
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. You should read the entire document carefully before you decide to [REDACTED] in the [REDACTED].

There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed “Risk Factors” of this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are a global leader in high-performance non-volatile memory chip design. We operate with a fabless model, focusing on the design process and outsourcing wafer fabrication, packaging and testing. We are committed to addressing the rapidly evolving and expanding memory requirements in the AI-era, developing and offering (i) key non-volatile memory chips, such as serial presence detect (SPD) chips — our primary product under this category, electrically erasable programmable read-only memory (EEPROM) chips and Not-OR flash (NOR Flash) chips, (ii) lens driver chips, and (iii) near field communication (NFC) chips, together with supporting solutions. According to Frost & Sullivan, we are the third largest EEPROM supplier and the second largest supplier of DDR5 SPD chips in the world in 2023, 2024 and 2025 by revenue. Leveraging strong R&D expertise and global market experience, our product portfolio now covers a wide range of memory scenarios across AI infrastructure, automotive electronics, industrial control, and consumer electronics.

Memory chips have penetrated nearly every aspect of modern life. AI infrastructure, such as data centers and server clusters, is expanding rapidly with the accelerated adoption of AI technology. Automotive-grade systems in intelligent driving and vision sensing are evolving continuously as vehicles become smarter, and everyday consumer electronics such as smartphones and home appliances all rely on high-performance and high-reliability memory chips. Memory chips not only support fundamental functions such as system boot, parameter storage, and program loading, but also play a critical role in real-time data processing, edge computing, and concurrent multitasking. Their applications extend to almost all electronic devices and systems, making them essential components underpinning the digital economy.

In the AI-era, computing takes care of the core number-crunching work for model training and inference, while memory serves as the foundation for data capture, transfer, buffering, and storage. Fueled by AI, the scale of training keeps growing, and inference is quickly making its way into end-market verticals. The rapid growth of global data is accelerating the upgrade of memory technology and reshaping the role and value of the memory chip industry.

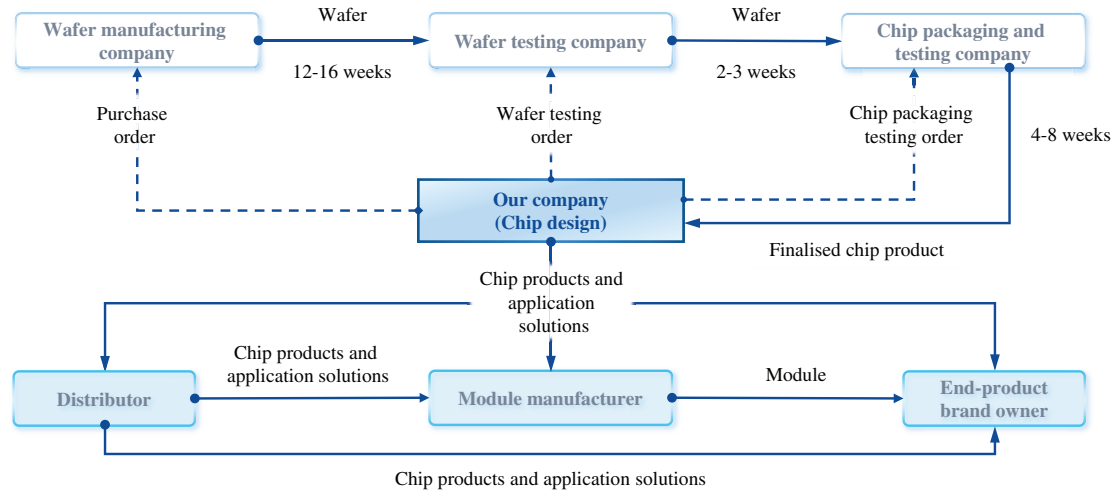
Against this backdrop, memory density and performance requirements are reaching unprecedented levels. As AI, IoT, and 5G converge and proliferate, electronic systems are imposing far more stringent requirements on memory capacity, speed, power, and reliability.

Drawing on over 16 years of industry experience and a deep understanding of market needs, we have developed our core product lines — non-volatile memory chips, lens driver chips, and NFC chips. We pursue design wins to demonstrate our technical capabilities and build customer trust, advance products from pilot production to mass production, and leverage these established relationships to capture cross-selling opportunities. As a result, our products are widely adopted by the world’s leading memory-module vendors, well-known automotive brands, and mainstream smartphone manufacturers, both in China and overseas. According to Frost & Sullivan, in 2025, we held over 40% of the global DDR5 SPD chip market by revenue and 14.8% of the global EEPROM market by revenue, with globally leading R&D capability and market positions across several sub-segments.

