urged to consult their financial advisers regarding the PRC and other tax consequences of owning and disposing of H shares.

TAXATION IN MAINLAND CHINA

Tax on Dividends

Individual Investors

According to the Individual Income Tax Law of the People's Republic of China (the "IIT Law"), last amended by the NPC Standing Committee on 31 August 2018 and effective from 1 January 2019, and the Implementation Rules of the Individual Income Tax Law of the People's Republic of China amended by the State Council on 18 December 2018 and effective from 1 January 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Relating to Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies (《關於上市公司股息紅利差別化個人所得税政策有關問題的通知》) issued by the MOF, the STA and the CSRC on 7 September 2015 and effective from 8 September 2015, for shares of listed companies obtained by individuals via public offerings and market transfer and held for more than one year, the income from dividends and bonuses thereof shall temporarily be exempt from individual income tax. For shares of listed companies obtained by individuals via public offerings and market transfer and held for less than one month (inclusive), the income from dividends and bonuses thereof shall be fully included in the individual's taxable income amount; where the shares are held for a period from one month up to one year (inclusive), 50% of the income from dividends and bonuses thereof shall temporally be included in the individual's taxable income amount; the aforesaid income shall be subject to individual income tax based on 20% tax rate on a unified basis.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income"), signed by the Mainland of China and the Hong Kong Special Administrative Region on 21 August 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal person), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol of the State Taxation Administration to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the

Prevention of Fiscal Evasion with respect to Taxes on Income (《國家税務總局關於<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書》) (the "Fifth Protocol"), issued by the STA and effective from 6 December 2019, provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (the "EIT Law") issued by the NPC Standing Committee, last amended on 29 December 2018 and effective from the same date and the Implementation Regulations for the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》) last amended by the State Council on 6 December 2024 and effective from 20 January 2025, a non-resident enterprise is subject to a 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the PRC or has an establishment or place of business in the PRC but the PRC-sourced income is not actually connected with such establishment or place of business in the PRC. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent. The tax shall be withheld by the withholding agent, upon each payment or when payment becomes due, from the amount paid or due and payable. Such tax may be subject to reduction or exemption pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) issued by the STA and effective from 6 November 2008, a PRC resident enterprise is required to withhold enterprise income tax at a rate of 10% on dividends paid to non-PRC resident enterprise holders of H shares which are derived out of profit generated since 2008.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal person), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese enterprise income tax imposed on the dividends received from PRC companies. Non-resident enterprises entitled to preferential tax rates in accordance with the relevant tax treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the enterprise income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Tax on Gains from Share Transfer

Individual Investors

According to the IIT Law and its implementation rules, individuals are subject to individual income tax at the rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Under the Circular of the MOF and STA on Extending the Temporary Exemption of Individual Income Tax on Income Derived from Transfer of Shares (《財政部、國家税務總局關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) (Cai Shui Zi [1998] No. 61) ("Circular 61") issued by the MOF and the STA on 30 March 1998, from 1 January 1997, gains of individuals from the transfer of shares of listed companies continue to be exempted from individual income tax. According to the Announcement of the MOF and STA on the Catalog of Preferential Individual Income Tax Policies with Continued Effect (《財政部、國家税務總局關於繼續有效的個人所得税優惠政策目錄的公告》) issued by the MOF and the STA on 29 December 2018, Circular 61 will continue to be effective.

However, on 31 December 2009, the MOF, the STA and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》), with effect from 1 January 2010, which provides that individuals' income from transferring the shares of a listed company acquired from the public offerings of the company or from transferring the shares listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》) jointly promulgated by the relevant departments on 10 November 2010 and effective from the same date). As of the Latest Practicable Date, the aforesaid provisions have not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the transfer of shares of PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law and its implementation rules, a non-resident enterprise is generally subject to enterprise income tax at the rate of 10% with respect to PRC-sourced income, including gains derived from the disposal of shares in a PRC resident enterprise, if it does not have an establishment or place of business in the PRC or has an establishment or place of business in the PRC but the PRC-sourced income is not actually connected with such establishment or place of business. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer of the income shall withhold the income tax from the amount payable to the non-resident enterprises. Such tax may be subject to reduction or exemption pursuant to an applicable tax treaty or agreement for the avoidance of double taxation.

Taxation Policy of Shanghai-Hong Kong Stock Connect

According to the Notice of the MOF, the STA and the CSRC on Relevant Taxation Policy Regarding the Pilot Program of Shanghai-Hong Kong Stock Connect (《財政部、國家税務總局、中國證券監督管理委員會關於滬港股票市場交易互聯互通機制試點有關税收政策的通知》) (Cai Shui [2014] No. 81), which came into effect on 17 November 2014, for dividends and bonus obtained by mainland individual investors investing in H shares listed on the Hong Kong Stock Exchange (the "Hong Kong Stock Exchange") through Shanghai-Hong Kong Stock Connect, the H-share companies shall apply to China Securities Depository and Clearing Corporation (the CSDCC) for provision of the register of mainland individual investors by the CSDCC to the H-share companies, and shall withhold individual income tax at the rate of 20%.

The income from dividends obtained by mainland enterprise investors investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect is included in their total income, and is subject to enterprise income tax in accordance with the law. Specifically, no enterprise income tax will be imposed according to law for income from dividends obtained by mainland resident enterprises that hold H shares for at least 12 consecutive months. The H-share companies do not need to withhold tax on the income from dividends obtained by mainland enterprise investors, and the tax payable shall be declared and paid by the enterprise investors themselves.

Pursuant to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between Mainland China and Hong Kong (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated on 21 August 2023 and effective from the same date, the transfer spread income derived by mainland individual investors from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall continue to be exempted from individual income tax until 31 December 2027.

Taxation Policy of Shenzhen-Hong Kong Stock Connect

According to the Notice on the Relevant Taxation Policy Regarding the Pilot Program of Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) which came into effect on 5 December 2016, for income from dividends and bonuses obtained by mainland individual investors investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H-share companies shall apply to the CSDCC for provision of the register of mainland individual investors by the CSDCC to the H-share companies, and shall withhold individual income tax at the rate of 20%.

The income from dividends and bonuses obtained by mainland enterprise investors investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect is included in their total income, and is subject to enterprise income tax in accordance with the law. Specifically, no enterprise income tax will be imposed according to law for income from dividends and bonuses obtained by mainland resident enterprises that hold H shares for at least 12 consecutive months. The H-share companies do not need to withhold tax on the income from dividends and bonuses obtained by mainland enterprise investors, and the tax payable shall be declared and paid by the enterprise investors themselves.

Pursuant to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between Mainland China and Hong Kong promulgated on 21 August 2023 and effective from the same date, the transfer spread income derived by mainland individual investors from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall continue to be exempted from individual income tax until 31 December 2027.

Stamp Tax

In accordance with the Stamp Tax Law of the People's Republic of China that was issued on 10 June 2021 and came into effect on 1 July 2022, PRC stamp tax only applies to specific taxable documents executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws; therefore, the requirements of the stamp tax imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H shares by non-PRC investors outside of the PRC.

Estate Duty

As of the date of this document, no estate duty has been levied in China under the PRC laws.

MAJOR TAXATION OF THE COMPANY IN THE PRC

Enterprise Income Tax

According to the EIT Law and its implementation rules, all the domestic enterprises in China (including foreign-invested enterprises) shall be subject to enterprise income tax at the uniform tax rate of 25%.

According to the Administrative Measures for Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》), which was promulgated by the Ministry of Science and Technology, the MOF and the STA on 14 April 2008, amended on 29 January 2016 and effective from 1 January 2016, an enterprise recognized as a high and new technology enterprise may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the EIT Law.

According to the Announcement of the Ministry of Finance and the State Taxation Administration on the Preferential Income Tax Policies for Micro and Small Enterprises and Individual Industrial and Commercial Households (《財政部、國家 稅務總局關於小微企業和個體工商戶所得稅優惠政策的公告》), which was issued on 26 March 2023, the annual taxable income of a small low-profit enterprise that is not more than RMB1 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%. According to the Announcement of the Ministry of Finance and the State Taxation Administration on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households (《財政部、國家稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》), which was issued on 2 August 2023, the taxable income of a small low-profit enterprise shall be calculated at the reduced rate of 25%, and the policy of payment of enterprise income tax at the rate of 20% shall remain in force until 31 December 2027.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the People's Republic of China (《中華人民共和國增值稅暫行條例》) promulgated by the State Council, last amended on 19 November 2017 and effective from the same date and the Implementation Rules for the Provisional Regulations on Value-added Tax of the People's Republic of China (《中華人民共和國增值稅暫行條例實施細則》) promulgated by the MOF, last amended on 28 October 2011 and effective from 1 November 2011, all units and individuals in the territory of the PRC that sell goods, provide processing or repair and replacement services or import goods shall be payers of value-added tax (the "VAT") and shall pay VAT. Unless otherwise stipulated, the VAT rate is 17% for taxpayers selling or importing goods, or providing processing, repair and replacement services within the territory of the PRC. In certain specific circumstances, the rate may be 11%, 6% or 0%.

In accordance with the Notice of the Ministry of Finance and the State Taxation Administration on the Adjustment to VAT Rates (《財政部、稅務總局關於調整增值稅稅率的通知》), issued on 4 April 2018 and effective from 1 May 2018, the VAT rates of 17% and 11% originally applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

According to the Announcement on Policies for Deepening the VAT Reform (《關於深化增值税改革有關政策的公告》) issued by the MOF, the STA and the General Administration of Customs on 20 March 2019 and effective from 1 April 2019, the VAT rates of 16% and 10% originally applicable to the general taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

On 25 December 2024, the NPC Standing Committee issued the Value-added Tax Law of the People's Republic of China (the "VAT Law"), which will come into effect on 1 January 2026 and replace the Provisional Regulations on Value-added Tax of the People's Republic of China. According to the VAT Law, entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, or immovables, or import goods within the territory of the PRC are taxpayers of VAT, and shall pay VAT in accordance with this law. For taxpayers' sale of goods, provision of processing, repairs or replacement services or tangible movable property leasing services or import of goods, the tax rate is 13%, unless otherwise stipulated. In certain specific circumstances, the rate may be 9%, 6%, or 0%.

Preferential Tax Policy for the Integrated Circuit Industry

According to the Guidance of Preferential Tax Policy for Software Enterprises and Integrated Circuit Enterprises (《軟件企業和集成電路企業税費優惠政策指引》) issued by the STA on 21 May 2022, the integrated circuit industry enjoys a variety of tax preferences. Enterprises for integrated circuit design, equipment, materials, packaging and testing encouraged by the State, for example, can enjoy regular exemption or reduction of the enterprise income tax; key integrated circuit design enterprises encouraged by the State can enjoy regular exemption or reduction of the enterprise income tax; staff training expenses of integrated circuit design enterprises can be deducted before tax according to the actual amount incurred.

According to the Notice of the State Council on Promulgation of Several Policies for Promoting the High-quality Development of Integrated Circuit and Software Industries in the New Era (《國務院關於印發新時期促進集成電路產業和軟件產業高質量發展若干政策的通知》) (Guo Fa [2020] No. 8) (the "No. 8 Notice") and the Announcement on Enterprise Income Tax Policies for Promoting High-quality Development of Integrated Circuit Industry and Software Industry (《關於促進集成電路產業和軟件產業高質量發展企業所得税政策的公告》) jointly issued by the MOF, the STA, the NDRC and the MIIT, enterprises of integrated circuit design, equipment, materials, packaging and testing and software enterprises encouraged by the State are exempted from enterprise income tax during the first year and the second year from the profit-making year. During the third year to the fifth year, the enterprise income tax shall be levied at half of the statutory tax rate of 25%. Key integrated circuit design enterprises and software enterprises encouraged by the State shall be exempted from enterprise income tax during the first year to the fifth year from the profit-making year, and the enterprise income tax shall be levied at a reduced tax rate of 10% in successive years. The Notice of the National Development and Reform Commission and Other Departments on Making Relevant Requirements for the List of Integrated Circuit Enterprises or Projects and Software Enterprises Entitled to Preferential Tax Policies for 2024 (《國家發展改革委等部門關於做好2024年享受税收優惠政策的集成電路企業或項目、軟件企業清單制定工作有關要求的通知》), on the basis of the No. 8 Notice, makes detailed description of the conditions and project standards for enterprises that enjoy preferential tax policy.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is Renminbi. The State Administration of Foreign Exchange (the "SAFE"), authorized by the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

Pursuant to the Regulations of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) amended by the State Council on 5 August 2008 and effective from the same date, all international payments and transfers are classified into

current account items and capital account items. The PRC does not impose restrictions on international payments and transfers under the current account. Foreign exchange receipts of PRC enterprises under the current account may be retained or sold to financial institutions conducting foreign exchange settlement and sale operations in accordance with relevant provisions of the State. The retention or sale of foreign exchange receipts under the capital account to financial institutions conducting foreign exchange settlement and sale operations shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated by the State.

Pursuant to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) which was issued by the PBOC on 20 June 1996 and became effective on 1 July 1996, the remaining restrictions on convertibility of foreign exchange for current account transactions are abolished while the existing restrictions on foreign exchange operations under the capital account are retained.

According to relevant laws and regulations of the PRC, PRC enterprises (including foreign-invested enterprises) requiring foreign exchange for current account transactions may, without the approval of the SAFE, make payments through foreign exchange accounts opened at designated foreign exchange banks, provided that valid receipts or vouchers for the transactions are produced. Foreign-invested enterprises that need to distribute profits in foreign currency to their shareholders and Chinese enterprises that need to pay fixed dividends in foreign currency according to relevant requirements shall make payments from their foreign exchange accounts or through designated foreign exchange banks by a resolution of the board of directors on the distribution of profits.

According to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) issued by the State Council on 23 October 2014 and effective from the same date, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been canceled.

According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE on 26 December 2014, a domestic company shall register its overseas listing with the local branch of the State Administration of Foreign Exchange at its place of registration within 15 working days from the date of completion of overseas listing and issuance. Funds raised from overseas listing of a domestic company may be repatriated to China or deposited overseas, and the usage of funds shall be consistent with the relevant contents set out in the document or disclosure documents such as the document for corporate bonds, shareholders' circular and resolutions of the board of directors or shareholders' general meeting.

Pursuant to the Circular of the SAFE on the Policies for Reforming and Standardizing Management of Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) issued by the SAFE on 9 June 2016, domestic institutions may conduct discretionary settlement of foreign exchange receipts under the capital account (including repatriated funds raised through overseas listing) with a bank according to relevant policies and their real business needs. The proportion of discretionary settlement of foreign exchange receipts of domestic institutions under the capital account is temporarily 100%. The SAFE may adjust the aforesaid proportion in due time based on the BOP situations.

This Appendix sets out a summary of the principal PRC laws, regulations and policies which are relevant to the Company's ongoing day-to-day business operations in the PRC. Laws and regulations relating to taxation in the PRC are discussed separately in "Appendix IV — Taxation and Foreign Exchange". The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulatory provisions applicable to the Company. This summary is not intended to include all the data which are important to the potential investors. For a discussion of laws and regulations which are relevant to the Company's business, see section headed "Regulatory Overview" in this document.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the People's Republic of China (the "Constitution") which was amended and came into effect on 11 March 2018 and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is the signatory and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

According to the Constitution and the Legislation Law of the People's Republic of China which was last amended on 13 March 2023 and came into effect on 15 March 2023 (the "Legislation Law"), the NPC and NPC Standing Committee are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing State organs, civil, criminal and other matters. The NPC Standing Committee formulates and amends the laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of the provinces, autonomous regions and municipalities directly under the central government and their standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations on aspects such as urban and rural construction and management, ecological civilization development, historical and cultural protection, and grassroots governance based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions.

The standing committees of the people's congresses of the provinces or autonomous regions shall examine the legality of local regulations submitted for approval, and such approval shall be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of the relevant provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned.

The ministries and commissions of the State Council, PBOC, the National Audit Office, the subordinate institutions with administrative functions directly under the State Council, and the organizations prescribed by laws may formulate departmental rules and regulations within the permissions of their respective departments based on the laws as well as the administrative regulations, decisions and orders of the State Council.

The NPC has the power to amend or repeal any inappropriate laws enacted by the NPC Standing Committee, and to repeal any autonomous regulations or separate regulations approved by the NPC Standing Committee that are in conflict with the Constitution or the Legislation Law. The NPC Standing Committee has the power to repeal any administrative regulations that are in conflict with the Constitution and the laws, and to repeal any local regulations that are in conflict with the Constitution, the laws, and the administrative regulations, and to repeal autonomous regulations and separate regulations approved by the standing committees of the people's congresses of the provinces, autonomous regions or municipalities directly under the central government that are in conflict with the Constitution and the Legislation Law. The State Council has the right to amend or repeal any inappropriate departmental and local government regulations. The people's congresses of the provinces, autonomous regions and municipalities directly under the central government have the right to amend or repeal any inappropriate local laws or regulations promulgated or approved by their respective standing committees. The standing committees of local people's congresses have the right to repeal any inappropriate rules established by the people's governments at the same level, and the people's governments of provinces and autonomous regions have the right to amend or repeal any inappropriate rules developed by the people's governments at lower levels.

Pursuant to the Resolution of the Standing Committee of the National People's Congress Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on 10 June 1981, in cases where the scope of provisions of laws or decrees needs to be further defined or additional stipulations need to be made, the NPC Standing Committee shall provide interpretations or make stipulations by means of decrees. Issues related to the application of laws in a court trial should be interpreted by the Supreme People's Court, issues related to the application of laws in a prosecution process of the procuratorate should be interpreted by the Supreme People's Procuratorate, and issues related to the application of laws other than in a court trial or in a prosecution process of the procuratorate should be interpreted by the State Council and the competent authorities. At the regional level, the power to interpret regional regulations is vested in the regional legislative and administrative authorities which promulgate such regulations.

PRC JUDICIAL SYSTEM

According to the Constitution and the Organic Law of the People's Courts of the People's Republic of China amended by the NPC Standing Committee on 26 October 2018 and becoming effective on 1 January 2019, the people's courts of the PRC are divided into the Supreme People's Court, the local people's courts at all levels and special people's courts. The local people's courts at all levels are divided into three levels, namely, the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may set up special civil courts based on the status of the region, population and cases. The Supreme People's Court shall be the highest judicial organ of the State. The Supreme People's Court shall supervise the administration of justice by the local people's courts at all levels and by the special people's courts. The people's courts at a higher level shall supervise the judicial work of the people's courts at lower levels.

The people's courts employ a two-tier appellate system, i.e., judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of a local people's court. The people's procuratorate may present a protest to the people's courts at the next higher level in accordance with the procedures stipulated by the laws.

In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's courts are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and those of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court finds any definite errors in a legally effective final judgment or ruling of a people's court at any lower level, the people's courts at the next higher level finds any definite errors in a legally effective final judgment or ruling of the people's court at a lower level, or the chief judge of a people's court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The Civil Procedure Law of the People's Republic of China (the "Civil Procedure Law"), last amended on 1 September 2023 and effective from 1 January 2024, prescribes the conditions for instituting a civil action, the jurisdiction of the people's court, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. All parties to a civil action conducted within the PRC must abide by the Civil Procedure Law of the People's Republic of China. A civil case is generally under the jurisdiction of the court located in the defendant's place of domicile. The litigants of a contract dispute or other property rights dispute may agree in writing on selection of the people's court at the location of the defendant's domicile, place of performance of contract, place of execution of contract, location of the plaintiff's domicile, location of the subject matter, etc. or a venue which has actual connection with the dispute to be the people's court which has jurisdiction, but shall not violate the provisions of the Civil Procedure Law on grade jurisdiction and exclusive jurisdiction.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization is given the same litigation rights and obligations as a citizen, a legal person or other organizations of the PRC when initiating actions or defending against litigations at a people's court. Should a foreign court limit the litigation rights of PRC citizens or enterprises, the people's court of the PRC may apply the same limitations to the citizens or enterprises of such foreign country. A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a people's court of the PRC. In accordance with the international treaties concluded or acceded to by China, or with the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years, subject to application for postponed enforcement or revocation. The laws governing the suspension or interruption of the statute of limitations shall apply to the suspension or interruption of the statute of limitations for the application for enforcement. If a party fails to satisfy a judgment within the period specified by the enforcement approval granted by the court, the court may, upon the application of the other party, mandatorily enforce the judgment against such party.

Where a party applies for enforcement of a legally effective judgment or ruling made by a people's court, and the opposite party or his property is not within the territory of the PRC, the applicant may directly apply for recognition and enforcement of the judgment or ruling to the foreign court which has jurisdiction over the case. The people's court may also, in accordance with the provisions of the international treaties concluded or acceded to by China, or with the principle of reciprocity, request recognition and enforcement of the judgment or ruling by the foreign court.

Similarly, if a legally effective judgment or ruling made by a foreign court requires recognition and enforcement by a people's court of the PRC, the party concerned may directly apply for recognition and enforcement to the intermediate people's court of the of the PRC which has jurisdiction. The foreign court may also, in accordance with the provisions of the international treaties concluded or acceded to by that foreign country and the PRC or with the principle of reciprocity, request recognition and enforcement by a people's court. However, such judgment or ruling that would violate the basic legal principles of the PRC, or compromise its sovereignty, security or social and public interest shall not be recognized and enforced.

THE COMPANY LAW, TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company established in the PRC seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations of the PRC.

The Company Law of the People's Republic of China (the "Company Law") was adopted by the Standing Committee of the Eighth National People's Congress at its fifth session on 29 December 1993 and came into effect on 1 July 1994. It was successively amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013, 26 October 2018 and 29 December 2023. The latest revision of the Company Law took effect on 1 July 2024.

The Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (the "Trial Measures") and relevant guidelines, promulgated by the CSRC on 17 February 2023 and effective from 31 March 2023, were applicable to both direct and indirect overseas share subscription and listing of domestic enterprises. The Trial Measures also set out the filing and administration methods and regulatory requirements for the overseas securities offering and listing of domestic enterprises.

On 28 March 2025, the CSRC promulgated the newly amended Guidelines for Articles of Association of Listed Companies (the "Guidelines for Articles of Association"), which came into effect on the same date. Pursuant to the Trial Measures and its supporting Guidelines of Regulatory Rules Application — Overseas Offering and Listing No. 1 (《監管規則適用指引—境外發行上市類第1號》), domestic enterprises that directly seek overseas offering and listing shall formulate the articles of association and standardize corporate governance with reference to the Guidelines for Articles of Association and other relevant provisions of the CSRC on corporate governance.

Set out below is a summary of the major provisions of the Company Law, the Trial Measures and the Guidelines for Articles of Association which are applicable to the Company.

General Provisions

"A joint stock limited company" means a corporate legal person incorporated in China under the Company Law, whose registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the extent of the shares they have subscribed for and the company shall bear the liability for its debts with all of its property.

A company must conduct its business in accordance with laws and regulations as well as public and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount invested. Unless otherwise specified by laws, a company cannot be the capital contributor bearing the several and joint liabilities associated with the debts of the invested enterprises.

Incorporation

A joint stock limited company may be established by means of promotion or stock floatation. To establish a joint stock limited company, there shall be not less than 1 but not more than 200 promoters, of whom more than half shall have their domiciles within the territory of the PRC.

Where a joint stock limited company is to be established by means of promotion, the promoters shall fully subscribe for the shares that shall be issued at the time of the establishment of the company as provided for in the articles of association. If a joint stock limited company is to be established by means of stock floatation, the promoters shall subscribe for not less than 35% of the total shares that shall be issued at the time of the establishment of the company as provided for in the articles of association; however, where laws and administrative regulations provide otherwise, such provisions shall prevail.

Promoters of a joint stock limited company established by means of stock floatation shall, within 30 days after full payment has been made for the shares to be issued at the time of establishment, hold an establishment meeting of the company. The promoters shall notify each subscriber of the date of the meeting or make a public announcement 15 days before the meeting is held. The establishment meeting shall not be held unless the subscribers who hold more than half of the voting rights attend the meeting. Where a joint stock limited company is established by means of promotion, the convening and voting procedures for the establishment meeting shall be prescribed by the articles of association of the company or the agreement of the promoters.

The establishment meeting of a company shall exercise the following functions and powers:

(i) deliberating on the report on the preparations for establishment of the company by promoters;

(ii) adopting the articles of association;

(iii) electing directors and supervisors;

(iv) reviewing the expenses for the establishment of the company;

(v) reviewing the valuations of the non-monetary property contributed by the promoters; and

(vi) where any force majeure or any major change of business conditions directly affects the establishment of the company, the resolution of not establishing the company may be made.

The resolutions made at the establishment meeting about the matters as mentioned in the preceding paragraph shall be adopted by the subscribers present at the meeting who represent more than half of the voting rights.

Within 30 days after the conclusion of the establishment meeting, the Board of Directors shall apply to the registration authority for registration of the incorporation of the joint stock limited company. The company is formally established and has the status of a legal person after the business license has been issued by the relevant registration authority.

Registered Shares and Issue of Shares

Under the Company Law, a shareholder may make capital contributions in currency, or in kind, intellectual property, land use right, stock rights, creditor's rights or other non-monetary property that may be assessed in currency and transferred according to law, except the property that may not be used as capital contributions according to any law or administrative regulation.

The capital of a joint stock limited company shall be divided into shares. All the shares of the company shall alternatively be shares with or without par value in accordance with the articles of association. Where par value shares are adopted, all the shares shall be of equal value. The company may, according to the Articles of Association, convert all the issued par value shares into no par value shares, or vice versa. Where no par value shares are adopted, more than half of the proceeds from the issuance of the shares shall be included in the registered capital.

A joint stock limited company shall make a register of shareholders and keep it in the company. The register of shareholders shall contain the following items:

(i) name and domicile of each shareholder;

(ii) class and number of shares subscribed for by each shareholder;

(iii) serial number of shares if the shares are issued in paper form; and

(iv) date on which each shareholder acquired the shares.

Shares of a joint stock limited company shall be issued under the principle of fairness and impartiality. The shares of the same class shall rank pari passu. Shares of the same class in the same issue shall be issued at the same price and on the same conditions. The same price shall be paid for each share subscribed for by a subscriber. The issue price of par value shares may be based on the face value or exceed the face value but shall not be lower than the face value.

The Trial Measures provides that a company that offers and lists securities on overseas markets may raise funds and pay dividends in a foreign currency or Renminbi. Under certain circumstances, such as equity incentives and the acquisition of assets through the issuance of securities, a domestic enterprise is allowed to issue securities to specific domestic targets when it directly issues and lists overseas.

Under the Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf. The term "domestic unlisted shares" in the preceding paragraph refers to shares offered by a domestic company but not listed or quoted for trading on any domestic trading venues. Domestic unlisted shares shall be centrally registered and deposited at a domestic securities depository and settlement agency. The registration and settlement of overseas listed shares are subject to applicable rules in overseas markets.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise indirectly issues and is listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Increase in Share Capital

Pursuant to the relevant provisions of the Company Law, where a joint stock limited company intends to issue new shares, its shareholders' meeting shall make a resolution about the following matters:

(i) the class and amount of the new shares;

(ii) the issuing price of the new shares;

(iii) the beginning and ending dates for the issuance of the new shares;

(iv) the class and amount of the new shares to be issued to the original shareholders; and

(v) if any no par value stock is issued, the proceeds from the issuance of the new shares shall be included into the registered capital.

Where a company intends to make public offering of shares, it shall go through the registration with the securities regulatory authority of the State Council and announce the document.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

(i) the company shall prepare a balance sheet and an inventory of property;

(ii) the reduction of registered capital must be approved by shareholders at the shareholders' meeting;

(iii) the company shall notify its creditors within ten days from the date of the resolution of the shareholders' meeting to reduce the registered capital and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days;

(iv) the creditors have the right to demand the company to settle the debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if the notice has not been received; and

(v) the company shall apply to the company registration authority for change in registration.

Where a company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless it is otherwise prescribed by any law, or is agreed upon by all the shareholders of a limited liability company or is otherwise prescribed by the Articles of Association of a joint stock limited company.

Share Buy-Back

Under the Company Law, no company may purchase its own shares except under any of the following circumstances:

(i) where the company's registered capital is reduced;

(ii) where it merges with another company holding its shares;

(iii) where its shares are used for employee stock ownership plan or equity incentives;

(iv) where any shareholder, who raises objections to the resolution of the shareholders' meeting on the merger or split-up of the company, requests the company to purchase its shares;

(v) where its shares are used for converting the corporate bonds into convertible stocks issued by the company; or

(vi) it is necessary for a listed company to maintain its company value and its shareholders' equity.

Where a company purchases its own shares under any of the circumstances as mentioned in items (i) or (ii) of the preceding paragraph, a resolution of the shareholders' meeting shall be adopted. Where a company purchases its own shares under any of the circumstances as mentioned in items (iii), (v) or (vi) of the preceding paragraph, a resolution shall be adopted at the meeting of the board of directors with the attendance of not less than two thirds of the directors, according to the articles of association or the shareholders' meeting of the company.

After the company purchases its own shares according to the first paragraph of this Article, the shares purchased shall be written off within ten days after the purchase date under the circumstance as mentioned in item (i); the shares shall be transferred or written off within six months under the circumstance as mentioned in items (ii) or (iv); and the shares held accumulatively by the company shall not exceed 10% of the total shares issued and be transferred or written off within three years under any of the circumstances as mentioned in items (iii), (v) or (vi).

Transfer of Shares

Shares held by a shareholder may be transferred according to the law. Under the Company Law, the share transfer by a shareholder shall be conducted on a lawfully established stock exchange or by any other means as prescribed by the State Council. The stocks shall be transferred by a shareholder in the form of endorsement or by any other means prescribed by the relevant laws or administrative regulations. After the transfer, the company shall record the name and domicile of the transferee in the register of shareholders. The register of shareholders shall not be modified within 20 days before any shareholders' meeting is held, or within five days prior to the benchmark date decided by the company for the distribution of dividends. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

Under the Company Law, the shares issued before a company makes a public offering of shares shall not be transferred within one year after the date when the shares of the company are listed and traded on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail.

The directors, supervisors and senior management members of the company shall declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares of the company held by them. The shares of the company held by them shall not be transferred within one year after the date when the shares of the company are listed and traded on

the stock exchange. Any of the aforesaid persons shall not transfer the shares of the company held within six months after he/she leaves office. Any other restrictions on the transfer of the company's shares held by directors, supervisors or senior management members of the company may be specified in the articles of association.

Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Shareholders

Under the Company Law and Guidelines for Articles of Association, the rights of a shareholder include:

(i) to receive dividends and other forms of distributions in proportion to their shareholdings;

(ii) to legally request to hold, convene, preside over, attend or appoint a proxy to attend shareholders' meetings and to exercise voting rights;

(iii) to supervise a company's business operations, and to present proposals or to raise inquiries;

(iv) to transfer, present or pledge shares held in accordance with laws, administrative regulations and the provisions of the Articles of Association;

(v) to inspect or copy the articles of association, share register, minutes of shareholders' meetings, resolutions of meetings of the board of directors, and financial and accounting reports, and to review the company's accounting books and accounting vouchers if the shareholders meet the requirements;

(vi) in the event of the winding-up or liquidation of a company, to participate in the distribution of remaining property of a company in proportion to the number of shares held;

(vii) to request the company to purchase their shares if the shareholders object to the resolutions on the company's merger or division made by the shareholders' meeting.

(viii) other rights conferred by laws, administrative regulations, departmental rules and the Articles of Association.

The obligations of a shareholder include:

(i) to comply with laws, administrative regulations and the Articles of Association;

(ii) to pay subscription money according to the number of shares subscribed and the method of subscription;

(iii) not to withdraw their share capital, except as otherwise provided by laws and regulations;

(iv) not to abuse their shareholders' rights to damage the interests of a company or other shareholders; not to abuse the independent legal person status of a company and the limited liability of shareholders to damage the interests of the creditors of a company;

(v) other obligations conferred by laws, administrative regulations and the Articles of Association.

Shareholders' Meetings

Under the Company Law, the shareholders' meeting of a joint stock limited company is made up of all shareholders. The shareholders' meeting is the authority of a company, which shall exercise the following functions and powers:

(i) electing and replacing directors and supervisors and deciding on their remunerations;

(ii) deliberating on and approving the reports of the board of directors;

(iii) deliberating on and approving the reports of the board of supervisors;

(iv) deliberating on and approving the plans for profit distribution and making up losses of the company;

(v) making resolutions on the increase or decrease of the registered capital of the company;

(vi) making resolutions on the issuance of corporate bonds;

(vii) making resolutions on the merger, split-up, dissolution, liquidation or change of corporate form of the company;

(viii) amending the articles of association; and

(ix) other functions and powers as prescribed in the articles of association.

Under the Company Law, an annual shareholders' meeting shall be held every year. If any of the following circumstances occurs, an interim shareholders' meeting shall be held within two months:

(i) where the number of directors is less than two thirds of the number as provided for by the Company Law or the articles of association;

(ii) where the unrecovered losses of the company reach one third of the total share capital;

(iii) where the shareholders who separately or aggregately hold 10% or more of the company's shares so request;

(iv) where the board of directors deems it necessary;

(v) where the board of supervisors so proposes; or

(vi) other circumstances as provided for in the articles of association.

The shareholders' meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. If the chairman is unable or fails to perform his/her duties, the meeting shall be presided over by the deputy chairman. If the deputy chairman is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

If the board of directors is unable or fails to perform the duties of convening the shareholders' meeting, the board of supervisors shall timely convene and preside over the meeting. If the board of supervisors fails to convene and preside over the meeting, shareholders who separately or aggregately hold 10% or more of the shares of the company for 90 or more consecutive days may convene and preside over the meeting by themselves.

If the shareholders who separately or aggregately hold 10% or more of the shares of the company request to convene an interim shareholders' meeting, the board of directors and the board of supervisors shall, within 10 days after the receipt of such request, decide whether to hold an interim shareholders' meeting and reply to the shareholders in writing.

The time and place of the shareholders' meeting and the matters to be deliberated shall be notified to each shareholder 20 days before a shareholders' meeting is held. For an interim shareholders' meeting, a notice shall be served to each shareholder 15 days in advance.

The shareholders who separately or aggregately hold 1% or more of the shares of the company may, 10 days before a shareholders' meeting is held, submit an interim proposal in writing to the board of directors. The interim proposal shall contain a clear topic for discussion and specific matters for resolution. The board of directors shall, within 2 days after it receives such a proposal, notify other shareholders and submit the interim proposal to the shareholders' meeting for deliberation, unless the interim proposal is in violation of any law, administrative regulation or the articles of association or fails to fall into the scope of functions of the shareholders' meeting. The company shall not raise the shareholding proportion of the shareholder who brings forward any interim proposal.

Under the Company Law, a shareholder may entrust a proxy to attend a shareholders' meeting, and it should clarify the matters, power and time limit of the proxy. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his voting rights within the scope of authorization. There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting.

Under the Company Law, a shareholder who attends the shareholders' meeting has one vote for each share held by it, except the shareholders of classified shares. The company may not have a voting right for the shares it holds.

Under the Company Law and the Guidelines for Articles of Association, a resolution made at the shareholders' meeting shall be adopted by more than half of the voting rights held by the shareholders who attend the meeting. A resolution made at the shareholders' meeting on modifying the articles of association, increasing or reducing the registered capital as well as merger, split-up, dissolution or change of the corporate form shall be adopted by two thirds or more of the voting rights held by the shareholders who attend the meeting.

The shareholders' meeting may, in electing the directors or supervisors, adopt a cumulative voting system according to the articles of association or the resolutions of the shareholders' meeting. Under the cumulative voting system, when the shareholders' meeting elects the directors or supervisors, each shareholder is entitled to one vote per share, multiplied by the number of candidates and uses them all for one candidate for director or supervisor.

The Board of Directors

Under the Company Law, a joint stock limited company shall have a board of directors, which consists of more than three members. The term of office of directors shall be prescribed in the articles of association, but each term shall not exceed three years. After the term of office of a director expires, he/she may be reelected to serve another term.

The board of directors shall have one chairman and may have deputy chairmen. The chairman and deputy chairmen shall be elected by more than half of all the directors. The chairman shall convene and preside over the meetings of the board of directors and check the implementation of the resolutions of the board of directors. The deputy chairmen shall assist the chairman in work. If the chairman is unable or fails to perform his/her duties, a deputy chairman shall perform such duties. If the deputy chairman is unable or fails to perform his/her duties, a director jointly elected by more than half of the directors shall perform such duties.

Under any of the following circumstances, anyone may not act as a director of a company:

(i) having no capacity for civil conduct or having limited capacity for civil conduct;

(ii) having been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property or disrupting the order of the socialist market economy, or having been deprived of political rights due to a crime, where a five-year period has not elapsed since the expiration of execution period. If he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension of sentence;

(iii) serving as a director, factory director or manager of a company or enterprise which has been bankrupt and liquidated and being personally liable for the bankruptcy of such company or enterprise, where a three-year period has not elapsed since the completion of the bankruptcy and liquidation;

(iv) acting as the legal representative of a company or enterprise whose business license has been revoked or which was ordered to close down due to any violation of the law and being personally liable, where a three-year period has not elapsed since the date of revocation of business license or the order for closure; or

(v) being listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts.

The board of directors shall convene at least two meetings every year. Each meeting shall be notified to all directors and supervisors 10 days before it is held. The board of directors shall exercise the following functions and powers:

(i) convening the shareholders' meeting and reporting its work to the shareholders' meeting;

(ii) executing the resolutions of the shareholders' meeting;

(iii) deciding on the business plans and investment scheme of the company;

(iv) formulating the plans for profit distribution and making up for loss of the company;

(v) formulating the plan for increasing or decreasing the registered capital, as well as the plan for issuance of corporate bonds;

(vi) formulating the plan for merger, division, dissolution, or change of corporate form of the company;

(vii) deciding on the establishment of the internal management body of the company;

(viii) deciding on the appointment or dismissal of the manager of the company and the remuneration thereof, and, according to the nomination of the manager, deciding on hiring or dismissing deputy managers and financial director of the company as well as their remuneration;

(ix) formulating the basic management rules of the company; and

(x) other functions and powers specified in the articles of association or granted by the shareholders' meeting.

No meeting of the board of directors may be held unless more than half of the directors are present. A resolution made by the board of directors shall be adopted by more than half of all the directors. For voting on a resolution of the board of directors, each director shall have one vote. The board of directors shall prepare minutes regarding the decisions on the matters discussed at the meetings, which shall be signed by the directors present.

The directors shall attend the meeting of the board of directors in person. Where any director is unable to attend the meeting for any reason, he/she may, by issuing a written power of attorney, entrust another director to attend the meeting on his/her behalf. The power of attorney shall indicate the scope of authorization. The directors shall be responsible for the resolutions made by the board of directors. Where a resolution of the board of directors is in violation of any law, administrative regulation, the articles of association or resolution of the shareholders' meeting and causes any serious loss to the company, the directors who participate in adopting such resolution shall be liable for compensation to the company. If a director is proved to have expressed his/her objection to the voting on such resolution and such objection has been recorded in the minutes, he/she may be exempted from liability.

The Board of Supervisors

Under the Company Law, a joint stock limited company may have a board of supervisors which shall comprise 3 members or more. The members of the board of supervisors shall include shareholders' representatives and an appropriate proportion of employees' representatives of the company, among which the proportion of the employees' representatives shall not be lower than one third, and the concrete proportion shall be specified in the articles of association. The employees' representatives who serve as members of the board of supervisors shall be democratically elected by employees through the employees' representative congress, employees' congress or by other means. No director or senior management member may concurrently hold the post of supervisor. A joint stock limited company with a small scale or small number of shareholders may dispense with the board of supervisors, but may have one supervisor, who shall exercise the functions and powers of the board of supervisors as prescribed by the Company Law.

The board of supervisors shall have one chairman and may have deputy chairmen. The chairman and deputy chairmen of the board of supervisors shall be elected by more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. If the chairman of the board of supervisors is unable or fails to perform his/her duties, a deputy chairman of the board of supervisors shall convene and preside over the meeting. If the deputy chairman is unable or fails to perform his/her duties, a supervisor jointly elected by more than half of the supervisors shall convene and preside over such meeting.

The board of supervisors shall exercise the following functions and powers:

(i) examining the financial affairs of the company;

(ii) supervising the acts of the directors and senior management members in the performance of their duties, and proposing the removal of the directors and senior management members who have violated laws, administrative regulations, the articles of association or the resolutions of the shareholders' meeting;

(iii) requiring the directors and senior management members to correct their acts if such acts damage the interests of the company;

(iv) proposing to convene interim shareholders' meetings, and convening and presiding over the shareholders' meeting when the board of directors fails to implement the duties to convene and preside over the shareholders' meeting as prescribed in the Company Law;

(v) presenting proposals to the shareholders' meetings;

(vi) initiating lawsuits against the directors and senior management members according to Article 189 of the Company Law; and

(vii) other functions and powers provided for in the articles of association.

A joint stock limited company may, instead of setting up board of supervisors, in accordance with the provisions of its articles of association, set up an audit committee consisting of directors on its board of directors to exercise the powers and functions of the board of supervisors.

On 27 December 2024, the CSRC promulgated the Transitional Arrangements for the Implementation of Supporting Rules under the New Company Law (關於新《公司法》配套制度規則實施相關過渡期安排), according to which, listed companies shall, before 1 January 2026, in accordance with the provisions of the Company Law, the Provisions of the State Council on the Implementation of the Registration Management System for Registered Capital under the Company Law of the PRC (《國務院關於實施<中華人民共和國公司法>註冊資本登記管理制度的規定》), provide in the articles of association for the establishment of an audit committee in the board of directors, exercising the powers and functions of the board of supervisors as stipulated in the Company Law, and the listed companies shall have no board of supervisors or supervisors. Before a listed company adjusts the establishment of its internal supervisory body, the board of supervisors or supervisors shall continue to comply with the provisions in the original rules of the CSRC.

Managers and Senior Management Members

Under the Company Law, a joint stock limited company may have a manager, who shall be appointed or removed as decided by the board of directors. The manager shall be responsible to the board of directors and exercise his/her functions and powers according to the articles of association or the authorization of the board of directors. The manager shall attend the meetings of the board of directors as a non-voting member.

According to the Company Law, senior management members refer to the company manager, deputy company manager, financial director, secretary to the board of directors of a listed company, and any other persons as specified in the articles of association.