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Our Business Model

We operate a fabless model focused on the R&D, design, and sale of integrated circuit products.



Highlights of Our Product Offerings

Our product portfolio includes (1) non-volatile memory chips that cover certain core memory application scenarios, including memory module supporting chips highlighted by a full series of SPD chips that supports DDR2 through DDR5, the second to the fifth generation double data rate memory modules; high-reliability memory chips for automotive electronics and industrial control; and memory chips for consumer electronics, (2) lens driver chips, and (3) other products, primarily including NFC chips.

Memory module supporting chips. We have developed SPD chips for memory modules since DDR2. For DDR5, building on our mass-production track record and core technologies, we have established an in-depth partnership with a global leader in memory interconnect chips. Our co-development model enables us to serve as a core supplier of essential SPD chips for the strategic partner’s DDR5 memory interface solutions, which are widely adopted by major global memory companies, in particular, top-tier dynamic random-access memory (DRAM) module players in the world. We are also actively extending our product lines and have introduced vital product data (VPD) chips supporting next-generation high-performance memory devices.

High-reliability memory chips for automotive electronics. Automotive electronics is one of the most definitive and high-potential markets for memory chips. Its stringent requirements on reliability, temperature tolerance, and noise immunity of memory chips is setting up competitive barriers in the industry, benefiting leading companies like us. Our high-reliability memory chips for automotive electronics meet AEC-Q100 A1-A2 standards, with EEPROM densities from 1 Kb to 4 Mb and NOR Flash densities from 512 Kb to 16 Mb. With our first-mover advantage and the trend toward domestic sourcing by Chinese OEMs, our products are deployed widely across multiple core in-vehicle modules by 16 of the world’s top 20 and all of China’s top 20 car brands, as well as over 85% of China’s self-owned passenger car brands.

Memory chips for consumer electronics. For consumer electronics, our memory chip lineup includes high-performance EEPROM and advanced NOR Flash products. We offer a full spectrum of EEPROM with densities from 1 Kb to 4 Mb. Our NOR Flash focuses on low-power SPI NOR, including products built on our NORD platform covering a density range of 512 Kb to 64 Mb, with an ETOX-based reserve from 32 Mb to 512 Mb to meet larger firmware needs of certain consumer electronics end-products, giving customers tiered choices. We have long focused on smartphones, the largest sub-segment in consumer electronics. Our EEPROM has been used in camera modules of one of the globally leading smartphone brands since 2011. Leveraging over 16 years of experience, we continually adopt product upgrades to address unmet need in the AI-era.

Our major products, their functions, core technologies and applications are set forth in the diagram below.

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Core product lines	Major products	Major Functions	Core Technology Domains	Key Applications
Non-volatile Memory Chips	Memory module supporting chips	Identity, configuration memory, management channel and thermal telemetry (DDR2-DDR5)	<ul style="list-style-type: none"> – SPD chips technology (with key technological function block of EEPROM, I²C/I³C hub and temperature sensing) 	<ul style="list-style-type: none"> – AI servers and AI PCs – DDR5 memory interface solutions, which are widely adopted in dynamic random access memory (“DRAM”) – DDR2-DDR4 memory modules
	High-reliability memory chips for automotive electronics	High-reliability reprogrammable data retention	<ul style="list-style-type: none"> – EEPROM (with densities from 1 Kb to 4 Mb) – NOR Flash (with densities from 512 Kb to 16 Mb) 	<ul style="list-style-type: none"> – Automotive in-vehicle modules, including visual perception, smart cockpits, electrified powertrain, and body/chassis – Industrial control applications, including industrial automation, digital energy and power electronics, communication infrastructure and optical modules.
	Memory chips for consumer electronics	Reprogrammable data retention for consumer electronic scenarios	<ul style="list-style-type: none"> – EEPROM (with densities from 1 Kb to 4 Mb) – NOR Flash (with NORD from 512 Kb to 64 Mb and ETOX-based reserve from 32 Mb to 512 Mb) 	<ul style="list-style-type: none"> – Smartphones and mobile imaging – Display systems – Connectivity and audio accessories – Wearables and AI glasses
Lens Driver Chips	Lens driver chips	Precise motion control for camera modules	<ul style="list-style-type: none"> – Current drive and settling – Calibration and tolerance handling – Precision sensing and controlling – OIS control 	<ul style="list-style-type: none"> – Smartphones – Handheld gimbal – Other compact imaging devices
NFC Chips and Others	NFC chips	Near field data identification	<ul style="list-style-type: none"> – Near field communication technologies with embedded non-volatile memory modules 	<ul style="list-style-type: none"> – Electronic price tags – Consumer electronics and smart-home devices – Major appliances and small household devices – Packaging, accessories, and brand engagement – Light Industrial and facility use