Duties of Directors, Supervisors and Senior Management Members

Directors, supervisors and senior management members of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors, supervisors and senior management members shall assume the obligation of loyalty to the company and take measures to avoid the conflict between their own interests and those of the company and may not seek any improper interests by taking advantage of their powers.

The directors, supervisors and senior management members shall assume the duty of diligence to the company. When performing their duties, they shall, for the best interests of the company, exercise the reasonable care that shall be generally possessed by a manager.

Directors, supervisors and senior management members are prohibited from:

(i) embezzling the property or misappropriating the funds of the company;

(ii) depositing the funds of the company into an account opened in his/her own name or in the name of any other individual;

(iii) giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;

(iv) taking commissions from the transactions between the company and any other person into his/her own pocket;

(v) unlawfully disclosing the confidential information of the company; or

(vi) other acts in violation of the obligation of loyalty to the company.

Where any director, supervisor or senior management members directly or indirectly concludes a contract or conducts a transaction with his/her company, he/she shall report the matters relating to the conclusion of the contract or transaction to the board of directors or shareholders' meeting, which shall be subject to the resolution of the board of directors or shareholders' meeting according to the articles of association.

Where any of the near relatives of the directors, supervisors or senior management members, or any of the enterprises directly or indirectly controlled by the directors, supervisors or senior management members or any of their near relatives, or any of the related parties who has any other related-party relationship with the directors, supervisors or senior management members, concludes a contract or conducts a transaction with the company, the provisions of the preceding paragraph shall apply.

No director, supervisor or senior management member may take advantage of his/her position to seek any business opportunity that belongs to the company for himself/herself or any other person except under any of the following circumstances:

(i) where he/she has reported to the board of directors or the shareholders' meeting and has been approved by a resolution of the board of directors or the shareholders' meeting according to the articles of association; or

(ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the articles of association.

Where any director, supervisor or senior management member fails to report to the board of directors or the shareholders' meeting and obtain an approval by resolution of the board of directors or the shareholders' meeting according to the articles of association, he/she may not engage in any business that is similar to that of the company where he/she holds office for himself/herself or for any other person.

Where any director, supervisor or senior management member violates any law, administrative regulation or the articles of association during the performance of duties and causes any loss to the company, he/she shall be liable for compensation.

Finance and Accounting

Under the Company Law, a company shall establish its financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council. At the end of each fiscal year, the company shall prepare a financial accounting report which shall be audited by an accounting firm in accordance with the law. The financial accounting report shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial department of the State Council.

The financial accounting report of a joint stock limited company shall be made available for inspection by the shareholders at the company not later than twenty days before the annual shareholders' meeting; a joint stock limited company that has publicly issued shares shall announce its financial accounting report.

The premiums received by a company from the issuance of shares at an issue price in excess of the par value of the shares, the amount of share proceeds from the issuance of no par value shares that have not been credited to the registered capital, and other items required by the financial department of the State Council to be included in the capital reserve shall be classified as the capital reserve of the company.

The reserve of a company shall be used for making up losses, expanding the production and business scale or increasing the registered capital of the company. Where the reserve of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Where the statutory reserve is converted to increase registered capital, the amount of such reserve retained shall not be less than 25% of the registered capital of the company prior to the conversion.

No company may keep any accounting books other than the statutory accounting books. No account shall be opened in the name of any individual for the deposit of a company's funds.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the employment or dismissal of an accounting firm undertaking a company's auditing business shall be subject to decision by the shareholders' meeting, the board of directors or the board of supervisors in accordance with the provisions of the company's articles of association. When a company's shareholders' meeting, board of directors or the board of supervisors votes on the dismissal of an accounting firm, the accounting firm shall be allowed to state its own opinions. A company shall provide true and complete accounting documents, accounting books, financial accounting reports and other accounting information to the accounting firm engaged by it, and shall not refuse, conceal or misrepresent them.

The Guidelines for Articles of Association provide that a company's engagement of an accounting firm shall be subject to decision by the shareholders' meeting. The board of directors shall not engage any accounting firm before the decision is made by the shareholders' meeting. The audit fee to the accounting firm shall be subject to decision by the shareholders' meeting.

Profit Distribution

When a company distributes its after-tax profit for the current year, 10% of the profit shall be accrued and included in the company's statutory reserve. Such accrual is no longer required when the accumulated amount of the company's statutory reserve is 50% or more of the company's registered capital. Where the accumulative amount of the company's statutory reserve is not enough to make up for the losses of the previous year, the current year's profits shall first be used to make

up for the losses before the statutory reserve is accrued according to the provisions of the preceding provision. After having accrued statutory reserves from the after-tax profits, a company can also set aside discretionary reserve from the after-tax profits upon a resolution made by the shareholders' meeting. The residual after-tax profits after a company has made up its losses and accrued reserve shall be distributed by the company (in the case of a joint stock limited company) in proportion to the shares held by its shareholders, except as otherwise provided for in the company's articles of association. Profit shall not be distributed for a company's shares held by the company.

Where a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders and the liable directors, supervisors and senior management members shall be held liable for compensation if any loss is caused to the company.

If the shareholders' meeting resolves to distribute profits, the board of directors shall do so within six months after the resolution is made.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved for the following reasons:

(i) the expiration of the business period stipulated in the company's articles of association or the occurrence of other causes of dissolution stipulated in the company's articles of association;

(ii) dissolution by a resolution of the shareholders' meeting;

(iii) dissolution due to merger or demerger of the company;

(iv) suspension of the business license, being ordered to close down or being revoked in accordance with the law; or

(v) being dissolved by the People's Court in accordance with the provisions of Article 231 of the Company Law.

If any of the situations for dissolution as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where the company is dissolved in accordance with sub-paragraph (i) above, it may carry on its existence by amending its articles of association or upon a resolution of the shareholders' meeting, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting. Where the company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the company's articles of association or other persons are otherwise elected by a resolution of the shareholders' meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

The liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the people's court to designate relevant persons to form a liquidation group. The people's court shall accept such requests and organize a liquidation group to carry out the liquidation in a timely manner.

The liquidation group may exercise the following functions and powers during the period of liquidation:

(i) liquidating the property of the company, preparing a balance sheet and an inventory of property, respectively;

(ii) notifying the company's creditors by mail or public announcement;

(iii) handling and liquidating the unfinished business of the company;

(iv) paying off the taxes overdue by the company and the taxes incurred in the process of liquidation;

(v) liquidation of claims and debts;

(vi) distributing the remaining property after all the debts of the company are paid off; and

(vii) representing the company in civil litigation activities.

The liquidation group shall notify the company's creditors within ten days after its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days after the receipt of the notice or within 45 days after the issuance of the public announcement if they do not receive such notice. When filing a proof of claim, the creditors shall describe the relevant matters of claim and provide the relevant evidentiary materials. The liquidation group shall register the proof of claim. During the period for filing proofs of claims, the liquidation group shall not pay off for any of the creditors.

The liquidation group shall, after liquidating the property of the company and preparing a balance sheet and an inventory of property, make a plan of liquidation and report the same to the shareholders' meeting or the people's court for confirmation.

After paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensations, the outstanding taxes and the debts of the company with the property of the company, the remaining assets may, in the case of a limited liability company, be distributed in proportion to the capital contributions of the shareholders, and in the case of a joint stock limited company, distributed in proportion to the shares held by the shareholders.

During the period of liquidation, the company survives, but shall not carry out any business operation unrelated to the liquidation. The property of the company shall not be distributed to the shareholders until it has been liquidated in accordance with the preceding paragraph.

Where the liquidation group finds that the property of the company is not sufficient for paying off the debts after liquidating the property of the company and preparing a balance sheet and an inventory of property, it shall file an application to a people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the company, shall be liable for compensation, and any member of the liquidation group, who causes any loss to any creditor due to his/her intentional or gross negligence, shall be liable for compensation.

Upon completion of the liquidation of the company, the liquidation group shall produce a liquidation report, report the same to the shareholders' meeting or the people's court for confirmation, and submit the same to the company registration authority to apply for deregistration of the company.

Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is revoked, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company.

Overseas Listing

According to the Trial Measures, initial public offerings or listings by an issuer in overseas markets shall be filed with the CSRC within three working days after the application document for offering and listing is submitted overseas. Subsequent securities offerings of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed. Subsequent securities offerings and listings of an issuer in other overseas markets than where it has previously offered and listed securities shall be filed pursuant to provisions in the first sentence of this paragraph.

Loss of Share Certificates

A shareholder may, if his share certificate(s) in registered form is either stolen, lost or destroyed, apply to a people's court for a declaration that such certificate(s) will no longer be valid in accordance with the public notice procedures set out in the Civil Procedure Law of the People's Republic of China. After the people's court declared that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The Securities Law of the People's Republic of China (2019 Revision) (《中華人民共和國證券法(2019年修訂)》) has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Trial Measures, upon the occurrence of voluntary or mandatory delisting after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within three working days after the occurrence and public disclosure of the event.

Securities Laws and Regulations

In October 1992, the State Council established the Securities Commission and the CSRC. The Securities Commission was responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of the securities market, guiding, coordinating and supervising all securities-related institutions in China, and overseeing the CSRC. The CSRC, as the regulatory body of the Securities Commission, was tasked with drafting securities market supervision rules, regulating securities firms, overseeing public securities offerings by Chinese companies both domestically and internationally, standardizing securities trading, compiling securities-related statistical data, and conducting related research and analysis. On 29 March 1998, the State Council merged these two entities and restructured the CSRC.

The Interim Regulations on the Administration of Stock Issuance and Trading, promulgated by the State Council and effective as of 22 April 1993, set out the application and approval procedures for public stock offerings, stock trading, acquisitions of listed companies, custody, clearing, and transfer of listed shares, information disclosure by listed companies, investigations and penalties, and arbitration of disputes.

The Regulations of the State Council on Domestic-Listed Foreign-Invested Shares of Joint Stock Limited Companies promulgated by the State Council and effective as of 25 December 1995, mainly govern the issuance, subscription, trading, and dividend payment of domestic-listed foreign-invested shares, as well as the information disclosure of joint stock limited companies that have domestic-listed foreign-invested shares.

The Securities Law of the People's Republic of China ("PRC Securities Law"), most recently amended by the Standing Committee of the National People's Congress on 28 December 2019, and effective from 1 March 2020, establishes a comprehensive regulatory framework for the Chinese securities market by formulating a series of regulations on areas including securities issuance and trading in China, acquisitions of listed companies, stock exchanges, securities firms, and the duties and liabilities of the State Council's securities regulatory authority. The PRC Securities Law stipulates that domestic enterprises issuing securities overseas or listing their securities on foreign exchanges — whether directly or indirectly — must comply with relevant regulations issued by the State Council. Currently, the issuance and trading of overseas-listed shares are primarily governed by rules and regulations promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

Under the Arbitration Law of the People's Republic of China (the "Arbitration Law"), as amended by the Standing Committee of the National People's Congress on 1 September 2017, and effective from 1 January 2018, the Arbitration Law shall apply to foreign-related economic disputes where the parties have entered into a written agreement to submit the matters to an arbitration commission established in accordance with the Arbitration Law for arbitration. Prior to the formulation of arbitration rules by the China Arbitration Association, arbitration commissions may formulate provisional arbitration rules in accordance with the Arbitration Law and the relevant provisions of the Civil Procedure Law of the People's Republic of China. If the parties have concluded an arbitration agreement and one party initiates litigation before a people's court, the court shall not accept the case, unless the arbitration agreement is invalid.

The Arbitration Law adopts a final and binding arbitration system, with arbitral awards being legally binding on all parties. If a party fails to comply with an arbitral award, the other party may apply to a people's court for enforcement of the arbitral award in accordance with the Civil Procedure Law of the People's Republic of China. However, if the arbitration procedure violates the law — including instances where the composition of the arbitration commission breaches statutory procedures, the matters decided fall outside the scope of the arbitration agreement, or the arbitration commission lacks jurisdiction — the people's court may rule not to enforce the award made by the arbitration commission. For legally effective arbitral awards rendered within the People's Republic of China, if a party requests enforcement and the person against whom enforcement is sought or their property is not within the territory of the People's Republic of China, the party may directly apply to a foreign court with jurisdiction for recognition and enforcement of the award. Similarly, a people's court may recognize and enforce arbitral awards issued by foreign arbitration institutions based on the principle of reciprocity or any relevant international treaties to which China is a party.

Pursuant to the Arrangement Concerning Mutual Enforcement of Arbitral Awards Between the Mainland and the Hong Kong Special Administrative Region, issued by the Supreme People's Court on 24 January 2000, and effective from 1 February 2000, as well as the Supplementary Arrangement Concerning Mutual Enforcement of Arbitral Awards Between the Mainland and the Hong Kong Special Administrative Region, issued by the Supreme People's Court on 26 November 2020, and effective from 27 November 2020, arbitral awards made by Mainland arbitration institutions are enforceable in Hong Kong, and vice versa.

Judicial Judgments and Their Enforcement

According to the Arrangement of the Supreme People's Court on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases with Jurisdiction Agreed upon by the Parties between the Courts of the Mainland and of the Hong Kong Special Administrative Region (promulgated by the Supreme People's Court on 3 July 2008, and effective as of 1 August 2008; repealed on 29 January 2024), for enforceable final judgments for payment of money made by the courts of the Chinese Mainland or the courts of Hong Kong in civil and commercial cases with a written jurisdiction agreement, the parties may, in accordance with this arrangement, apply to the courts of the Chinese Mainland or the courts of Hong Kong for recognition and enforcement of such judgments. A "written jurisdiction agreement" referred to an agreement in writing that expressly designated either Chinese Mainland courts or Hong Kong courts as having exclusive jurisdiction to resolve disputes arising from or related to specific legal relationships, whether such disputes had already occurred or might occur in the future. Therefore, final judgments from the Chinese mainland or Hong Kong that meet certain conditions stipulated in the aforementioned regulations can, upon application by the parties, be recognized and enforced by the courts of the Chinese mainland or the Hong Kong Special Administrative Region.

On 25 January 2024, the Supreme People's Court issued the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Cases Between the Courts of the Mainland and of the Hong Kong Special Administrative Region (the "New Arrangement"), which came into effect on 29 January 2024. The New Arrangement establishes a clearer mechanism for the mutual recognition and enforcement of a broader range of civil and commercial judgments between the Hong Kong Special Administrative Region and Mainland China.

This appendix mainly provides investors with an overview of the Company's Articles of Association. Since the following content is a summary, it does not contain all the information that may be important to investors.

SHARES

Issue of Shares

The shares of the Company are issued in the form of registered stock.

The Company shall issue shares in an open, fair and just manner, and each share of the same class has the same right. All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share subscribed.

All shares issued by the Company shall have their nominal values denominated in RMB, with a par value of RMB0.1 per share. The [**REDACTED**] shares of the Company [**REDACTED**] on the Hong Kong Stock Exchange are referred to as "H shares" for short. The shares issued by the Company but not [**REDACTED**] on domestic or overseas stock exchanges are called unlisted shares. Upon filing with the securities regulatory authority of the State Council, the Company's unlisted shares can be converted into [**REDACTED**] shares and be [**REDACTED**] on overseas stock exchanges. [**REDACTED**] of the shares on an overseas stock exchange shall also comply with the regulatory procedures, regulations and requirements of the relevant overseas stock exchange. The conversion of unlisted shares into [**REDACTED**] shares and their subsequent [**REDACTED**] and [**REDACTED**] on overseas stock exchanges do not require a vote at a shareholders' meeting.

Among the shares issued by the Company, unlisted shares shall be centrally registered and deposited with the domestic securities registration and clearing institution. The registration and clearing arrangements for [**REDACTED**] shares shall be governed by the regulations of the place where the Company's shares are [**REDACTED**].

Increase, Decrease and Repurchase of Shares

Increase and Decrease of Shares

In accordance with the needs of its business operation and development, and in compliance with applicable laws, administrative regulations, departmental rules, regulatory documents, securities regulatory rules of the place where the Company's shares are [**REDACTED**], and the requirements of relevant regulatory authorities, the Company may increase its capital in the following ways upon separate resolutions adopted by the shareholders' meeting:

(I) a public offering of shares upon approval by relevant authorities;

(II) a private placement of shares;

(III) allotment of bonus shares to existing shareholders;

(IV) conversion of funds in the capital reserve to share capital;

(V) other means stipulated by laws and administrative regulations or approved by China Securities Regulatory Commission ("CSRC") or the securities regulatory authority of the place where the Company's shares are [**REDACTED**].

The Company may reduce its registered capital. When the Company reduces its registered capital, it shall go through the procedures in accordance with the Company Law, the securities regulatory rules of the place where the Company's shares are [**REDACTED**], other relevant regulations and the provisions of the Articles of Association.

Repurchase of Shares

The Company shall not repurchase its own shares. However, this does not apply in any of the following circumstances:

(I) to reduce the Company's registered capital;

(II) to merge with another company that holds the Company's shares;

(III) to use the shares for an employee stock ownership plan or equity incentive;

(IV) shareholders object to resolutions of the shareholders' meeting concerning merger or division of the Company, requiring the Company to purchase their shares;

(V) to use the shares to convert into the convertible corporate bonds issued by the Company;

(VI) when it is necessary for the Company to safeguard its own value and the rights and interests of shareholders;

(VII) other circumstances permitted by laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are [**REDACTED**].

The Company may acquire its own shares through public centralized trading methods or other methods recognized by laws, administrative regulations, the CSRC, and the securities regulatory authorities of the place where the Company's shares are [**REDACTED**], and shall comply with the provisions of applicable laws, administrative regulations, and departmental rules. In the case of acquiring the Company's own shares under the circumstances stipulated in (I) and (II) above, a resolution of the shareholders' meeting shall be required. In the case of the Company acquiring its own shares under the circumstances stipulated in (III), (V), and (VI) above, a resolution of the Board meeting attended by more than two-thirds of the directors is sufficient, and there is no need to convene a shareholders' meeting.

After the Company acquires its own shares in accordance with the above-mentioned provisions, in the case of (I), the shares shall be cancelled within 10 days from the date of acquisition; in the cases of (II) and (IV), the shares shall be transferred or cancelled within 6 months. When the Company acquires its own shares in accordance with (III), (V), and (VI) above, the number of acquired shares shall not exceed 10% of the total number of the Company's issued shares, and the acquired shares shall be transferred or cancelled within 3 years.

If relevant laws, regulations, regulatory documents, and securities regulatory rules of the place where the Company's shares are [**REDACTED**] have other provisions regarding the relevant matters involved in the aforementioned share repurchase, and provided that they do not violate the Company Law, the Securities Law, and the Hong Kong Listing Rules, such other provisions shall prevail.

Share Transfer

The shares of the Company can be transferred according to law.

Transfer of all H Shares shall be executed with a written transfer instrument in a common format or other format accepted by the Board (including the standard transfer format or transfer form specified by the Hong Kong Stock Exchange from time to time); If the transferor or transferee

of the Company's shares is a recognized clearing house (the "Recognized Clearing House") or its agent as defined in the relevant ordinances in force from time to time under Hong Kong laws, the written transfer document may be signed in the form of manual signature or machine-printed signature. All transfer instruments must be deposited at the Company's registered address or other places as the Board of Directors may from time to time specify.

The Company does not accept the Company's shares as the subject matter of a pledge.

The shares issued before the Company's [**REDACTED**] of shares shall not be transferred within one year from the date when the Company's shares are [**REDACTED**] and [**REDACTED**] on a stock exchange. The directors and senior management members of the Company shall report to the Company the shares of the Company they hold and the changes therein. During their tenure as determined at the time of taking office, the number of shares they transfer each year shall not exceed 25% of the total number of shares of the Company they hold, and the shares they hold shall not be transferred within one year from the date when the Company's shares are [**REDACTED**] and [**REDACTED**] on a stock exchange. The above-mentioned persons shall not transfer the shares of the Company they hold within six months after leaving their positions. If the securities regulatory rules of the place where the Company's shares are [**REDACTED**] have other provisions on the transfer restrictions of [**REDACTED**] shares, such provisions shall prevail.

Shareholders and Shareholders' Meetings

Shareholders

The Company shall establish a register of shareholders in accordance with the Company Law, the securities regulatory rules of the place where the Company's shares are [**REDACTED**], other relevant regulations, and the provisions of the Articles of Association. The register of shareholders shall be sufficient evidence to prove that shareholders hold the Company's shares. The Company shall keep the original part of the register of shareholders for the holders of the Company's shares [**REDACTED**] on The Stock Exchange of Hong Kong Limited in Hong Kong, and keep a copy at the Company's domicile. The entrusted overseas agent shall at all times ensure the consistency between the original and the copy of the register of shareholders for [**REDACTED**] foreign shares. In case of any discrepancy between the records in the original and the copy, the original shall prevail. The register of shareholders kept in Hong Kong shall be available for inspection by shareholders. However, the Company may close the register of members in accordance with the applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are [**REDACTED**].

The shareholders enjoy rights and fulfill obligations as per the class of the shares they hold. Shareholders holding the same class of shares shall enjoy equal rights and assume the same obligations.

If the Company convenes a shareholders' meeting, distributes dividends, conducts liquidation or executes any other act requiring identification of shareholders, the convener of the Board meeting or shareholders' meeting shall determine the equity registration date, at the end of which the shareholders in the register shall be shareholders entitled to relevant interests.

The shareholders of the Company shall have the following rights:

(I) to receive dividends and profit distributions in any other form in proportion to the shares they hold;

(II) to legally require, convene, preside over, attend or appoint a shareholder proxy to attend the shareholders' meeting and exercise corresponding right to speak and vote (except for situations where voting rights are required to be waived on relevant matters in accordance with the securities regulatory rules of the place where the Company's shares are [**REDACTED**]);

(III) to supervise, present suggestions on or make inquiries about the operations of the Company;

(IV) to transfer, give as gift or pledge their shares in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [**REDACTED**], the Articles of Association and other relevant requirements;

(V) to inspect the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of the Board meetings, and financial and accounting reports;

(VI) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the shares held by them;

(VII) with respect to a shareholder who votes against any resolution adopted at any shareholders' meetings on the merger or division of the Company, to request the Company to repurchase the shares held by him/her/it;

(VIII) other rights stipulated by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are [**REDACTED**] or the Articles of Association.

If any shareholder needs to access the relevant information or obtain materials as set out in the preceding article, the said shareholder shall provide the Company with written documents bearing evidence of the class and number of shares held by him/her/it, and the Company will provide the said information or materials as required by the said shareholder upon authentication of the said shareholder.

Where the contents of a resolution of the shareholders' meeting or the Board meeting of the Company violate the laws or administrative regulations, the shareholders shall be entitled to petition the people's court to declare the resolution invalid. Where the convening procedures or voting method of a shareholders' meeting or a Board meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, the shareholders shall be entitled to petition to the people's court for revocation within 60 days from the date it was made, except for those with only minor defects in the convening procedure or voting method of the shareholders' meeting and the Board meeting and those without material impact on resolutions. If there is a dispute among relevant parties such as the Board of Directors and shareholders regarding the validity of a resolution of the shareholders' meeting, they shall promptly file a lawsuit with the people's court. Before the people's court renders a judgment or ruling to revoke the resolution, relevant parties shall implement the resolution of the shareholders' meeting. The Company, directors, and senior management shall earnestly perform their duties to ensure the normal operation of the Company.

If the people's court renders a judgment or ruling on relevant matters, the Company shall fulfill its information-disclosure obligations in accordance with laws, administrative regulations, requirements of the CSRC, and rules of the stock exchange, fully explain the impacts, and actively cooperate with the execution after the judgment or ruling comes into effect. In case of correcting previous matters, the Company shall handle them in a timely manner and fulfill the corresponding information-disclosure obligations.

Where the directors or senior management members other than members of the Audit Committee violate the provisions of the laws, administrative regulations or the Articles of Association during the performance of their duties of the Company and cause losses to the Company, the shareholders severally or jointly holding 1% or more shares of the Company for a period of 180 consecutive days or longer may submit a written request to the Audit Committee to file a lawsuit with the people's court; where the members of the Audit Committee violate the

provisions of laws, administrative regulations or the Articles of Association in the performance of their duties of the Company and cause losses to the Company, the aforesaid shareholders may submit a written request to the Board of Directors to file a lawsuit with the people's court.

If the Audit Committee or the Board of Directors refuses to institute legal proceedings after receipt of the written request of the shareholders as stipulated in the preceding paragraph or does not institute legal proceedings within 30 days after receipt of the said request, or if the circumstance is urgent or any delay of legal proceedings may incur irrecoverable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly institute legal proceedings to the people's court in their own names in the interests of the Company.

If any other person infringes upon the legitimate rights and interests of the Company, thereby incurring any loss of the Company, the shareholder(s) severally or jointly holding 1% or more shares of the Company for more than 180 days continuously may institute legal proceedings to the people's court according to the aforesaid provision.

Where directors or senior management violate the provisions of laws, administrative regulations or the Articles of Association, damaging the interests of shareholders, the shareholders may file a lawsuit with the people's court.

The shareholders of the Company shall undertake the following obligations:

(I) to observe the laws, administrative regulations and the Articles of Association;

(II) to pay capital contribution as per the shares subscribed for and the method of subscription;

(III) not to exit shares unless in the circumstances stipulated by laws and regulations;

(IV) not to abuse shareholder's right to harm the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company or shareholder's limited liability to harm the interests of creditors of the Company;

(V) other obligations stipulated by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If a shareholder of the Company abuses its shareholder rights and causes losses to the Company or other shareholders, it shall bear compensation liability in accordance with the law. Shareholders of the Company who abuse the independent legal person status of the Company and shareholders' limited liability to evade debts and severely infringe upon the interests of the Company's creditors shall assume joint and several liabilities for the Company's debts. The controlling shareholder, de facto controller, directors, and senior management of the Company shall not damage the interests of the Company by making use of their related relationship, otherwise, they shall make compensation for the loss incurred to the Company.

The controlling shareholder and de facto controller of the Company have fiduciary duties towards the Company and the public shareholders of the Company. The controlling shareholders shall exercise their rights as contributors in strict compliance with the laws. The controlling shareholders shall not infringe upon the legitimate rights and interests of the Company and the public shareholders of the Company through profit distribution, asset restructuring, foreign investment, capital appropriation and loan guarantee, and shall not make use of their controlling status to jeopardize the interests of the Company and the public shareholders of the Company.

Any shareholder holding more than 5% of the voting shares in the Company shall submit a written report to the Company on the same day such shareholder pledges any of its shares.

General Rules for the Shareholder's Meeting

The shareholders' meeting is the organ of authority of the Company, and shall exercise the following functions and powers pursuant to the law:

(I) to elect and replace directors and to decide on matters relating to the remuneration of directors;

(II) to consider and approve reports of the Board;

(III) to consider and approve the Company's profit distribution plans and loss recovery plans;

(IV) to resolve on the increase or reduction of the registered capital of the Company;

(V) to resolve on the issuance and repurchase of the corporate bonds, any equity interest or other debt financing instruments;

(VI) to resolve on the merger, division, dissolution and liquidation of the Company or change of its corporate form;

(VII) to amend the Articles of Association;

(VIII) to resolve on the engagement and dismissal of accounting firms by the Company;

(IX) to consider and approve the matters concerning guarantees as specified in Article 40 of the Articles of Association;

(X) to consider matters regarding the Company's purchase or sale of material assets within one year in excess of 30% of the latest audited total assets of the Company (excluding purchases of raw materials, fuel, and power, and sales of products, goods and other assets related to daily operations; however, asset swaps involving the purchase or sale of such assets shall still be included);

(XI) to consider and approve matters relating to the changes in the use of proceeds from share offerings;

(XII) to consider equity incentive plans and employee stock ownership plans;

(XIII) to consider and approve transactions between the Company and the connected persons that are required to be submitted to the shareholders' meeting for approval under the Hong Kong Listing Rules;

(XIV) to review and approve any material changes to the Company's business, including but not limited to the entry into a distinctly different industry or the termination of any existing business;

(XV) to consider other issues that should be decided by the shareholders' meeting as stipulated by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are [**REDACTED**] or the Articles of Association.

Unless otherwise provided by laws, administrative regulations, regulations of the CSRC or rules of the stock exchange, the aforesaid functions and powers of the shareholders' meeting shall not be exercised by the Board of Directors or other institutions and individuals by means of authorization. However, the shareholders' meeting of the Company may authorize the Board to resolve on the issuance of corporate bonds.

The following external guarantees of the Company shall be considered and approved by the shareholders' meeting:

(I) any guarantee provided after the total amount of external guarantee provided by the Company and subsidiaries in which it has controlling interest exceeds 50% of the latest audited net assets;

(II) any external guarantee to be given by the Company, the total amount of which exceeds 30% of its latest audited total assets;

(III) any guarantee provided by the Company within one year with a guaranteed amount exceeding 30% of the latest audited total assets of the Company;

(IV) any guarantee for guarantee objects whose liability-asset ratio exceeds 70%;

(V) a single guarantee whose amount exceeds 10% of the latest audited net assets;

(VI) any guarantee provided to shareholders, de facto controllers and their connected persons;

(VII) other external guarantees that should be considered by the shareholders' meeting as stipulated by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are [**REDACTED**] and the Articles of Association.

The consideration procedures for external guarantees specified in the preceding paragraph do not apply to guarantees provided by the Company to its subsidiaries, guarantees provided by the subsidiaries to the Company and guarantees between the subsidiaries.

The shareholders' meetings include annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year, and be held within 6 months after the end of the previous fiscal year.

The Company shall convene an extraordinary shareholders' meeting within two months from the date of occurrence of any of the following circumstances:

(I) the number of directors is less than the number required by the Company Law or less than two-thirds of the number stipulated in the Articles of Association;

(II) the unrecovered losses of the Company amount to 1/3 of the total paid-in capital;

(III) it is required by shareholder(s) individually or jointly holding more than 10% equity of the Company;

(IV) when deemed necessary by the Board of Directors;

(V) when proposed by the Audit Committee;

(VI) other circumstances as stipulated by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are [**REDACTED**] or the Articles of Association.

The venue for the Company's shareholders' meeting shall be the Company's regular office location or the location specified in the notice of the shareholders' meeting. The Company shall set up a meeting venue, and the shareholders' meeting shall be held in the form of an on-site meeting or other forms permitted by laws and regulations. On the premise of ensuring the legality and effectiveness of the shareholders' meeting, in accordance with the provisions of laws,

administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are [**REDACTED**], the Company may also provide online voting or other methods to facilitate shareholders' participation in the shareholders' meeting. Shareholders who participate in the shareholders' meeting through the above-mentioned methods shall be deemed to have attended the meeting.

Convening of the Shareholders' Meeting

The shareholders' meeting shall be convened by the Board according to the laws.

Independent non-executive directors are entitled to propose to the Board on convening an extraordinary shareholders' meeting. Where independent non-executive Directors propose to convene an extraordinary shareholders' meeting, the Board shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [**REDACTED**] and the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders' meeting within 10 days upon the receipt of the proposal. Where the Board agrees to convene an extraordinary shareholders' meeting, a notice on the convening of the shareholders' meeting shall be issued within 5 days after the resolution is passed by the Board; where the Board does not agree to convene an extraordinary shareholders' meeting, it shall explain the reasons thereof.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting, and such proposal shall be submitted to the Board of Directors in writing. The Board shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [**REDACTED**] and the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders' meeting within 10 days upon the receipt of the proposal.

Where the Board agrees to convene an extraordinary shareholders' meeting, a notice on the convening of the meeting shall be issued within 5 days after the resolution is passed by the Board, and the changes made to the original proposal in the notice shall be approved by the Audit Committee. Where the Board does not agree to convene an extraordinary shareholders' meeting, or fails to reply within 10 days upon the receipt of the proposal, the Board shall be deemed as not being able to perform or failing to perform its duty to convene the shareholders' meeting, and the Audit Committee may convene and preside over such meeting on its own.

Shareholders individually or in aggregate holding more than 10% of the Company's shares shall have the right to request the Board to convene an extraordinary shareholders' meeting and such request shall be made in writing to the Board. The written request should state the subject of the meeting and present a complete proposal. The Board shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [**REDACTED**] and the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders' meeting within 10 days upon the receipt of the request.

Where the Board agrees to convene an extraordinary shareholders' meeting, a notice on the convening of the shareholders' meeting shall be issued within 5 days after the resolution is passed by the Board, and the changes made to the original request in the notice shall be approved by relevant shareholders. Where it is otherwise provided in the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are [**REDACTED**], such provisions shall prevail. If the Board refuses to convene an extraordinary shareholders' meeting or fails to give a response within 10 days after receiving the request, shareholders who individually or jointly hold more than 10% of the Company's shares have the right to propose to the Audit Committee to convene an extraordinary shareholders' meeting and shall submit a written request to the Audit Committee.

Where the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. Changes made to the original request in the notice shall be approved by relevant shareholders. If the Audit Committee fails to serve a notice of shareholders' meeting within the prescribed period, it shall be deemed as failing to convene and preside over the shareholders' meeting, and the shareholders severally or jointly holding more than 10% shares of the Company for consecutively 90 days may convene and preside over the meeting by themselves.

If the Audit Committee or shareholders decide to convene a shareholders' meeting on their own, they must notify the Board of Directors in writing.

Prior to the formation of resolutions at the shareholders' meeting, the shareholding ratio of the shareholders convening such meeting shall not be less than 10%.

For the shareholders' meeting convened by the Audit Committee or shareholders on their own, the Board shall provide cooperation. The Board of Directors shall provide the register of shareholders as of the Record Date. The register of shareholders obtained by the convener shall not be used for other purposes except for the shareholders' meeting.

For the shareholders' meetings convened by the Audit Committee or shareholders on their own, the Company shall bear the necessary expenses for the meeting.

Proposals and Notices of Shareholders' Meetings

A proposal of a shareholders' meeting shall fall into the functions and powers of the shareholders' meeting. There shall be definite topics and specific matters for resolution. The proposal shall comply with the relevant provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [**REDACTED**] and the Articles of Association.

Where the Company convenes a shareholders' meeting, the Board, Audit Committee, and shareholder(s) individually or jointly holding more than 1% shares of the Company may make proposals to the Company. The shareholders individually or jointly holding more than 1% of the shares of the Company may raise temporary proposals and submit them to the convener in writing 10 days before the shareholders' meeting is held. The convener shall issue a supplementary notice of the shareholders' meeting and announce the contents of such temporary proposals within 2 days upon receipt thereof, unless the temporary proposals do not comply with the provisions of Article 50 of the Articles of Association.

Except as provided by the preceding paragraph and the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are [**REDACTED**], the convener shall not amend the proposals already specified in the notice of the shareholders' meeting or add new proposals subsequent to the issue of the notice of the shareholders' meeting. The shareholders' meeting shall not vote or resolve on any proposals which are not contained in a notice of the shareholders' meeting or are not in compliance with the Articles of Association.

The convener shall notify all shareholders at least 21 days prior to the date of convening an annual shareholders' meeting and at least 15 days prior to the date of convening an extraordinary shareholders' meeting. When the Company calculates the starting date, the date of the meeting shall be excluded.

The notice of a shareholders' meeting shall specify:

(I) time, venue and duration of the meeting;

(II) matters and proposals submitted for consideration at the meeting;

(III) a clear statement that all shareholders are entitled to attend the shareholders' meeting and appoint proxies in writing to attend and vote at such meeting and that such proxies need not be shareholders of the Company;

(IV) the equity registration date of shareholders entitled to attend the shareholders' meeting;

(V) name and telephone number of the contact person of the meeting;

(VI) where a shareholders' meeting is held via online or other means, the voting time and voting procedure of such means (if any);

(VII) other requirements as stipulated by the laws, regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are [**REDACTED**] and the Articles of Association.

Notices or supplementary notices of shareholders' meetings shall adequately and completely disclose the specific contents of all proposals.

After the notice of shareholders' meeting is issued, the same meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. Once a postponement or cancellation occurs, the Company or the convener shall make an announcement and explain the reasons in accordance with laws, regulations and the securities regulatory rules of the place where the Company's shares are [**REDACTED**].

Holding of Shareholders' Meetings

All the shareholders in the register of shareholders on the equity registration date or their proxies shall be entitled to attend the shareholders' meeting and exercise their right to speak and vote according to relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are [**REDACTED**] and the Articles of Association. Shareholders may attend the shareholders' meeting in person, or they may appoint a proxy to attend the meeting on their behalf, make statements and exercise voting rights. A proxy need not be a shareholder of the Company. Shareholders have the right to speak and vote at the shareholders' meeting, unless individual shareholders are required by the securities regulatory rules of the place where the company's shares are [**REDACTED**] to abstain from voting on specific matters.

An individual shareholder attending a shareholders' meeting in person shall present his/her identity card or other valid certificates or proofs indicating their identity and share account card; a proxy attending a shareholders' meeting on behalf of an individual shareholder shall present his/her identity card and power of attorney of the shareholder. Corporate shareholders shall be represented at the meeting by their legal representatives or a proxy appointed by the legal representatives; a legal representative attending the meeting shall present his/her identity card and valid certificate bearing evidence of his/her qualifications as legal representative; a proxy attending the meeting on behalf of the legal representative shall present his/her identity card and written power of attorney legally issued by the legal representative of the corporate shareholder, except for shareholders who are recognized clearing houses (or their agents) as defined by the relevant regulations promulgated from time to time in Hong Kong.

If the shareholder is a recognized clearing house (or its agent) as defined by the relevant regulations promulgated from time to time in Hong Kong, the shareholder may authorize one or more persons it deems appropriate to act as its agents or representatives at any shareholders' meeting (and/or creditors' meeting). However, if more than one person is authorized, the power of attorney or authorization document shall specify the number and class of shares covered by such authorization for each such person, and the power of attorney or authorization document shall be signed by an authorized person of the recognized clearing house. Persons so authorized may attend the meeting on behalf of the recognized clearing house (or its agent) (without presenting

shareholding certificates, notarized authorizations and/or further evidence to prove their formal authorization), and may speak and exercise other rights at the meeting as if such persons were individual shareholders of the Company. These authorized persons shall enjoy the same legal rights as other shareholders, including the rights to speak and vote.

The power of attorney used by shareholders to appoint proxies to attend the shareholders' meeting shall contain the following information:

(I) name or title of the principal and the class and number of the Company's shares held by the principal.

(II) name or title of the proxy;

(III) specific instructions from the shareholder, including instructions on voting in favor, against or abstaining from voting on each item on the agenda of the shareholders' meeting; the date of issuance and the validity period of the power of attorney;

(IV) signature (or seal) of the principal; if the principal is a corporate shareholder or a partnership shareholder, the seal of the legal entity or the partnership shall be affixed;

(V) other requirements as stipulated by the laws, regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are [**REDACTED**] and the Articles of Association.

If the shareholders' meeting requires the directors and senior management members to be present at the meeting as non-voting attendees, the directors and senior management personnel shall attend the meeting as non-voting attendees and subject themselves to the inquiries of the shareholders. Directors and senior management members shall make explanations in relation to the inquiries and suggestions made by shareholders at shareholders' meetings.

The shareholders' meetings shall be presided over by the chairman of the Board of Directors. Where the chairman cannot or does not fulfill the duty thereof, the vice chairman shall preside over the meeting. Where the vice chairman cannot or does not fulfill the duty thereof, more than half of the directors may jointly elect a director to preside over the meeting. A shareholders' meeting convened by the Audit Committee itself shall be presided over by the convener of the Audit Committee. When the convener of the Audit Committee is unable to perform or fails to perform his/her duties, one member of the Audit Committee jointly recommended by more than half of the Audit Committee members shall preside over the meeting. A shareholders' meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener.

The shareholders' meeting shall keep minutes, which shall be prepared by a dedicated person appointed by the Board of Directors. The convener shall ensure that the minutes are truthful, accurate and complete. The attending directors, convener or representative thereof, and the presider shall sign the minutes. The minutes of the meeting, the signed attendance record of those shareholders present, the power of attorney for attendance by proxy, and the valid information relating to the voting over network or by other means shall be kept as archives for at least 10 years.

Resolutions and Voting at Shareholders' Meetings

Resolutions of the shareholders' meeting are classified into ordinary resolutions and special resolutions. An ordinary resolution shall be passed by more than half of the voting rights held by the shareholders (including proxies) attending the shareholders' meeting. A special resolution shall be passed by not less than two-thirds of the voting rights held by the shareholders (including proxies) attending the shareholders' meeting.

The following matters shall be approved by ordinary resolution at the shareholders' meeting:

(I) the Board of Directors' work report;

(II) the profit distribution plan and loss recovery plan proposed by the Board of Directors;

(III) the appointment or removal of members of the Board of Directors and their remuneration and payment methods;

(IV) the engagement or dismissal of accounting firms;

(V) the Company's annual report;

(VI) other matters which, under applicable laws, administrative regulations, securities regulatory rules of the place where the Company's shares are [**REDACTED**], or these Articles of Association, are not required to be approved by special resolution.

The following matters shall be approved by special resolution at the shareholders' meeting:

(I) increase or reduction of the registered capital of the Company;

(II) division, spin-off, merger, dissolution, liquidation, or change of corporate form of the Company;

(III) amendments to these Articles of Association;

(IV) the acquisition or disposal of significant assets or provision of guarantees within one year exceeding 30% of the Company's latest audited total assets. The foregoing shall not apply to guarantees provided by the Company for its subsidiaries, by subsidiaries for the Company, or among subsidiaries;

(V) equity incentive plans;

(VI) review and approval of any material changes to the Company's business, including but not limited to entering into a distinctly different industry or terminating any existing business;

(VII) other matters as stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are [**REDACTED**], or these Articles of Association, as well as any other matters which are determined by the shareholders' meeting via ordinary resolution to have a material impact on the Company and therefore require approval by special resolution.

Where the shareholders' meeting deliberates on any proposals submitted by an acquirer and/or its concert parties in furtherance of a hostile takeover, such as proposals regarding the purchase or sale of assets, leasing or subleasing of assets, gifting of assets, connected transactions, external investments (including entrusted wealth management), provision of external guarantees or pledges, financial assistance, restructuring of claims or debts, entering into management-related agreements (including entrusted operation, delegated operation, etc.), transfer of R&D projects, licensing agreements, etc., such proposals shall be approved by no less than three-fourths of the voting rights held by shareholders present at the shareholders' meeting.

Any proposed amendment by the acquirer and/or its concert parties to the anti-hostile takeover provisions under these Articles of Association shall be approved by no less than three-fourths of the voting rights held by shareholders present at the shareholders' meeting.