While each product operates independently within its respective module, they can collectively address different functional needs across the same end system. See “Business—Overview—Highlights of Our Product Offerings—Diversified Applications Within a Single Scenario.”

Our Market Opportunities

AI servers and AI PCs. As large-model training and inference scale up, global AI infrastructure is entering a new development phase. AI servers that carry cloud computing and AI PCs with local inference capability are both poised for explosive growth. Faster deployment of AI infrastructure is increasing memory per system. In data centers, mainstream AI servers typically deploy over 20 DDR5 DIMMs — double that of traditional servers — and are increasingly configured with more DRAM and SSD (solid state drive, a fast and durable storage device using flash memory) modules. On the device side, AI PCs are ramping up more rapidly and equipped with higher-capacity DRAM and SSD configurations than traditional PCs. Against this backdrop, our SPD chips, which are already in commercial deployment and supporting DDR5, and our VPD chips for eSSD and CXL modules, which are currently in the design-in stage, are poised to see adoption and/or wider deployment by leading global cloud providers, server manufacturers, and AI-PC brands, broadening our key-account coverage and penetrating across AI infrastructure.

Automotive electronics. The shift to smart, electric, and connected vehicles is accelerating, with E/E architectures evolving toward domain and zonal control. The number of controllers for autonomous driving, intelligent cockpit, body, chassis, and battery management is rising, and

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multiple modules for sensing, control, display, and power require dedicated memory to support software operation and function management. The kinds and counts of memory chips per vehicle are well above those in traditional ICE models, moving from “a few critical nodes” to “multi-domain and multi-node.” We supply EEPROM and NOR Flash for automotive electronics, and, given our products’ reliability and stability, we expect to penetrate more models and modules at global automotive brands as the market expands.

Consumer electronics. Consumer electronics have large unit volumes and broad user reach. Installed base and replacement demand are high, as edge AI spreads across price tiers and product forms, per-device memory consumption is trending up, creating a large and expanding application space for memory chips. According to Frost & Sullivan, global shipments of edge AI consumer devices will exceed 850 million units in 2025 with penetration over 40.0%. Our memory chips are already applied in smartphones and edge AI applications, with volume shipments to multiple brand customers. The rapid development of edge AI will continue to expand demand for our products.

OUR STRENGTHS

We believe the following advantages position us well to seize future industry opportunities and achieve sustained growth: (i) differentiated capabilities across multiple memory sub-segments enabling effective capture of structural growth opportunities; (ii) customer-driven innovation across successive product generations; (iii) a high-stickiness, top-tier customer base with significant cross-selling potential; (iv) a highly coordinated, responsive supply chain; and (v) experienced management and R&D teams.

OUR STRATEGIES

We will implement the following strategies: (i) deepen our advantages in established segments; (ii) continue to deepen our collaboration with top-notch customers and create value for them by focusing on a long-term development strategy and technology innovation; (iii) expand and enhance our product offerings through leveraging a corporate culture of equality, openness, efficiency, and pragmatism; and (iv) expand overseas presence and strengthen supply chain and teams.

OUR CUSTOMERS AND SUPPLIERS

Our top five customers in each year/period during the Track Record Period accounted for 57.7%, 57.5%, 55.5% and 43.6% of our total revenue in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. Revenues generated from our single largest customer in each year/period during the Track Record Period were RMB161.4 million, RMB353.7 million, RMB453.9 million and RMB74.8 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing 22.9%, 34.4%, 37.2% and 26.7% in our revenue in the respective year/period. We served a broad range of customers during the Track Record Period, many of which were leading global companies in memory modules, automotive electronics, industrial control and consumer electronics. We also engaged distributors in selling our products. During the Track Record Period, we maintained stable business relationships with our major customers.