In the event of a hostile takeover of the Company, if any director or senior management member is removed or dismissed prior to the expiry of their term of office without the existence of any illegal or criminal conduct, disqualification or lack of capability to hold the position, or violation of these Articles of Association, the Company shall pay such director or senior management member a one-off compensation equal to ten times the total pre-tax remuneration received by them during their term of office with the Company.

Shareholders (including proxies) shall exercise their voting rights in proportion to the number of voting shares they hold, with each share carrying one vote.

According to applicable laws, administrative regulations, departmental rules, normative documents, and the securities regulatory rules of the place where the Company's shares are [**REDACTED**], if any shareholder is required to abstain from voting or is restricted to voting only in favor or only against any specific resolution, any vote cast in violation of such requirements or restrictions by such shareholder (or its proxy) shall not be counted in the voting results.

Shares of the Company held by the Company itself shall carry no voting rights and shall not be counted in the total number of voting shares represented at the shareholders' meeting.

When the shareholders' meeting reviews matters related to connected transactions (as defined in the Listing Rules), connected shareholders and their close associates (as defined in the Listing Rules) shall abstain from voting. The voting shares they represent shall not be included in the total number of valid votes cast. The announcement of the shareholders' meeting resolution shall fully disclose the voting results of the non-connected persons.

Prior to reviewing connected transactions, the Company shall determine the scope of connected shareholders in accordance with applicable laws, administrative regulations, departmental rules, normative documents, and the Listing Rules. Connected persons or their authorized representatives may attend the shareholders' meeting and may, in accordance with the meeting procedures, express their views to the attending shareholders, but shall abstain from voting on the relevant matters. If any connected shareholder fails to voluntarily abstain from voting, other attending shareholders shall have the right to request that such person abstain. Once the connected persons have abstained, the other shareholders shall vote based on the voting rights they hold and adopt the relevant resolutions in accordance with these Articles of Association. The meeting chairperson shall announce the number of shareholders and proxies attending the meeting (excluding connected persons) and the total number of voting shares held by them.

Resolutions of the shareholders' meeting concerning connected transactions shall only be valid if approved by more than half of the voting rights held by non-connected persons attending the meeting. However, if the connected transaction concerns a matter that, pursuant to these Articles of Association, must be approved by special resolution, such resolution shall be valid only if passed by not less than two-thirds of the voting rights held by non-connected persons attending the meeting.

If any connected person or its associate violates the provisions of this Article and participates in the voting, the votes cast by such person on the relevant connected transaction shall be deemed invalid.

Except under circumstances of crisis or other special situations, the Company shall not enter into any contract with any person other than its directors and senior management members for the management of all or a significant part of the Company's business, unless such contract has been approved by not less than three-fourths of the voting rights held by shareholders (including shareholder proxies) present at the shareholders' meeting.

The crisis situations referred to in the preceding paragraph include, but are not limited to, circumstances where the largest shareholder loses its status as such not due to its own subjective intent, or where a hostile takeover occurs as defined under Article 155 of these Articles of Association.

Resolutions adopted at the shareholders' meeting shall be announced promptly in accordance with applicable laws, regulations, departmental rules, normative documents, securities regulatory rules of the place where the Company's shares are [**REDACTED**], and these Articles of Association. The announcement shall specify the directors present, the shareholders and proxies attending the meeting, the total number of voting shares held by them and its proportion to the total number of voting shares of the Company, the voting method, the voting results of each proposal, and the full text of each resolution passed.

If any proposal is not approved, or if the current shareholders' meeting alters any resolution adopted at a previous shareholders' meeting, a specific statement to that effect shall be included in the resolution announcement.

Board of Directors

Directors

Directors of the Company shall be natural persons. Any person who falls under any of the following circumstances shall not serve as a director of the Company:

(I) having no or limited civil capacity;

(II) having been subject to criminal penalties for corruption, bribery, misappropriation of property, embezzlement of property, or disrupting the socialist market economic order, where five years have not yet elapsed since the completion of the sentence, or having been deprived of political rights due to criminal offenses, where five years have not yet elapsed since the completion of the sentence, or where the person was given a suspended sentence and two years have not yet elapsed since the end of the probation period;

(III) having served as a director, factory director, or general manager of a company or enterprise that went bankrupt during their tenure and was personally responsible for the bankruptcy, where three years have not yet elapsed since the conclusion of the bankruptcy liquidation;

(IV) having served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to shut down due to violations of laws and was personally responsible, where three years have not yet elapsed since the date of revocation or closure;

(V) being listed by a People's Court as a dishonest person subject to enforcement due to failure to repay substantial personal debts when due;

(VI) being subject to market entry prohibition measures by the CSRC and the period of prohibition has not yet expired;

(VII) other circumstances stipulated by laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the Company's shares are [**REDACTED**].

Any election, appointment, or engagement of a director in violation of the above provisions shall be invalid. If a director, during his/her term of office, falls into any of the above circumstances, the Company shall remove such person from his/her position.

Directors shall be elected or replaced by the shareholders' meeting and may be removed by the shareholders' meeting before the expiration of their term. Each term of the Board of Directors shall last for three years. Directors shall be eligible for re-election upon expiration of their term of office, unless otherwise provided by applicable laws, regulations, or the securities regulatory rules of the place where the Company's shares are [**REDACTED**].

The term of a director shall commence from the date he/she assumes office and end upon the expiry of the term of the current Board of Directors. If a director is not re-elected in time after the expiration of his/her term, the original director shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are [**REDACTED**], and these Articles of Association until a new director takes office.

A director may concurrently serve as the general manager or other member of senior management.

Directors shall comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [**REDACTED**], and these Articles of Association. They owe a duty of loyalty to the Company, shall take measures to avoid conflicts of interest between themselves and the Company, and shall not use their powers to seek improper personal benefits.

Directors owe the Company the following duties of loyalty:

(I) not to use their powers to solicit or accept bribes or other unlawful gains, and not to misappropriate company property;

(II) not to misappropriate company funds;

(III) not to open accounts in their own or others' names for the deposit of company assets or funds;

(IV) not to, without reporting to the Board of Directors or shareholders' meeting and obtaining approval by resolution in accordance with these Articles of Association, enter into contracts or transactions with the Company, whether directly or indirectly;

(V) not to, without reporting to the Board of Directors or shareholders' meeting and obtaining approval by resolution of the shareholders' meeting, take advantage of their position to secure business opportunities that belong to the Company for themselves or others, except where such business opportunities, under applicable laws, administrative regulations, or these Articles of Association, cannot be utilized by the Company;

(VI) not to engage in, or cause others to engage in, businesses of the same type as those of the Company, without reporting to the Board of Directors or shareholders' meeting and obtaining approval by resolution of the shareholders' meeting;

(VII) not to accept commissions related to transactions between others and the Company for personal benefit;

(VIII) not to disclose company secrets without authorization;

(IX) not to harm the interests of the Company by taking advantage of their connected relationships;

(X) other duties of loyalty as stipulated by laws, administrative regulations, departmental rules, and these Articles of Association.

Any gains obtained by a director in violation of the provisions of this article shall belong to the Company; if losses are caused to the Company, the director shall be liable for compensation.

Where close relatives of directors or senior management members, or enterprises directly or indirectly controlled by directors, senior management members, or their close relatives, or other persons with connected relationships with directors or senior management members, enter into contracts or conduct transactions with the Company, the provisions of Item (IV) above shall apply.

Directors shall comply with laws, administrative regulations, and these Articles of Association, and shall owe the following duties of diligence to the Company:

(I) They shall exercise the rights granted by the Company with prudence, care, and diligence to ensure that the Company's business activities comply with national laws, administrative regulations, and relevant economic policies, and that such activities do not exceed the business scope as stipulated in the business license;

(II) They shall treat all shareholders fairly;

(III) They shall stay informed of the Company's operational and management status in a timely manner;

(IV) They shall issue written confirmation opinions on the Company's periodic reports to ensure that the information disclosed by the Company is truthful, accurate, and complete;

(V) They shall provide truthful information and materials to the Audit Committee and shall not obstruct the Audit Committee in the performance of its duties;

(VI) They shall not to provide, in any form, any convenience or assistance that would impair the legitimate rights and interests of the Company or its shareholders to any organization or individual intending to or in the course of carrying out a hostile takeover of the Company, or in support of such takeover actions;

(VII) Other duties of diligence as prescribed by laws, administrative regulations, departmental rules, and these Articles of Association.

Directors (including independent non-executive directors) shall actively participate in relevant training programs, including training on listing rules and associated risk topics, and shall regularly attend external training provided by the stock exchange or other regulatory authorities in order to understand their rights, obligations, and responsibilities as directors, become familiar with relevant laws and regulations, and acquire the knowledge required for performing their duties as directors.

Directors shall not use their position to seek business opportunities belonging to the Company for their own benefit or for the benefit of others. However, this shall not apply under the following circumstances:

(I) where the director has reported to the Board of Directors or the shareholders' meeting, and such matter has been approved by resolution of the Board of Directors or the shareholders' meeting in accordance with applicable laws, regulations, and the securities regulatory rules of the place where the Company's shares are [**REDACTED**];

(II) where the Company is unable to utilize the business opportunity under applicable laws, administrative regulations, or these Articles of Association.

A director may resign before the expiration of his/her term. To resign, the director shall submit a written resignation report to the Company, and the resignation shall become effective upon the date the Company receives the resignation report. If a director's resignation causes the number of directors on the Board of the Company to fall below the statutory minimum, or if the resignation of an independent non-executive director causes the proportion of independent non-executive directors on the Board or any of its special committees to fall below the standards required under applicable laws, regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are [**REDACTED**], or these Articles of Association, then prior to the assumption of office by the newly elected director, the resigning director shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are [**REDACTED**], and these Articles of Association. The Board of Directors shall promptly convene a shareholders' meeting to elect a new director to fill the vacancy arising from the resignation.

Upon the effectiveness of resignation or the expiration of the term of office, a director shall complete all handover formalities with the Board of Directors. The duty of loyalty owed by a director to the Company and its shareholders shall not automatically terminate with the end of his/her term of office. The director's obligation to keep the Company's trade secrets confidential shall remain effective after the resignation becomes effective or the term of office expires, and shall continue until such information becomes public. The duration of any other continuing obligations shall be determined based on the principle of fairness.

If a director violates applicable laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are [**REDACTED**], or these Articles of Association in the performance of his/her duties and causes losses to the Company, the director shall be liable for compensation. If a director resigns without authorization before the end of his/her term and causes losses to the Company, the director shall be liable for compensation.

Board of Directors

The Board of Directors shall consist of seven directors, including executive directors, non-executive directors, and independent non-executive directors. The number of independent non-executive directors shall account for at least one-third of the total Board members and shall not be fewer than three. The Board of Directors shall have one chairman and one vice chairman, each elected by a majority vote of all directors.

The Board of Directors shall exercise the following powers:

(I) convening shareholders' meetings and reporting to the shareholders' meeting;

(II) implementing resolutions of the shareholders' meeting;

(III) deciding the Company's business plans and investment proposals;

(IV) formulating the Company's profit distribution plans and loss recovery plans;

(V) formulating the Company's annual financial budget plan, final accounts plan, and any material amendments to such plans;

(VI) formulating the Company's plans for increasing or reducing registered capital, issuing bonds or other securities, and listing;

(VII) formulating the Company's plans for significant acquisitions, repurchase of the Company's shares, or mergers, divisions, dissolutions, and change of corporate form of the Company;

(VIII) deciding, within the scope of authorization granted by the shareholders' meeting, on matters such as external investments, asset acquisitions and disposals, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations;

(IX) electing or replacing the chairman and the vice chairman of the Board;

(X) deciding the establishment of internal management organizations of the Company;

(XI) deciding the appointment or dismissal of the general manager, the Board secretary, and other senior management members of the Company, and determining their remuneration and disciplinary matters; deciding, based on the nomination of the general manager, the appointment or dismissal of deputy general managers and chief financial officer, and determining their remuneration and disciplinary matters;

(XII) formulating the Company's basic management systems;

(XIII) formulating proposals for amendments to these Articles of Association;

(XIV) managing matters related to information disclosure of the Company;

(XV) proposing to the shareholders' meeting the engagement or replacement of the accounting firm responsible for auditing the Company;

(XVI) hearing work reports from the general manager of the Company and inspecting their work;

(XVII) in the event of a hostile takeover of the Company, adopting and implementing anti-takeover measures that are not prohibited by applicable laws and regulations and do not impair the lawful rights and interests of the Company and other shareholders;

(XVIII) other powers conferred by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are [**REDACTED**], or these Articles of Association.

The chairman of the Board shall exercise the following powers:

(I) presiding over shareholders' meetings and convening and presiding over Board meetings;

(II) supervising and inspecting the implementation of Board resolutions;

(III) other powers granted by the Board of Directors.

Board meetings are classified into regular meetings and extraordinary meetings. The Board shall convene at least four regular meetings annually, approximately once per quarter, which shall be convened by the chairman with a notice issued at least 14 days prior to each meeting.

Under the following circumstances, the chairman shall convene and preside over an extraordinary Board meeting within 10 days upon receiving a proposal:

(I) where shareholders representing more than one-tenth of the voting rights propose so;

(II) where more than one-third of the directors jointly propose so;

(III) where the Audit Committee proposes so;

(IV) where the chairman deems it necessary;

(V) other circumstances as specified in these Articles of Association.

A Board meeting shall only be held if more than half of the directors are present. A Board resolution must be passed by a majority of all directors. Each director shall have one vote in Board resolutions. In the event of a tie, the chairman shall have a casting vote.

Where a director has a connected relationship with an entity or individual involved in a matter to be considered at a Board meeting, the director shall report such relationship to the Board in writing in a timely manner. A connected director shall not vote on such matter or act as a proxy for other directors in voting, and the votes they hold shall not be counted in the total voting rights. The Board meeting may be held with the attendance of more than half of the non-connected directors, and the resolution must be passed by a majority of the non-connected directors. Where the number of non-connected directors attending the meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration. Where laws, regulations, or the securities regulatory rules of the place where the Company's shares are [**REDACTED**] impose additional restrictions on director participation in Board meetings or voting, such provisions shall prevail.

Directors shall be held accountable for resolutions adopted by the Board of Directors. Where a resolution of the Board violates laws, administrative regulations, these Articles of Association, or resolutions of the shareholders' meeting, thereby causing material losses to the Company, the directors who participated in the adoption of such resolution shall be liable for compensation to the Company. However, a director may be exempted from such liability if it is proven that the director expressed dissent during the voting process and such dissent was recorded in the minutes of the meeting.

Special Committees of the Board of Directors

The Company shall establish an Audit Committee under the Board of Directors, which shall exercise the functions and powers of a supervisory committee as provided in the Company Law. The Audit Committee shall consist of three members, all of whom shall be independent directors. One of them, who shall possess accounting expertise, shall act as the convener.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, and for supervising and assessing both internal and external auditing and internal control. The following matters shall be submitted to the Board of Directors for consideration only after being approved by a majority of all members of the Audit Committee:

(I) the financial information disclosed in financial and accounting reports and periodic reports, and the internal control evaluation report;

(II) the engagement or dismissal of accounting firms responsible for auditing the listed company;

(III) the appointment or dismissal of the chief financial officer of the listed company;

(IV) changes in accounting policies or accounting estimates, or corrections of material accounting errors not due to changes in accounting standards;

(V) other matters as required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [**REDACTED**], or these Articles of Association.

The Company shall establish a Nomination Committee and a Remuneration and Appraisal Committee under the Board of Directors, which shall perform their duties in accordance with these Articles of Association and the authorization of the Board of Directors. Proposals from the special committees shall be submitted to the Board of Directors for consideration and decision. The Board of Directors shall be responsible for formulating the working rules of the special committees.

General Manager and Other Senior Management Members

The Company shall have one general manager, three deputy general managers, one chief financial officer, and one Board secretary, all of whom shall be appointed or dismissed by the Board of Directors. The Company may decide to appoint other senior management members as needed for its operational development.

The circumstances under which a person may not serve as a director, as set out in these Articles of Association, shall apply equally to senior management members. The provisions on directors' duties of loyalty and diligence under these Articles of Association shall also apply to senior management members.

Each term of office of the general manager shall be three years. The general manager may be reappointed by the Board of Directors upon expiration of the term. The term of office shall commence from the date of approval by the Board of Directors and shall end upon the expiry of the current Board's term.

The general manager shall be accountable to the Board of Directors and shall exercise the following functions and powers:

(I) to preside over the production and business operations of the Company, organize the implementation of Board resolutions, and report to the Board of Directors;

(II) to organize the implementation of the Company's annual business plan and investment proposals;

(III) to formulate plans for the establishment of internal management organizations of the Company;

(IV) to formulate the Company's basic management systems;

(V) to formulate the Company's specific rules and policies;

(VI) to propose to the Board of Directors the appointment or dismissal of other senior management members;

(VII) to decide on the appointment or dismissal of management personnel other than those whose appointments or dismissals must be determined by the Board of Directors;

(VIII) to formulate the compensation, benefits, and reward and punishment policies for the Company's employees, and to decide on the appointment or dismissal of employees of the Company;

(IX) to examine and approve, within the authorization granted by the Board of Directors, the purchase and disposal of fixed assets;

(X) to examine and approve, within the authorization granted by the Board of Directors, investment matters;

(XI) to decide on matters relating to operating loans of the Company and its subsidiaries;

(XII) other functions and powers granted by these Articles of Association or the Board of Directors.

The general manager shall attend Board meetings.

The general manager may resign before the expiry of his/her term of office. The specific procedures and methods for resignation shall be governed by the employment contract between the general manager and the Company.

Each term of office for other senior management members shall be three years. Their appointments or dismissals shall be proposed by the general manager and determined by the Board of Directors.

The Company shall have a Board secretary, who shall be responsible for organizing shareholders' meetings and Board meetings, safekeeping documents, managing shareholder information, and handling matters related to information disclosure. The Board secretary shall comply with the relevant provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are [**REDACTED**], and these Articles of Association.

If any senior management member violates applicable laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are [**REDACTED**], or these Articles of Association in the performance of his/her duties and causes losses to the Company, the director shall be liable for compensation.

Senior management members shall receive relevant training on the Listing Rules and risk management, and shall regularly attend external training sessions held by the stock exchange or other regulatory authorities.

Financial and Accounting System, Profit Distribution and Audit

Financial and Accounting System and Profit Distribution

The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations and the provisions of relevant state departments. Where otherwise provided by the securities regulatory authority of the place where the Company's shares are [**REDACTED**], such provisions shall prevail.

The Company shall not establish any set of accounting books in addition to the statutory accounting books. The Company's funds shall not be deposited into any account opened in the name of an individual.

When distributing profits for a given year, the Company shall allocate 10% of its after-tax profits to the statutory reserve fund. Where the accumulated amount of the statutory reserve fund has reached more than 50% of the Company's registered capital, no further allocation is required. Where the statutory reserve fund is insufficient to cover losses carried over from previous years, the Company shall use the current year's profits to offset such losses before making allocations to the statutory reserve fund as specified above.

After the Company has allocated after-tax profits to the statutory reserve fund, it may, subject to a resolution of the shareholders' meeting, allocate additional amounts to a discretionary reserve fund.

Any remaining after-tax profits following the offsetting of losses and the appropriation to the reserve funds shall be distributed to shareholders in proportion to their shareholdings, unless otherwise provided in these Articles of Association.

If the Company distributes profits to shareholders in violation of the above provisions, such shareholders shall return the improperly distributed profits to the Company. Any director or senior management member who is held responsible and causes losses to the Company shall be liable for compensation.

Shares held by the Company shall not be entitled to profit distribution.

The Company's reserve funds may be used to cover losses, expand production and operations, or be converted into share capital. Where reserve funds are used to cover losses, discretionary reserve funds and statutory reserve funds shall be used first. If the losses still cannot be fully covered, the capital reserve may be used in accordance with applicable regulations. Where the statutory reserve fund is converted into registered capital, the balance of such statutory reserve fund retained shall not be less than 25% of the Company's registered capital prior to the conversion.

Following the resolution of the shareholders' meeting on a profit distribution plan, or after the Board of Directors has formulated a specific plan based on the dividend distribution conditions and upper limit as approved at the annual shareholders' meeting for the next year's interim dividend, the distribution of dividends (in cash or shares) shall be completed within two months.

The Company may distribute profits in the form of cash, shares, a combination of cash and shares, or other means permitted by laws and regulations.

Engagement of Accounting Firms

The Company shall engage an accounting firm that meets the requirements under applicable laws and regulations to conduct audits of its financial statements, perform capital verification, and provide other relevant consulting services. The term of appointment shall be one year and may be renewed upon expiration.

The engagement of an accounting firm by the Company must be decided by the shareholders' meeting. The Board of Directors shall not engage an accounting firm without the prior approval of the shareholders' meeting.

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, books, financial and accounting reports, and other accounting information. The Company shall not refuse to provide, conceal, or misrepresent such information.

The remuneration of the accounting firm, or the method for determining such remuneration, shall be determined by the shareholders' meeting.

If the Company intends to dismiss or not renew the engagement of an accounting firm, it shall give 15 days' advance notice to such accounting firm. When the shareholders' meeting votes on the dismissal of an accounting firm, such firm shall be allowed to make statements.

Where the accounting firm proposes to resign, it shall explain to the shareholders' meeting whether the Company has committed any improper acts.

Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation

Merger, Division, Capital Increase and Capital Reduction

The Company may conduct a merger by way of absorption or by establishing a new company. In the case of an absorption merger, one company absorbs another, and the absorbed company shall be dissolved. In the case of a merger by establishing a new company, two or more companies combine to form a new company, and all merging parties shall be dissolved.

Where the consideration for the merger paid by the Company does not exceed 10% of the Company's net assets, approval by the shareholders' meeting is not required, unless otherwise provided in these Articles of Association. A merger that does not require a resolution of the shareholders' meeting pursuant to the foregoing shall be approved by a resolution of the Board of Directors.

In the case of a merger, the merging parties shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the merger resolution and shall make an announcement within 30 days in a newspaper or via the National Enterprise Credit Information Publicity System. Creditors may request the Company to repay debts or provide a corresponding guarantee within 30 days from the date of receipt of such notice, or within 45 days from the date of the announcement if no notice was received. Upon a merger, the surviving company or the newly established company shall assume the debts and claims of all parties to the merger.

In the case of a division, the Company's assets shall be divided accordingly. The Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date on which the division resolution is passed and shall make an announcement within 30 days in a newspaper or via the National Enterprise Credit Information Publicity System. The debts incurred by the Company prior to the division shall be jointly and severally assumed by the companies resulting from the division, unless a written agreement regarding debt repayment has been otherwise reached between the Company and its creditors prior to the division.

If the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date on which the resolution on capital reduction is passed at the shareholders' meeting and shall make an announcement within 30 days in a newspaper or via the National Enterprise Credit Information Publicity System. Creditors may request the Company to repay debts or provide a corresponding guarantee within 30 days from the date of receipt of such notice, or within 45 days from the date of the announcement if no notice was received.

Capital reduction by the Company shall be carried out in proportion to the shareholders' capital contributions or shareholdings, unless otherwise provided by law or these Articles of Association. The Company shall reduce shares in accordance with the capital reduction plan as resolved by the shareholders' meeting, unless otherwise provided by law or these Articles of Association.

Where losses remain after the Company has covered them in accordance with Article 119 of these Articles of Association, the Company may reduce its registered capital to make up for the losses. When registered capital is reduced to make up losses, no distribution shall be made to shareholders, and shareholders shall not be exempted from the obligation to pay in their subscribed capital. Capital reduction under the above provision shall not be subject to paragraph 2 of Article 136 of these Articles of Association, but an announcement shall be made within 30 days from the date of the capital reduction resolution of the shareholders' meeting in a newspaper or via the National Enterprise Credit Information Publicity System. After the Company reduces its registered capital in accordance with the foregoing, it shall not distribute profits until the total amount of its statutory and discretionary reserves reaches 50% of the registered capital.

Where capital is reduced in violation of the Company Law or other applicable laws and regulations, any funds received by shareholders shall be returned to the Company; any reduction or exemption of shareholders' capital contributions shall be reinstated. Any losses thereby caused to the Company shall be subject to compensation by the responsible shareholders, directors and senior management members.

In the event of a merger or division resulting in changes to the Company's registration particulars, the Company shall complete the change registration with the company registration authority in accordance with the law. If the Company is dissolved, it shall apply for deregistration in accordance with the law. If a new company is established, it shall be registered in accordance with the law. If the Company increases or reduces its registered capital, it shall apply for change registration with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved under any of the following circumstances:

(I) the expiration of its business term or the occurrence of any dissolution event as specified in these Articles of Association;

(II) a resolution on dissolution is adopted by the shareholders' meeting;

(III) dissolution is required due to a merger or division of the Company;

(IV) the business license is revoked, the Company is ordered to close down, or the Company is otherwise deregistered in accordance with the law;

(V) the Company experiences serious operational difficulties that would cause significant damage to shareholders' interests if the Company continues to exist, and such issues cannot be resolved through other means, in which case shareholders holding 10% or more of all voting rights may petition the People's Court to dissolve the Company;

(VI) the Company suffers losses caused by force majeure, such as natural disasters or war, and is unable to continue operations.

Where a dissolution event as specified in the preceding paragraph occurs, the Company shall disclose such dissolution event via the National Enterprise Credit Information Publicity System within 10 days.

If the circumstances specified in Items (I) or (II) above occur and the Company has not yet distributed its assets to shareholders, the Company may continue to exist by amending these Articles of Association or upon resolution of the shareholders' meeting. Any such amendment or resolution must be approved by shareholders representing more than two-thirds of the voting rights of shareholders present at the shareholders' meeting.

Where the Company is dissolved due to any of the circumstances specified in Items (I), (II), (IV) or (V) above, liquidation shall be carried out. The directors shall be the liquidation obligors of the Company and shall form a liquidation committee within 15 days from the date the dissolution event occurs. The liquidation committee shall be composed of all directors. If the liquidation obligors fail to perform their liquidation obligations in a timely manner and losses are caused to the Company or its creditors, they shall bear liability for compensation.

During the liquidation period, the liquidation committee shall exercise the following powers:

(I) to sort out the Company's assets and prepare a balance sheet and an inventory of assets;

(II) to notify and publicly announce to the Company's creditors;

(III) to handle the Company's outstanding business related to liquidation;

(IV) to pay taxes owed and taxes arising in the course of liquidation;

(V) to settle claims and debts;

(VI) to distribute the remaining assets of the Company after repayment of debts;

(VII) to represent the Company in civil proceedings.

During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to liquidation. No assets of the Company shall be distributed to shareholders prior to full settlement of debts in accordance with the preceding paragraph. Where, after verifying the Company's assets and preparing a balance sheet and asset inventory, the liquidation committee finds that the Company's assets are insufficient to repay its debts, it shall apply to the People's Court for bankruptcy liquidation in accordance with the law.

After the People's Court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator appointed by the court. Upon conclusion of the liquidation, the liquidation committee shall prepare a liquidation report, which shall be submitted to the shareholders' meeting or the People's Court for confirmation, and be submitted to the company registration authority for deregistration of the Company.

Members of the liquidation committee shall fulfill their duties of loyalty and diligence. Any member who fails to perform such duties and causes losses to the Company shall be liable for compensation; where losses are caused to creditors due to the member's intentional misconduct or gross negligence, such member shall also be liable for compensation. If the Company is legally declared bankrupt, bankruptcy liquidation shall be carried out in accordance with applicable enterprise bankruptcy laws.

Amendments to the Articles of Association

The Company shall amend these Articles of Association under any of the following circumstances:

(I) the Company Law or other applicable laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are [**REDACTED**] are amended, resulting in inconsistencies with the provisions of these Articles of Association;

(II) changes in the Company's circumstances result in inconsistencies with the matters recorded in these Articles of Association;

(III) the shareholders' meeting resolves to amend these Articles of Association.

Any amendment to these Articles of Association that is approved by the shareholders' meeting and is subject to approval by the competent authorities shall be submitted for such approval. Where the amendment involves matters of company registration, change registration shall be carried out in accordance with the law.

The Board of Directors shall amend these Articles of Association in accordance with the resolutions of the shareholders' meeting and the approval opinions of the relevant competent authorities.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established in the PRC on September 17, 2019 as a limited liability company and was converted to a joint stock company with limited liability under the laws of the PRC on June 25, 2025.

As of the date of this document, our Company's registered office is located at 1-608, 6 Lianhui Street, Xixing Subdistrict, Binjiang District Hangzhou, Zhejiang Province, PRC. Our Company has established a principal place of business in Hong Kong at 31 Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong and has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on June 30, 2025. Mr. Wong Chun Wing Samuel, our company secretary, has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong, whose correspondence address is 31 Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

As our Company was established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Appendix VI — Summary of the Articles of Association." A summary of certain relevant aspects of the laws and regulations of the PRC is set out in "Appendix V — Summary of Principal Legal and Regulatory Provisions."

2. Changes in Share Capital of Our Company

As of the date of our establishment as a joint stock limited company, our registered capital was RMB50,000,000 divided into 50,000,000 Shares with a par value of RMB1.00 each. We also expect to conduct a [**REDACTED**] immediately prior to the [**REDACTED**], pursuant to which each Share in our issued share capital will be [**REDACTED**] into [**REDACTED**] Shares. Immediately after the [**REDACTED**] and before the [**REDACTED**], the registered share capital of our Company will be RMB50,000,000 with [**REDACTED**] Shares in a nominal value of RMB[**REDACTED**] each.

Upon completion of the [**REDACTED**] and the conversion of Unlisted Shares into H Shares, taking into account the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [**REDACTED**], our Company's registered capital will be increased to approximately RMB[**REDACTED**] comprising [**REDACTED**] Unlisted Shares of RMB[**REDACTED**] each and [**REDACTED**] H Shares of RMB[**REDACTED**] each, representing approximately [**REDACTED**]% and [**REDACTED**]% of our registered capital, respectively.

Save as disclosed in the section headed "History, Development and Corporate Structure" and above, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this document.

3. Shareholders' Resolutions

In accordance with the Shareholders' resolutions of our Company dated June 26, 2025, among other things, the following resolutions were passed by the Shareholders:

(a) the [**REDACTED**] of the Shares with nominal value of RMB1.0 each on the basis of [**REDACTED**], effective immediately prior to the [**REDACTED**], and taking into account the [**REDACTED**], the [**REDACTED**] by our Company of H Shares of nominal value of RMB[**REDACTED**] each and such H Shares be [**REDACTED**] on the Stock Exchange;

(b) the number of H Shares to be issued before the exercise of the [**REDACTED**] shall not exceed 20% of the enlarged share capital of our Company upon completion of the [**REDACTED**] and granting the [**REDACTED**] the [**REDACTED**] of no more than [**REDACTED**]% of the above number of H Shares to be issued;

(c) subject to CSRC's approval, upon completion of the [**REDACTED**], [**REDACTED**] Unlisted Shares held by certain existing Shareholders will be converted into H Shares;

(d) authorization of the Board and its authorized persons to handle all matters relating to, among other things, the [**REDACTED**], the [**REDACTED**] and [**REDACTED**] of the H Shares; and

(e) subject to the completion of the [**REDACTED**], the conditional adoption of the Articles of Association, which shall become effective on the [**REDACTED**], and the Board has been authorized to amend the Articles of Association in accordance with relevant laws and regulations and upon the request from the Stock Exchange and relevant PRC regulatory authorities.

4. Subsidiaries of our Company and changes in share capital of our subsidiaries

The list of our subsidiaries is set out in the Accountant's Report, the text of which is set out in Appendix I to this document.

Save as disclosed in the section headed "History, Development and Corporate Structure", no alteration in the share capital of our subsidiaries had taken place within the two immediately preceding the date of this document.

5. Restriction on Share Repurchase

Please refer to the section headed "Appendix V — Summary of Principal Legal and Regulatory Provisions — Share Buy-Back" in this document for details.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us or any of our subsidiaries within the two years preceding the date of this document that are or may be material:

(a) the supplemental agreement dated June 24, 2025, entered into between (1) our Company, (2) Vasona Technology Hong Kong Limited, (3) Hangzhou Xidaxin Corporate Management Partnership (L.P.)* (杭州喜達芯企業管理合夥企業(有限合夥)), (4) Hangzhou Xihangxin Corporate Management Partnership (L.P.)* (杭州喜杭芯企業管理合夥企業(有限合夥)), (5) Hangzhou Moxin Corporate Management Partnership (L.P.)* (杭州模芯企業管理合夥企業(有限合夥)), (6) Smart Wealth Limited Partnership (智富有限合夥企業), (7) Smart Advantage Limited Partnership (智益有限合夥企業), (8) Hangzhou Haibang Qiyue Equity Investment Partnership (L.P.)* (杭州海邦啟悅股權投資合夥企業(有限合夥)), (9) Smart Brilliant International Investment Limited (智晶國際投資有限公司), (10) Zhuhai Weiheng Equity Investment Partnership (L.P.)* (珠海巍恒股權投資合夥企業(有限合夥)), (11) HSG Growth VI Holdco B (HK) Limited (previously known as SCC GROWTH VI HOLDCO B (HK) LIMITED), (12) Beijing Junlian Shengyuan Equity Investment Partnership (L.P.)* (北京君聯晟源股權投資合夥企業(有限合夥)), (13) Zhuhai Junlian Xingze Equity Investment Enterprise (L.P.)* (珠海君聯星澤股權投資企業(有限合夥)), (14) Hai Feng Investment Holding Limited (海風投資有限公司), (15) Hangzhou Xinshengwei Equity Investment Partnership L.P.)* (杭州芯盛微股權投資合夥企業(有限合夥)), (16) Hefei Huaxin Kerui IC Investment Partnership (L.P.)* (合肥華芯科瑞集成電路投資合夥企業(有限合夥)), (17) Hefei Huadeng Erqi IC Industry Investment Partnership (L.P.)* (合肥華登二期集成電路產業投資合夥企業(有限合夥)), (18) Cosmic Warrior (HK) Limited, (19) Hubei Xiaomi Changjiang Industry Fund Partnership (L.P.)* (湖北小米長江產業基金合夥企業(有限合夥)), (20) Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司), (21) Huh Youm, (22) National IC Industry Investment Fund Phase II Co., Ltd.* (國家集成電路產業投資基金二期股份有限公司), (23) Hangzhou Xinchengwei

Equity Investment Partnership L.P.)* (杭州芯成微股權投資合夥企業(有限合夥), (24) Hangzhou Xinyuwei Equity Investment Partnership (L.P.)* (杭州芯宇微股權投資合夥企業(有限合夥)), (25) Guangzhou Guangqi Xinmai Management Consultancy Partnership (L.P.)* (廣州廣祺欣邁管理諮詢合夥企業(有限合夥)), (26) Zhuhai Hongtu Zhanlu Equity Investment Partnership (L.P.)* (珠海市紅土湛盧股權投資合夥企業(有限合夥)), (27) Jiaxing Hengjunbang Equity Investment Partnership (L.P.)* (嘉興恒雋邦股權投資合夥企業(有限合夥)), (28) Hangzhou Fuyang Xiangheng Equity Investment Partnership (L.P.)* (杭州富陽項恒股權投資合夥企業(有限合夥)), (29) Suzhou Huaye Zhiyuan No. 3 Equity Investment Partnership (L.P.)* (蘇州華業致遠三號股權投資合夥企業(有限合夥)), (30) Jiaxing Taixin Keqi Venture Investment Partnership (L.P.)* (嘉興泰芯科啟創業投資合夥企業(有限合夥)), (31) Hangzhou Xingcheng Lianxin Venture Investment Partnership (L.P.)* (杭州星成聯芯創業投資合夥企業(有限合夥)), (32) Hangzhou Yuxin Venture Investment Partnership (L.P.)* (杭州寓鑫創業投資合夥企業(有限合夥)), (33) Yibin Lvneng Equity Investment Partnership (L.P.)* (宜賓綠能股權投資合夥企業(有限合夥)), (34) Guangdong Changtuoshi Venture Investment Partnership (L.P.)* (廣東長拓石創業投資合夥企業(有限合夥)), (35) Hangzhou Xinlanwei Venture Investment Partnership (L.P.)* (杭州芯嵐微創業投資合夥企業(有限合夥)), (36) Zhuhai Junlian Xingchi Venture Investment Enterprise (L.P.)* (珠海君聯星馳創業投資企業(有限合夥)), (37) Hangzhou Huaxin Yunmai Equity Investment Partnership (L.P.)* (杭州華芯雲邁股權投資合夥企業(有限合夥)), (38) Yibin Chendao New Energy Industry Equity Investment Partnership (L.P.)* (宜賓晨道新能源產業股權投資合夥企業(有限合夥)), (39) Zhejiang Jinkong Investment Co., Ltd.* (浙江金控投資有限公司) (currently known as Zhejiang Province Innovation Capital Investment Co., Ltd.* (浙江省創新資本投資有限公司), (40) Hangzhou Haibang Ruibo Equity Investment Partnership (L.P.)* (杭州海邦睿柏股權投資合夥企業(有限合夥)), (41) Ningbo Haibang Xingcai Venture Investment Partnership (L.P.)* (寧波海邦星材創業投資合夥企業(有限合夥)), and (42) Qingdao Jingque Xinyang Technology Center (L.P.)* (青島精確芯陽科技中心(有限合夥)), in relation to the termination of special rights; and

(b) the [**REDACTED**].

2. Our Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registered Owner	Registration No.	Class	Expiry Date	Place of Registration
1.	芯迈半导体	our Company	60797136	42	May 13, 2032	PRC
2.	芯迈	our Company	60774956	42	May 13, 2032	PRC
3.		our Company	65306186	42	November 27, 2032	PRC
4.		our Company	65310406	9	November 27, 2032	PRC
5.		our Company	65322753	9	November 27, 2032	PRC
6.		our Company	65305779	42	November 27, 2032	PRC
7.	芯迈	our Company	64924102	9	March 27, 2033	PRC
8.	芯迈半导体	our Company	60770749	9	April 6, 2033	PRC
9.	芯迈半导体	our Company	67210495	9	June 13, 2033	PRC
10.		our Company	68938697	40	July 6, 2033	PRC

No.	Trademark	Registered Owner	Registration No.	Class	Expiry Date	Place of Registration
11.		our Company	68941046	40	July 6, 2033	PRC
12.	芯迈半导体	our Company	68936312	40	July 20, 2033	PRC
13.	芯迈	our Company	68941029	40	July 6, 2033	PRC
14.	SILICON MAGIC	our Company	72569224	9	December 13, 2034	PRC
15.	MAGICFAST	our Company	77185704	9	August 20, 2034	PRC
16.	HPD PACK	our Company	81287459	9	April 19, 2035	PRC
17.	Silicon Magic	our Company	305895659	9, 42	March 2, 2032	Hong Kong
18.	A 芯迈 B 芯邁	our Company	305895631	9, 42	March 2, 2032	Hong Kong
19.	A 芯迈半导体 B 芯邁半導體	our Company	305895640	9, 42	March 2, 2032	Hong Kong
20.		our Company	306901605	9, 42	March 15, 2035	Hong Kong
21.		our Company	306901614	9, 42	March 15, 2035	Hong Kong
22.	芯邁半導體	our Company	02237384	42	July 15, 2032	Taiwan
23.	芯邁半導體	our Company	02235288	9	July 15, 2032	Taiwan
24.	芯迈	our Company	02237383	42	July 15, 2032	Taiwan
25.	芯迈	our Company	02235287	9	July 15, 2032	Taiwan
26.	Silicon Magic	our Company	02237382	42	July 15, 2032	Taiwan
27.	Silicon Magic	our Company	02235286	9	July 15, 2032	Taiwan
28.	Silicon Magic	our Company	40-2123534	9, 42	December 5, 2033	South Korea
29.	SILICON MAGIC	our Company	7,930,964	9, 42	September 1, 2035	United States
30.	SILICON TOP	Hangzhou Xintong	79256579	9	December 6, 2034	PRC
31.		Hangzhou Xintong	77168771	9	August 27, 2034	PRC
32.		Hangzhou Xintong	77171241	42	August 27, 2034	PRC
33.	SMARTPACK	Hangzhou Xintong	73800779	40	February 20, 2034	PRC
34.	芯通	Hangzhou Xintong	73818269	9	April 27, 2034	PRC
35.	芯通半导体	Hangzhou Xintong	73816135	40	April 27, 2034	PRC
36.	芯通	Hangzhou Xintong	73808147	40	April 27, 2034	PRC
37.	芯通半导体	Hangzhou Xintong	73815736	9	April 27, 2034	PRC
38.	Silicon Mitus	SMI	23819459	9	April 13, 2028	PRC
39.	Silicon Mitus	SMI	23819458	42	April 13, 2028	PRC
40.	Silicon Mitus	SMI	5568169	9	September 24, 2028	United States

No.	Trademark	Registered Owner	Registration No.	Class	Expiry Date	Place of Registration
41.	Silicon Mitus	SMI	5568170	42	September 24, 2028	United States
42.	Silicon Mitus	SMI	40-1295825	9	October 19, 2027	South Korea
43.	Silicon Mitus	SMI	40-1267850	42	July 9, 2027	South Korea
44.	실리콘마이터스	SMI	40-1295824	9	October 19, 2027	South Korea
45.	실리콘마이터스	SMI	40-1267849	42	July 9, 2027	South Korea
46.	Silicon Mitus	SMI	40-1295826	9	October 19, 2027	South Korea
47.	Silicon Mitus	SMI	40-1267851	42	July 9, 2027	South Korea
48	Silicon Magic	our Company	019267648	9, 42	October 28, 2035	European Union

As of the Latest Practicable Date, we had applied for the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registered Owner	Application No.	Class	Application Date	Place of Registration
1.	Silicon Magic	our Company	7300979	9	October 22, 2025	India
2.	Silicon Magic	our Company	7300980	42	October 22, 2025	India
3	Thermal Well	our Company	90441304	9, 42	March 9, 2026	PRC

(b) Patents

As of the Latest Practicable Date, we are the registered owner of or had the right to use the following patents which we consider to be or may be material to our business:

No.	Patent	Patentee	Patent Number	Patent Type	Expiry Date	Place of Registration
1.	Shielded-gate-trench semiconductor structure and shielded-gate-trench semiconductor device (屏蔽柵極溝槽半導體結構與屏蔽柵極溝槽半導體器件)	our Company	CN202111170323.1	Invention Patent	October 7, 2041	PRC
2.	Super-junction power device and manufacturing method thereof (一種超結功率器件及其製造方法)	our Company	CN202411247783.3	Invention Patent	September 5, 2044	PRC
3.	Overcurrent protection circuit used with charge pump and the control method thereof (一種電荷泵的過電流保護電路及其控制方法)	our Company	CN202410554568.1	Invention Patent	May 6, 2044	PRC
4.	Trench-type MOSFET and method for manufacturing the same (一種溝槽型MOSFET及製造方法)	our Company	CN202310979907.6	Invention Patent	August 3, 2043	PRC

No.	Patent	Patentee	Patent Number	Patent Type	Expiry Date	Place of Registration
5. . .	Power semiconductor device (一種功率半導體器件)	our Company	CN202411146981.0	Invention Patent	August 19, 2044	PRC
6. . .	Bias circuit and the bias voltage control method thereof (一種偏置電路及其偏置電壓控制方法)	our Company	CN202410469084.7	Invention Patent	April 17, 2044	PRC
7. . .	Cellular structure and layout of silicon carbide trench gate MOSFET (一種碳化矽溝槽柵MOSFET的元胞結構及版圖)	our Company	CN202410381072.9	Invention Patent	March 28, 2044	PRC
8. . .	Split-gate MOSFET and manufacturing method thereof (分離柵MOSFET及其製造方法)	our Company	CN202111635852.4	Invention Patent	December 28, 2041	PRC
9. . .	Trench-type semiconductor power device and layout (一種溝槽型半導體功率器件及版圖)	our Company	CN202311468016.0	Invention Patent	November 5, 2043	PRC
10. .	Trench-type power device and manufacturing method thereof (一種溝槽型功率器件及其製備方法)	our Company	CN202311586903.8	Invention Patent	November 23, 2043	PRC
11. .	Super-junction device and manufacturing method thereof (超結器件及其製造方法)	our Company	CN202111098970.6	Invention Patent	September 17, 2041	PRC
12. .	Gate-source structure and manufacturing method thereof, and asymmetric trench MOSFET and manufacturing method thereof (柵源結構及製造方法、非對稱溝槽型MOSFET及製造方法)	our Company	CN202310428937.8	Invention Patent	April 17, 2043	PRC
13. .	Trench-type semiconductor power device and layout (一種溝槽型半導體功率器件及版圖)	our Company	CN202310582449.2	Invention Patent	May 18, 2043	PRC
14. .	Method for manufacturing conducting path in doped region, trench-type MOSFET device and manufacturing method thereof (用於摻雜區的導電通道的製造方法、溝槽型MOSFET器件及其製造方法)	our Company	CN202111078843.X	Invention Patent	September 14, 2041	PRC
15. .	Contact structure of semiconductor device and manufacturing method thereof (一種半導體器件的接觸結構及其製備方法)	our Company	CN202211513521.8	Invention Patent	November 29, 2042	PRC

No.	Patent	Patentee	Patent Number	Patent Type	Expiry Date	Place of Registration
16.	LDMOS device structure and manufacturing method thereof (LDMOS器件結構及其製造方法)	our Company	CN202111118014.X	Invention Patent	September 21, 2041	PRC
17.	Air gap isolation structure of trench-type MOSFET and manufacturing method thereof (一種溝槽型MOSFET的氣隙隔離結構及其製造方法)	our Company	CN202310201463.3	Invention Patent	February 27, 2043	PRC
18.	Silicon carbide MOSFET device and manufacturing method thereof (碳化矽MOSFET器件及其製造方法)	our Company	CN202110897831.3	Invention Patent	August 4, 2041	PRC
19.	VDMOS device and manufacturing method thereof (VDMOS器件及其製造方法)	our Company	CN202111224609.3	Invention Patent	October 19, 2041	PRC
20.	Method for manufacturing trench-gate MOSFET device (溝槽柵MOSFET器件的製造方法)	our Company	CN202111121658.4	Invention Patent	September 23, 2041	PRC
21.	Air gap isolation structure of trench-type MOSFET and manufacturing method thereof (一種溝槽型MOSFET的氣隙隔離結構及其製造方法)	our Company	CN202310200365.8	Invention Patent	February 27, 2043	PRC
22.	Method for manufacturing trench-type MOSFET (一種溝槽型MOSFET的製造方法)	our Company	CN202211271251.4	Invention Patent	October 17, 2042	PRC
23.	Super-junction VDMOS structure with low on-resistance (低導通電阻的超結VDMOS結構)	our Company	CN202111584948.2	Invention Patent	December 22, 2041	PRC
24.	Super-junction device with improved voltage process window (提升耐壓工藝窗口的超結器件)	our Company	CN202111487782.2	Invention Patent	December 7, 2041	PRC
25.	Layout of power semiconductor device (一種功率半導體器件版圖)	our Company	CN202411793170.X	Invention Patent	December 5, 2044	PRC
26.	Layout of power semiconductor device (一種功率半導體器件版圖)	our Company	CN202411793500.5	Invention Patent	December 5, 2044	PRC
27.	Shielded gate trench device with MGD structure and manufacturing method thereof (一種具有MGD結構的屏蔽柵溝槽器件及其製作方法)	our Company	CN202410892640.1	Invention Patent	July 2, 2044	PRC

No.	Patent	Patentee	Patent Number	Patent Type	Expiry Date	Place of Registration
28. .	Power semiconductor module (半導體功率模塊)	our Company	ZL202530258198.2	Design Patent	May 8, 2040	PRC
29. .	Method for manufacturing trench-type MOSFET (製造溝槽型MOSFET的方法)	our Company	I773605	Invention Patent	December 2, 2041	Taiwan
30. .	Method for manufacturing silicon carbide MOSFET device (碳化矽MOSFET器件的製造方法)	our Company	I785806	Invention Patent	September 15, 2041	Taiwan
31. .	LDMOS transistor and manufacturing method thereof (LDMOS電晶體及其製造方法)	our Company	I802048	Invention Patent	October 17, 2041	Taiwan
32. .	SiC MOSFET device and manufacturing method thereof (SiC MOSFET器件及其製造方法)	our Company	I812995	Invention Patent	August 10, 2041	Taiwan
33. .	LDMOS transistor and method for manufacturing the same	our Company	11757035	Invention Patent	January 13, 2039	United States
34. .	Silicon carbide MOSFET device and manufacturing method thereof	our Company	11894440	Invention Patent	September 19, 2041	United States
35. .	Ldmos transistor and manufacturing method thereof	our Company	12279442	Invention Patent	October 21, 2041	United States
36. .	Trench-type MOSFET and method for manufacturing the same	our Company	12176432	Invention Patent	June 11, 2041	United States
37. .	Shielded-gate-trench semiconductor structure and shielded-gate-trench semiconductor device	our Company	12513964	Invention Patent	September 15, 2042	United States
38. .	SWITCHING CONVERTER EQUIPPED WITH NEGATIVE CURRENT TRACKING CONTROL (네거티브 전류 트래킹 제어 기능이 구비된 스위칭 컨버터)	SMI	10-2733873	N/A	April 6, 2043	South Korea
39. .	CLOCK AND DATA RECOVERY DEVICE (클럭 데이터 복원 장치)	SMI	10-2733873	N/A	August 25, 2042	South Korea
40. .	3 LEVEL CONVERTER WITH FLYING CAPACITOR VOLTAGE BALANCING CIRCUIT (플라잉 커패시터 전압 밸런싱 회로를 포함하는 3레벨 컨버터)	SMI	10-2642713	N/A	June 6, 2042	South Korea

No.	Patent	Patentee	Patent Number	Patent Type	Expiry Date	Place of Registration
41. .	3 LEVEL BUCK-BOOST CONVERTER WITH FLYING CAPACITOR VOLTAGE BALANCING CIRCUIT 플라잉 커패시터 전압 밸런싱 회로를 포함하는 3 레벨 벅-부스트 컨버터	SMI	10-2626361	N/A	May 17, 2042	South Korea
42. .	SWITCHED-CAPACITOR CONVERTER (스위치 커패시터 컨버터)	SMI	10-2678371	N/A	December 16, 2041	South Korea
43. .	POWER CONVERSION CIRCUIT WITH BATTERY CELL BALANCING (배터리 셀 밸런싱 기능을 포함하는 전력 변환 회로)	SMI	10-2528454	N/A	January 5, 2041	South Korea
44. .	POWER SUPPLY CIRCUIT (전원 공급 회로)	SMI	10-2382987	N/A	November 11, 2040	South Korea
45. .	SWITCHED CAPACITOR CONVERTER HAVING VARIABLE VOLTAGE CONVERSION RATIO (가변 전압 변환비를 갖는 스위치드 커패시터 컨버터)	SMI	10-2439280	N/A	November 1, 2040	South Korea
46. .	COULOMB COUNTER BASED BATTERY STATE OF CHARGE ESTIMATION APPARATUS AND METHOD (쿨롱 카운터 기반의 배터리 충전상태 추정장치 및 방법)	SMI	10-2382988	N/A	May 10, 2040	South Korea
47. .	SWITCHED-CAPACITOR CONVERTER (스위치 커패시터 컨버터)	SMI	10-2355293	N/A	September 26, 2039	South Korea
48. .	A POWER MANAGEMENT APPARATUS CAPABLE OF SWITCHING A PLURALITY OF BATTERY CELLS IN SERIES OR IN PARALLEL (복수의 배터리 셀의 직렬, 병렬 전환이 가능한 전력관리장치)	SMI	10-2196926	N/A	July 9, 2039	South Korea

No.	Patent	Patentee	Patent Number	Patent Type	Expiry Date	Place of Registration
49. .	A POWER MANAGEMENT DEVICE USABLE FOR A BATTERY HAVING A PLURALITY OF CELLS CONNECTED IN SERIES (복수의 셀이 직렬 연결된 배터리에 사용 가능한 전력관리장치)	SMI	10-2236017	N/A	June 9, 2039	South Korea
50. .	CONVERTER FOR SENSING CURRENT DYNAMICALLY (동적으로 전류를 센싱하는 컨버터)	SMI	10-1979622	N/A	July 12, 2037	South Korea
51. .	Buck boost converter and control method thereof	SMI	US9,973,090B1	N/A	October 19, 2036	United States
52. .	GATE DRIVING CIRCUIT AND GATE CLOCK GENERATING CIRCUIT (게이트구동회로 및 게이트 클럭생성회로)	SMI	10-1869421	N/A	October 5, 2036	South Korea
53. .	SINGLE INDUCTOR MULTI-OUTPUT CONVERTER (싱글인덕터 멀티아웃풋 컨버터)	SMI	10-1869408	N/A	July 3, 2035	South Korea
54. .	APPARATUS AND METHOD FOR MEASURING BATTERY RESIDUAL QUANTITY (배터리잔량 측정 장치 및 방법)	SMI	10-1653967	N/A	September 22, 2034	South Korea
55. .	LED LIGHT EMITTING DEVICE AND METHOD OF DRIVING THE SAME	SMI	US8,525,433B2	N/A	June 28, 2030	United States
56. .	Level shifter and driving circuit including the same	SMI	US7,893,730B2	N/A	February 3, 2030	United States
57 . .	Super-junction device (超結器件)	our Company	12520541	Invention Patent	February 28, 2043	United States
58 . .	Split-gate power MOS device and manufacturing method thereof (分離柵功率MOS器件及其製造方法)	our Company	12581679	Invention Patent	August 14, 2042	United States
59 . .	Silicon carbide mosfet device and manufacturing method thereof (碳化矽MOSFET器件及其製造方法)	our Company	12538723	Invention Patent	August 4, 2042	United States

As of the Latest Practicable Date, we had applied for the following patents which we consider to be or may be material to our business:

No.	Patent	Patentee	Application No.	Patent Type	Application Date	Place of Registration
1. . .	Power switching device (一種功率開關器件)	our Company	CN202411269299.0	Invention Patent	September 10, 2024	PRC
2. . .	Power switching device (一種功率開關器件)	our Company	CN202411266088.1	Invention Patent	September 10, 2024	PRC
3. . .	Method for manufacturing semiconductor trench structure thereof (一種半導體溝槽結構的製造方法)	our Company	CN202311703375.X	Invention Patent	December 12, 2023	PRC
4. . .	High-speed low-power DDI driver (高速低功耗DDI驅動)	our Company	2025102790099	Invention Patent	March 10, 2025	PRC
5. . .	Semiconductor device and manufacturing method thereof (半導體器件及其製造方法)	our Company	202510510200X	Invention Patent	April 22, 2025	PRC
6. . .	Method for manufacturing trench-type MOSFET	our Company	US18/299245	Invention Patent	April 12, 2023	United States
7. . .	Super-junction device and manufacturing method thereof	our Company	US17/946100	Invention Patent	September 16, 2022	United States
8. . .	Trench Gate Semiconductor Device and Method for Manufacturing the Same	our Company	18946945	Invention Patent	November 14, 2024	United States
9. . .	Trench Gate Semiconductor Device	our Company	19033515	Invention Patent	January 22, 2025	United States
10 . .	Trench-type MOSFET device and manufacturing method thereof (溝槽MOSFET器件及其製造方法)	our Company	2025103122259	Invention Patent	March 14, 2025	PRC
11 . .	Semiconductor power device and manufacturing method thereof (一種半導體功率器件及其製造方法)	our Company	2025112847939	Invention Patent	September 9, 2025	PRC
12 . .	Semiconductor structure (一種半導體結構)	our Company	2025220135240	Utility Model Patent	September 17, 2025	PRC
13 . .	Semiconductor structure (一種半導體結構)	our Company	2026200793904	Utility Model Patent	January 21, 2026	PRC
14 . .	Semiconductor device and manufacturing method thereof (一種半導體器件及其製備方法)	our Company	2026106121290	Invention Patent	May 6, 2026	PRC
15 . .	Trench-type MOSFET device and manufacturing method thereof (溝槽MOSFET器件及其製造方法)	our Company	US19/565,586	Invention Patent	March 13, 2026	United States
16 . .	Semiconductor structure (一種半導體結構)	our Company	US19/642,661	Invention Patent	April 9, 2026	United States

(c) Integrated Circuit Layout Designs

As of the Latest Practicable Date, we had registered the following integrated circuit layout designs that we consider to be or may be material to our business:

No.	Name of circuit design	Registered Owner	Registration No.	Application Date	Place of Registration
1.	Enhancement Planar MOS_X43	our Company	BS.215598482	August 12, 2021	PRC
2.	Enhancement Planar MOS_W14	our Company	BS.215598520	August 12, 2021	PRC
3.	Enhancement Planar MOS_X45	our Company	BS.215598962	August 13, 2021	PRC
4.	Enhancement Planar MOS_X51	our Company	BS.215598989	August 13, 2021	PRC
5.	Enhancement Planar MOS_W18	our Company	BS.215598709	August 13, 2021	PRC
6.	Enhancement Planar MOS_W19	our Company	BS.215598938	August 13, 2021	PRC
7.	Enhancement Planar MOS_W12	our Company	BS.215598954	August 13, 2021	PRC
8.	Enhancement Planar MOS_W16	our Company	BS.215598539	August 12, 2021	PRC
9.	Enhancement SGTMOS_M15G08A	our Company	BS.235524182	April 13, 2023	PRC
10.	Enhancement SGTMOS_MG36A	our Company	BS.235524220	April 13, 2023	PRC
11.	Enhancement SGTMOS_F06A65AN	our Company	BS.235524352	April 13, 2023	PRC
12.	Enhancement SGTMOS_MA04A61AN	our Company	BS.235524212	April 14, 2023	PRC
13.	SM5810	our Company	BS.235553603	July 7, 2023	PRC
14.	SM5820	our Company	BS.23555362X	July 7,2023	PRC
15.	SM5840	our Company	BS.235553638	July 7, 2023	PRC
16.	SM4821	our Company	BS.235558907	July 25, 2023	PRC
17.	SM5603	our Company	BS.235553530	July 7, 2023	PRC
18.	SM4813	our Company	BS.235553387	July 7, 2023	PRC
19.	SM4812	our Company	BS.235553352	July 7, 2023	PRC
20.	SM8101	our Company	BS.235554391	July 11, 2023	PRC
21.	SM4808	our Company	BS.235553123	July 6, 2023	PRC
22.	SM4809	our Company	BS.23555331X	July 7, 2023	PRC
23.	Enhancement SJMOS_LG06	our Company	BS.235566160	August 15, 2023	PRC
24.	Enhancement SJMOS_SJ03A	our Company	BS.235566179	August 15, 2023	PRC
25.	Enhancement SiCMOS_XAA2C03AB	our Company	BS.235566195	August 15, 2023	PRC
26.	SiC_MPS_ECPZA01_1200V	our Company	BS.235566187	August 15, 2023	PRC
27.	SiC_MPS_ECPZA01_650V	our Company	BS.235566152	August 15, 2023	PRC
28.	SM4820	our Company	BS.235558893	July 25, 2023	PRC
29.	1200V_SiC_Mosfet (XAA2A09AB)	our Company	BS.245566759	August 29, 2024	PRC
30.	30V_SGT (F03A89AN)	our Company	BS.24556666X	August 29, 2024	PRC
31.	60V_SGT (F06A94AN)	our Company	BS.245566708	August 29, 2024	PRC
32.	100V_SGT (F10A78AN)	our Company	BS.245566716	August 29, 2024	PRC
33.	40V_SGT (F04A88AN)	our Company	BS.245566678	August 29, 2024	PRC
34.	SM5328BF	our Company	BS.245567348	September 2, 2024	PRC

No.	Name of circuit design	Registered Owner	Registration No.	Application Date	Place of Registration
35. .	SM4852_BB	our Company	BS.245567291	September 2, 2024	PRC
36. .	SM4852_CTL	our Company	BS.245567313	September 2, 2024	PRC
37. .	SM5112	our Company	BS.24556733X	September 2, 2024	PRC
38. .	SM5109CF	our Company	BS.245567321	September 2, 2024	PRC
39 . .	Enhancement SGT MOS_FDE2A8CBN	our Company	BS.255583761	October 21, 2025	PRC
40 . .	Enhancement SGT MOS_F03A3ACN	our Company	BS.255583788	October 21, 2025	PRC
41 . .	Enhancement SGT MOS_FAD04B6BAN	our Company	BS.255583796	October 21, 2025	PRC
42 . .	Enhancement SGT MOS_F08A74AN	our Company	BS.255583826	October 21, 2025	PRC
43 . .	Enhancement SGT MOS_FD10A8DAN	our Company	BS.255583842	October 21, 2025	PRC
44 . .	Enhancement SJ MOS_FJ65A4DAN	our Company	BS.255583850	October 21, 2025	PRC
45 . .	Enhancement SiC MOS_X65ZA30	our Company	BS.255583893	October 21, 2025	PRC
46 . .	Enhancement SiC MOS_XA2A16AB	our Company	BS.255583915	October 21, 2025	PRC
47 . .	Enhancement SiC MOS_GCA2A18AN	our Company	BS.255583923	October 21, 2025	PRC
48 . .	Enhancement SiC MOS_XA7ZA31	our Company	BS.255583931	October 21, 2025	PRC
49 . .	SM4831	our Company	BS.255584776	October 23, 2025	PRC
50 . .	SM5452A	our Company	BS.255584784	October 23, 2025	PRC

(d) Domain Names

As of the Latest Practicable Date, we had registered the following domain names, which we consider to be or may be material to our Group's business:

No.	Domain name	Registered owner	Registration date	Expiry date
1. . .	silicon-magic.com	our Company	August 17, 2020	August 17, 2026
2. . .	silicon-top.com	Hangzhou Xintong	August 8, 2023	August 8, 2026
3. . .	siliconmitus.com	SMI	February 14, 2007	February 14, 2030

Save as disclosed above, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors and Chief Executive

(i) Disclosure of Interests of Our Directors and Chief Executive

Immediately following completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [**REDACTED**]), the interests and short positions of each of our Directors and chief executive in Shares, underlying Shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he has taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules to be notified to us and the Stock Exchange will be as follows:

Interest in our Company

Name	Position	Nature of interest	Number and class of Shares to be held after the [REDACTED]	Approximate percentage of shareholding interests in the Unlisted Shares/ H Shares (where appropriate) immediately following completion of the [REDACTED][(4)]
Dr. Ren	Chairperson of our Board, executive Director and chief executive officer	Interest in controlled corporation[(2)]	[REDACTED] (Unlisted Shares) (L)	[REDACTED]%
			[REDACTED] (H Shares)	[REDACTED]%
		Interest held jointly with another person[(3)]	[REDACTED] (Unlisted Shares) (L)	[REDACTED]%
			[REDACTED] (H Shares) (L)	[REDACTED]%
Dr. Huh	Vice chairperson of our Board and executive Director	Beneficial owner	[REDACTED] (Unlisted Shares) (L)	[REDACTED]%
			[REDACTED] (H Shares) (L)	[REDACTED]%
		Interest in controlled corporation[(4)]	[REDACTED] (Unlisted Shares) (L)	[REDACTED]%
			[REDACTED] (H Shares) (L)	[REDACTED]%
Mr. Xie Li	Non-executive Director	Interest in controlled corporation[(5)]	[REDACTED] (H Shares) (L)	[REDACTED]%

Notes:

(1) The letter "L" denotes the person's long position in our Shares.

(2) As of the Latest Practicable Date, Hangzhou Qinxin was the general partner of Hangzhou Moxin and Hangzhou Qinxin was in turn held as to 80% by Dr. Ren. Accordingly, each of Hangzhou Qinxin and Dr. Ren was deemed to be interested in the Shares directly held by Hangzhou Moxin for the purpose of the SFO.