Our suppliers primarily comprise third-party wafer foundries and outsourced semiconductor assembly and test (OSAT) companies. We engaged 4 wafer foundries and 33 OSATs during the Track Record Period and up to the Latest Practicable Date. Purchase from our top five suppliers in each year/period during the Track Record Period accounted for 90.1%, 91.3%, 85.0% and 81.9% of our total purchase in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. Our raw materials are mainly wafers and packaging and testing materials. During the Track Record Period and up to the Latest Practicable Date, we have not encountered any shortages or delay in the supply of raw materials that led to production disruptions. We believe that our stable relationships with suppliers will continue to ensure an adequate and steady supply of raw materials and help control future price fluctuations. During the Track Record Period and up to the Latest Practicable Date, there have been no quality issues with our raw materials that significantly impacted our operations.

SALES NETWORK OF OUR PRODUCTS

In line with market practice, we use distributors to facilitate sales of our products. Our distributors assume responsibility for customer support. Revenues from sales of our products and solutions to our distributors represented approximately 68.7%, 54.0%, 51.4% and 60.2% of our revenues in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively.

Our direct sales are primarily focused on serving leading strategic customers within the AI server, automotive electronics, industrial control and consumer electronics industries. We believe that our direct sales help us consolidate and improve our market shares and penetrate different industry verticals effectively.

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BRANDING AND MARKETING

We strive to enhance our brand awareness by delivering superior product quality, reliable performance, professional technical support services, and collaborative R&D capabilities, complemented by targeted marketing initiatives. Specifically, our sales and marketing strategy is designed to build brand recognition, increase demand for our products and solutions, foster long-term strategic partnerships with customers, drive cross-selling opportunities, and unlock incremental business potential.

We also focus our sales and marketing strategy on establishing business and technology relationships with industry-leading module manufacturers and end-product brand owners, in order to work closely with them on future semiconductor solutions that align with their product road maps. We work with our customers closely to design integrated solutions to enhance the performance and efficiency of their products. We also market our products directly to servers, automotive, PCs and smartphone manufacturers so that our products can be qualified for their specifications and designed into their products. In the automotive sector specifically, our automotive-grade chips have been qualified by multiple global Tier-1 suppliers for deployment in leading automaker platforms and other end-systems.

OUR MARKET OPPORTUNITIES AND COMPETITION

As core hardware that can permanently retain data in a powered-off environment, non-volatile memory chips have become strategic foundational components and data storage cornerstones for the development of key industries such as AI servers, automotive electronics, and consumer electronics. With the explosive growth in downstream markets such as AI servers, AI PCs, automotive electronics and consumer electronics, the global market size of non-volatile memory chip is projected to reach US\$135.9 billion by 2030, accordingly to Frost & Sullivan.

According to Frost & Sullivan, in 2025, we held over 40% of the global DDR5 SPD chip market by revenue and 14.8% of the EEPROM market by revenue. However, the markets for our products and solutions are, in general, intensely competitive, characterized by continuous technological change, evolving industry standards, and fluctuating average selling prices. Our competitors include large domestic and international semiconductor companies who may have greater presence in key markets, a more established and larger customer base, and, in general, better access to other resources than we do. For a description of the semiconductor industry’s market environment, please refer to the “Industry Overview” section.

SUMMARY OF KEY FINANCIAL INFORMATION

This summary of key financial information set forth below have been derived from, and should be read in conjunction with, our historical financial information, including the accompanying notes, set forth in the Accountants’ Report set out in Appendix I to this document, as well as the information set forth in the “Financial Information” section. Our historical financial information was prepared in accordance with IFRS Accounting Standards.

Summary of Consolidated Statements of Profit or Loss

The following table sets forth our consolidated statements of profit or loss for the years/periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>						<i>(unaudited)</i>			
Revenue	703,477	100.0	1,028,277	100.0	1,221,284	100.0	261,066	100.0	279,994	100.0
Cost of sales	(375,738)	(53.4)	(464,688)	(45.2)	(521,612)	(42.7)	(103,665)	(39.7)	(142,980)	(51.1)
Gross profit	327,739	46.6	563,589	54.8	699,672	57.3	157,401	60.3	137,014	48.9
Profit Before Tax . . .	84,664	12.0	298,571	29.0	379,779	31.1	103,932	39.8	32,247	11.5
Income tax (expense)/ credit	(1,969)	(0.3)	(22,531)	(2.2)	(23,941)	(2.0)	(6,493)	(2.5)	283	0.1
Profit for the Year/ Period	82,695	11.8	276,040	26.8	355,838	29.1	97,439	37.3	32,530	11.6
Attributable to: Owners of the parent . .	100,358	14.3	290,270	28.2	363,576	29.8	99,481	38.1	30,844	11.0