(3) Pursuant to an acting-in-concert agreement dated June 19, 2025, Hangzhou Moxin, Smart Advantage, Smart Wealth, Hangzhou Qinxin, Bright Shine, Dr. Ren, and Dr. Su are parties acting in concert regarding decisions at the general meetings of our Company which will continue after the [**REDACTED**]. As such, under the SFO, each of them is deemed to be interested in the Shares in which the others are interested in.

(4) As of the Latest Practicable Date, Dr. Huh owned as to 99.99997% interests of Smart Advantage as the sole limited partner. Accordingly, Dr. Huh was deemed to be interested in the Shares directly held by Smart Advantage for the purpose of the SFO.

(5) As of the Latest Practicable Date, Zhejiang Haibang Private Equity Management Co., Ltd.* (浙江海邦私募基金管理有限公司)) ("**Haibang Management**") was the general partner of each of Hangzhou Haibang Qiyue Equity Investment Partnership (L.P.)* (杭州海邦啟悦股權投資合夥企業(有限合夥)) ("**Haibang Qiyue**"), Hangzhou Haibang Ruibo Equity Investment Partnership (L.P.)* (杭州海邦睿柏股權投資合夥企業(有限合夥)) ("**Haibang Ruibo"**) and Longyou Haibang Xinzhi Venture Investment Partnership (L.P.)* (龍游海邦新智創業投資合夥企業（有限合夥）) ("**Longyou Haibang Xinzhi**"). In addition, Ningbo Haibang Xingcai Venture Investment Partnership (L.P.)* (寧波海邦星材創業投資合夥企業(有限合夥)) ("**Ningbo Haibang**")'s general partner was Hangzhou Haibang Fenghua Investment Management Co., Ltd.* (杭州海邦灃華投資管理有限公司), which was in turn wholly owned by Haibang Management. Haibang Management was owned as to 50% by Mr. Xie Li. Therefore, Mr. Xie Li was deemed to be interested in the Shares held by Haibang Qiyue, Haibang Ruibo, Longyou Haibang Xinzhi and Ningbo Haibang for the purpose of the SFO.

As of the Latest Practicable Date, none of the Directors or their respective spouses and children under 18 years of age had been granted by our Company or had exercised any rights to subscribe for shares or debentures of our Company or any of its associated corporations.

(ii) Particulars of service agreements and appointment letters

Our Company [has entered] into a service agreement or an appointment letter with each of our Directors which contains provisions in relation to, among other things, compliance of relevant laws and regulations and observation of the Articles of Association.

The principal particulars of these service agreements and appointment letters are (a) each of the service agreements or the appointment letters is for a term of three years following the date of his/her appointment; and (b) each of the service agreements or the appointment letters is subject to termination in accordance with their respective terms. The service agreements and appointment letters may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation other than statutory compensation).

(iii) Directors' remuneration

For remuneration details of all Directors during the Track Record Period, please refer to Note 44 to the Accountant's Report as set out in Appendix I to this document.

During the Track Record Period, no remuneration was paid by us nor receivable by Directors or the five highest remunerated individuals as incentives for joining or as rewards upon joining our Company. During the Track Record Period, no remuneration was paid by us nor receivable by Directors, past Directors, or the five highest remunerated individuals as compensation for leaving positions relating to management affairs in any subsidiary of our Company.

During the Track Record Period, none of our Directors have waived any remuneration. Save as disclosed above, during the Track Record Period, no other amounts shall be paid or payable by us or any of our subsidiaries to the Directors or the five highest remunerated individuals.

2. Substantial Shareholders

Interest in the Share of our Company

Save as disclosed in the section headed "Substantial Shareholders" in this document, our Directors are not aware of any other person who will, immediately following the completion of the [**REDACTED**], have an interest or a short position in our Shares or underlying Shares of our Company which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

3. Disclaimers

Save as disclosed in this document:

(i) none of the Directors or chief executive of our Company has any interests and short positions in our Shares, underlying Shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he has taken or is deemed to have under provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to us and the Stock Exchange, in each case once the H Shares of our Company are [**REDACTED**];

(ii) so far is known to any Director or chief executive of our Company, no other person (other than a Director or chief executive of our Company) will, immediately following completion of the [**REDACTED**], have interests or short positions in our Shares and underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or (not being a member of our Group), be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group;

(iii) save as disclosed in the "[**REDACTED**]" section in this document, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any Shares in or debentures of our Company within the two years ended on the date of this document;

(iv) none of the parties listed in the paragraph headed "Qualification of Experts" of this Appendix (i) is interested legally or beneficially in any of the Shares of our Company or any shares in any of its subsidiaries; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for the securities of our Company;

(v) none of our Directors nor any of the experts listed in the paragraph headed "Qualification of Experts" of this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;

(vi) none of our Directors, their close associates or any Shareholder of our Company (which to the best of our Directors' knowledge, information and belief owns more than 5% of our Company's issued share capital) has any interest in our Group's five largest suppliers or five largest customers for each year/period during the Track Record Period; and

(vii) none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are [**REDACTED**] on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

D. [REDACTED] ESOP

The following is a summary of the principal terms of the [**REDACTED**] ESOP. The terms of the [**REDACTED**] ESOP are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of share options or awards by our Company after [**REDACTED**]. Given the underlying Shares attaching to the partnership interests in the ESOP Platforms (the "**Virtual Shares**") under the [**REDACTED**] ESOP have already been issued to the ESOP Platforms as of the Latest Practicable Date, there will not be any dilutive effect to the issued Shares as a result of the operation of the [**REDACTED**] ESOP.

(a) Purpose

The purpose of the [**REDACTED**] ESOP is to incentivize directors, senior management and employees of our Group to provide better services to our Group. The goal is to align employee efforts with our Company's growth and eventual to accomplish a successful [**REDACTED**] of our Shares.

(b) Eligible Participants

Eligible participants of the [**REDACTED**] ESOP shall be the employees of our Group.

(c) Administration

The [**REDACTED**] ESOP shall be administered by our Board which may delegate administration function to the general manager of our Company.

(d) Grant of Options

Pursuant to the [**REDACTED**] ESOP, our Board may grant options to an employee (the "**Grantee**") to purchase Virtual Shares (the "**Grant**").

(e) Terms of the Grant

The Grantee is required to accept the Grant by entering into an equity incentive agreement (the "**Incentive Agreement**") with, among others, the Company and the relevant ESOP Platform and its general partner, which set forth the terms and conditions of the Grant as summarized below:

– Term — the Grantee shall be entitled to immediately exercise the option at any time and for any number of times from the date of Grant to the date on which the Company is converted into joint stock company, subject to any early termination provided in the Incentive Agreement (the "**Term**").

– Exercise price — the exercise price (the "**Exercise Price**") of the option for each Virtual Share shall be determined by our Board at its sole discretion and set out in the Incentive Agreement.

- Exercise procedures — the Grantee may exercise the option granted to him within the Term by delivery to our Company a designated exercise application form accompanied by such amount representing the total Exercise Price payable by him corresponding to the number of Virtual Shares for which the option is exercised. Upon acceptance by our Company, the ESOP Platform and its general partner, the Grantee will be required to execute the partnership agreement of the relevant ESOP Platform and become a limited partner of the relevant ESOP Platform.

- Transfer of Virtual Shares — the transfer of the Virtual Shares by a Grantee shall be subject to the consent of the general partner of the relevant ESOP Platform and the restrictions set out in the Incentive Agreement. Where the general partner of the relevant ESOP Platform consents to the proposed transfer of the Virtual Shares held by a Grantee, the Grantee shall transfer all the Virtual Shares owned by him and withdraw from the ESOP Platform, unless otherwise provided in the Incentive Agreement or approved by the general partner of the relevant ESOP Platform in writing.

- Redemption by the ESOP Platform — upon the occurrence of any triggering event (including, but not limited to, (i) material breach of the Incentive Agreement by the Grantee; (ii) material breach of his duties under any agreement with our Group by the Grantee, (iii) material breach of laws and regulations applicable to our Group and/or the Grantee, (iv) termination of employment relationship with our Group, or (v) death of the Grantee) as set out in the Incentive Agreement, the general partner of the relevant ESOP Platform may redeem or otherwise require the Grantee to transfer all his Virtual Shares in such manner as the general partner may direct at the price predetermined in the Incentive Agreement.

- Realization of interests — subject to the vesting conditions and the lockup arrangements as may be determined by our Board and set out in the Incentive Agreement, the Grantee shall have the right to require the relevant ESOP Platform to redeem his vested portion of Virtual Shares at market price.

- Rights of the Grantee — the Grantee shall only entitle to the economic interests of such number of the underlying Shares held by the relevant ESOP Platform corresponding to the Virtual Shares owned by him, but not for other rights, including, but not limited to, the voting rights attached to the underlying Shares.

(h) Number of underlying Shares

The ESOP Platforms currently holds 6,646,974 Shares for [**REDACTED**] ESOP which will be [**REDACTED**] in to [**REDACTED**] Shares upon the completion of [**REDACTED**], representing approximately [**REDACTED**]% of the issued share capital of the Company immediately after the completion of the [**REDACTED**] (without taking into account Shares may be issued pursuant to the exercise of the [**REDACTED**]).

(i) Effect of alterations to share capital

In the event that the share capital of our Company alters for any reason, the number of Virtual Shares granted to the Grantee will remain unchanged but the number of underlying Shares indirectly interested by the Grantee through the ESOP Platforms will be adjusted proportionally.

(j) Further information

As of the Latest Practicable Date, all the underlying Shares, being 6,646,974 Shares, which are held by the ESOP Platforms for the purpose of [**REDACTED**] ESOP have been allocated to corresponding Virtual Shares.

The table below shows the details of underlying Shares (as allocated to the Virtual Shares) granted to our Directors and members of our senior management under the [**REDACTED**] ESOP:

Name of grantee	Position in our Group	No. of Virtual Shares	No. of underlying Shares (as adjusted for [REDACTED])	Percentage of the issued share capital of our Company after completion of the [REDACTED][(1)]
Dr. Ren	Chairperson of our Board, executive Director and chief executive officer	8,111,855	[REDACTED]	[REDACTED]%
Dr. Huh	Vice chairperson of our Board, executive Director and chief executive officer of SMI	5,000,000	[REDACTED]	[REDACTED]%
Sun Junping (孫君萍)	Supervisor	12,500	[REDACTED]	[REDACTED]%
Dr. Su	Executive vice president of administration and joint company secretary	853,641	[REDACTED]	[REDACTED]%
Liang Jianxiong (梁建雄)	Vice president of sales	800,000	[REDACTED]	[REDACTED]%
Li Xiaolei (李曉蕾)	Chief financial officer	150,000	[REDACTED]	[REDACTED]%
Kim Jong Hwan	Senior vice president of engineering of SMI	342,587	[REDACTED]	[REDACTED]%
Remaining 360 Grantees	–	13,078,777	[REDACTED]	[REDACTED]%
Other Virtual Shares to be granted[(2)]	–	450,640	[REDACTED]	[REDACTED]%

Note:

(1) Without taking into account any Shares which may be issued upon the exercise of the [**REDACTED**].

(2) These Virtual Shares will be granted prior to the [**REDACTED**].

Given that all the Virtual Shares have been granted and all the underlying Shares have been allocated to the Grantees at the time of [**REDACTED**], no further Grant will be made under the [**REDACTED**] ESOP after the [**REDACTED**].

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the PRC laws.

2. Litigation

As of the Latest Practicable Date, we are not aware of any litigation, arbitration or claims of material importance pending or threatened against any member of our Group that could have a material adverse effect on our financial condition or results of operations.

3. Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor will be paid by our Company a fee of US$500,000 to act as the Sole Sponsor to our Company in connection with the [**REDACTED**].

4. Compliance Adviser

Our Company has appointed Quam Capital Limited as its compliance adviser in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

6. Taxation of holder of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in circumstances where such transactions are affected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

7. Qualification of Experts

The following are the qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions or advice which are contained in this document:

Name	Qualification
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities as defined under the SFO
Jia Yuan Law Offices	Legal advisers as to PRC law
Bae, Kim & Lee LLC	Legal advisers as to South Korean law
Stephen Peepels, Esq.	Legal adviser as to export control and sanctions laws
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Frost & Sullivan	Independent industry consultant

Name	Qualification
Lixin Certified Tax Agents (Zhejiang) Co., Ltd.	Transfer pricing consultant in PRC
PricewaterhouseCoopers Consultants (Shenzhen) Limited Hangzhou Branch	Transfer pricing consultant in PRC
Yulchon LLC	Transfer pricing consultant in South Korea

8. Consent of Experts

Each of the experts whose names is set out in paragraph 7 above [has given and has not] withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which they respectively appear.

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

9. Promoters

The promoters of our Company are:

(1) Vasona Technology Hong Kong Limited (瓦森納科技香港有限公司);

(2) Hangzhou Xidaxin Corporate Management Partnership (L.P.)* (杭州喜達芯企業管理合夥企業(有限合夥));

(3) Hangzhou Xihangxin Corporate Management Partnership (L.P.)* (杭州喜杭芯企業管理合夥企業(有限合夥));

(4) Hangzhou Moxin;

(5) Smart Wealth;

(6) Smart Advantage;

(7) Hangzhou Haibang Qiyue Equity Investment Partnership (L.P.)* (杭州海邦啟悅股權投資合夥企業(有限合夥));

(8) Smart Brilliant International Investment Limited (智晶國際投資有限公司);

(9) Zhuhai Weiheng Equity Investment Partnership (L.P.)* (珠海巍恒股權投資合夥企業(有限合夥), currently known as Zhuhai Weiheng Investment Partnership (L.P.)* (珠海巍恒投資合夥企業(有限合夥));

(10) HSG Growth VI Holdco B (HK) Limited;

(11) Beijing Junlian Shengyuan Equity Investment Partnership (L.P.)* (北京君聯晟源股權投資合夥企業(有限合夥));

(12) Zhuhai Junlian Xingze Equity Investment Enterprise (L.P.)* (珠海君聯星澤股權投資企業(有限合夥));

(13) Hai Feng Investment Holding Limited (海風投資有限公司);

(14) Hangzhou Xinshengwei Equity Investment Partnership (L.P.)* (杭州芯盛微股權投資合夥企業(有限合夥));

(15) Hefei Huaxin Kerui IC Investment Partnership (L.P.)* (合肥華芯科瑞集成電路投資合夥企業(有限合夥));

(16) Hefei Huadeng Erqi IC Industry Investment Partnership (L.P.)* (合肥華登二期集成電路產業投資合夥企業(有限合夥));

(17) Cosmic Warrior (HK) Limited;

(18) Hubei Xiaomi Changjiang Industry Fund Partnership (L.P.)* (湖北小米長江產業基金合夥企業(有限合夥));

(19) Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司);

(20) Dr. Huh;

(21) National IC Industry Investment Fund Phase II Co., Ltd.* (國家集成電路產業投資基金二期股份有限公司);

(22) Hangzhou Xinchengwei Equity Investment Partnership (L.P.)* (杭州芯成微股權投資合夥企業(有限合夥));

(23) Hangzhou Xinyuwei Equity Investment Partnership (L.P.)* (杭州芯宇微股權投資合夥企業(有限合夥));

(24) Guangzhou Guangqi Xinmai Management Consultancy Partnership (L.P.)* (廣州廣祺欣邁管理諮詢合夥企業(有限合夥);

(25) Zhuhai Hongtu Zhanlu Equity Investment Partnership (L.P.)* (珠海市紅土湛盧股權投資合夥企業(有限合夥));

(26) Jiaxing Hengjunbang Equity Investment Partnership (L.P.)* (嘉興恒雋邦股權投資合夥企業(有限合夥));

(27) Hangzhou Fuyang Xiangheng Equity Investment Partnership (L.P.)* (杭州富陽項恒股權投資合夥企業(有限合夥));

(28) Suzhou Huaye Zhiyuan No. 3 Equity Investment Partnership (L.P.)* (蘇州華業致遠三號股權投資合夥企業(有限合夥));

(29) Jiaxing Taixin Keqi Venture Investment Partnership (L.P.)* (嘉興泰芯科啟創業投資合夥企業(有限合夥));

(30) Hangzhou Xingcheng Lianxin Venture Investment Partnership (L.P.)* (杭州星成聯芯創業投資合夥企業(有限合夥));

(31) Hangzhou Yuxin Venture Investment Partnership (L.P.)* (杭州寓鑫創業投資合夥企業(有限合夥));

(32) Yibin Lvneng Equity Investment Partnership (L.P.)* (宜賓綠能股權投資合夥企業(有限合夥));

(33) Guangdong Changtuoshi Venture Investment Partnership (L.P.)* (廣東長拓石創業投資合夥企業(有限合夥));

(34) Hangzhou Xinlanwei Venture Investment Partnership (L.P.)* (杭州芯嵐微創業投資合夥企業(有限合夥));

(35) Zhuhai Junlian Xingchi Venture Investment Enterprise (L.P.)* (珠海君聯星馳創業投資企業(有限合夥));

(36) Hangzhou Huaxin Yunmai Equity Investment Partnership (L.P.)* (杭州華芯雲邁股權投資合夥企業(有限合夥));

(37) Yibin Chendao New Energy Industry Equity Investment Partnership (L.P.)* (宜賓晨道新能源產業股權投資合夥企業(有限合夥));

(38) Zhejiang Jinkong Investment Co., Ltd.* (浙江金控投資有限公司) (currently known as Zhejiang Province Innovation Capital Investment Co., Ltd.* (浙江省創新資本投資有限公司);

(39) Hangzhou Haibang Ruibo Equity Investment Partnership (L.P.)* (杭州海邦睿柏股權投資合夥企業(有限合夥));

(40) Ningbo Haibang Xingcai Venture Investment Partnership (L.P.)* (寧波海邦星材創業投資合夥企業(有限合夥)); and

(41) Qingdao Jingque Xinyang Technology Center (L.P.)* (青島精確芯陽科技中心(有限合夥)).

Within the two years immediately preceding the date of this document, no cash, securities or other benefit have been paid, allotted or given or have been proposed to be paid, allotted or given to the above promoters in connection with the [**REDACTED**] or related transactions described in this document.

10. Bilingual Document

The English language and Chinese language versions of this document are being published separately.

11. Binding Effect

This document shall have the effect, if an application is made in pursuance of this document, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in so far as applicable.

12. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the business operation and financial position or prospects of our Group since April 30, 2026 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

13. Miscellaneous

(a) Save as disclosed in this document, within the two years immediately preceding the date of this document:

(i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise; and

(ii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.

(b) Save as disclosed in this document:

(i) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(ii) there is no arrangement under which future dividends are waived or agreed to be waived;

(iii) there are no contracts for hire or hire purchase of plan to or by us for a period of over one year which are substantial in relation to our business;

(iv) no share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(v) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries by our Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company or any of our subsidiaries;

(vi) save for our H Shares to be [**REDACTED**] in connection with the [**REDACTED**], none of our equity and debt securities are [**REDACTED**] or [**REDACTED**] with in any other stock exchange nor is any [**REDACTED**] or permission to [**REDACTED**] being or proposed to be sought; and

(vii) there are no outstanding debentures or convertible debt securities of our Company or any of our subsidiaries.

(c) Save as disclosed in this document, none of our Directors or experts (as named in this document) have any interest, direct or indirect, in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

(d) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) the written consents referred to in "Appendix VII — Statutory and General Information — E. Other Information — 8. Consent of Experts"; and

(b) a copy of each of the material contracts referred to in "Appendix VII — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts".

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **http://www.silicon-magic.com** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountant's Report from PricewaterhouseCoopers, the text of which is set out in Appendix I to this document;

(c) the audited consolidated financial statements of our Company for three years ended December 31, 2023, 2024 and 2025 and four months ended April 30, 2026;

(d) the report on unaudited [**REDACTED**] financial information of our Group from PricewaterhouseCoopers, the text of which is set out in Appendix II to this document;

(e) the legal opinions issued by Jia Yuan Law Offices, our PRC Legal Adviser, in respect of the general matters of our Group;

(f) the legal opinions issued by Bae, Kim & Lee LLC, our legal advisers as to South Korean law, in respect of the general matters of SMI;

(g) the legal memorandum issued by Stephen Peepels, Esq., our Export Control and Sanctions Counsel;

(h) the industry report prepared by Frost & Sullivan, the summary of which is set forth in "Industry Overview" in this document;

(i) the transfer pricing review report issued by Lixin Certified Tax Agents (Zhejiang) Co., Ltd., our transfer pricing consultant in the PRC;

(j) the transfer pricing review report issued by PricewaterhouseCoopers Consultants (Shenzhen) Limited Hangzhou Branch, our transfer pricing consultant in the PRC;

(k) the transfer pricing review report issued by Yulchon LLC, our transfer pricing consultant in South Korea;

(l) a copy of each of the PRC Company Law, the PRC Securities Law, the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), together with their unofficial English translations;

(m) the material contracts referred to in "Appendix VII — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts";

(n) the written consents referred to in "Appendix VII — Statutory and General Information — E. Other Information — 8. Consent of Experts"; and

(o) the service contracts and the letters of appointment referred to in "Appendix VII — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 1. Directors and Chief Executive — (ii) Particulars of service agreements and appointment letters".