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	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)						(unaudited)			
Non-controlling interests	(17,663)	(2.5)	(14,230)	(1.4)	(7,738)	(0.6)	(2,042)	(0.8)	1,686	0.6

Non-IFRS Measures

To supplement our consolidated statements of profit or loss which are presented in accordance with IFRS Accounting Standards, we use adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) as non-IFRS measures, which are not required by, or presented in accordance with, IFRS Accounting Standards. We define adjusted net profit (non-IFRS measure) as profit for the year/period adjusted by adding back equity settled share-based payments. Share-based payments which is equity-settled, are related to our restricted A share incentive schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of our Group’s operations. Equity-settled share-based payment expenses are non-cash in nature. Accordingly, we exclude the impact of these share-based payment expenses. We define adjusted net profit margin (non-IFRS measure) as adjusted net profit (non-IFRS measure) to divide corresponding revenue of the year/period. We believe that non-IFRS measures facilitate the comparisons of operating performance and provide useful information to investors and others in understanding and evaluating our operating performance in the same manner as it helps our management. However, our presentation of non-IFRS measures for the year/period may not be comparable to similarly titled measures presented by other companies. The use of non-IFRS measures has limitations as an analytical tool, and investors should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

The following table reconciles non-IFRS measures for the periods presented with the nearest measures prepared in accordance with IFRS Accounting Standards.

	For the year ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB	RMB	RMB	RMB	RMB
	(in thousands, except for percentages)			(unaudited)	
Profit for the year/period	82,695	276,040	355,838	97,439	32,530
Adjusted for:					
Equity-settled share-based payment arrangements	44,643	29,292	32,329	3,637	23,852
Adjusted net profit (non-IFRS measure)	<u>127,338</u>	<u>305,332</u>	<u>388,167</u>	<u>101,076</u>	<u>56,382</u>
Adjusted net profit margin (non-IFRS measure)	18.1%	29.7%	31.8%	38.72%	20.14%

From 2023 to 2025, our continued revenue and profit growth was primarily attributable to increased revenue contributions from (i) SPD chips, mainly driven by accelerated adoption of AI applications, (ii) automotive-grade chips, mainly driven by the rising trend of intelligent transportation and domestic sourcing by automotive OEMs, and (iii) industrial-grade memory chips, mainly driven by the growth in demand from industrial control applications. The number of our customers grew steadily, accompanied by increases in average order volume driven by the boosted demand for AI servers and AI PCs, our enhanced penetration in the automotive market and the recovering demand in the industrial control market.

Between the three months ended March 31, 2025 and 2026, our revenue growth was primarily driven by increased sales of (i) automotive-grade and industrial-grade memory chips, mainly attributable to our deeper market penetration due to continuous market expansion efforts and

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technological advancements, as well as orders we secured from leading international automotive brands; and (ii) NFC chips, as we expanded into new application scenarios. Our net profit declined during the period, mainly due to (i) changes in our product mix, (ii) increased R&D expenses, (iii) absence of gains on investment in listed securities, and (iv) increased equity-settled share-based compensation.

Our adjusted net profit (non-IFRS measure) increased significantly from RMB127.3 million in 2023 to RMB305.3 million in 2024, and further increased to RMB388.2 million in 2025. The increase in adjusted net profit (non-IFRS measure) was primarily due to the continued increase in our profit for the year, partially offset by the equity-settled share-based payment arrangements added back each year. Our adjusted net profit (non-IFRS measure) decreased from RMB101.1 million in the three months ended March 31, 2025 to RMB56.4 million for the same period in 2026, primarily due to (i) changes in our product mix, (ii) increased R&D expenses, and (iii) absence of gains on investment in listed securities.

Summary of Consolidated Statements of Financial Position

The table below sets forth selected information from our consolidated balance sheets as of the dates indicated, which has been extracted from the Accountant’s Report included in Appendix I to this document:

	As of December 31,			As of
	2023	2024	2025	March 31,
	RMB	RMB	RMB	2026
	(in thousands)			RMB
Total non-current assets	321,950	387,838	522,625	521,038
Total current assets	1,728,262	1,917,479	2,225,039	2,246,752
Total current liabilities	96,754	132,966	165,258	130,653
Net current assets	1,631,508	1,784,513	2,059,781	2,116,099
Total assets less current liabilities	1,953,458	2,172,351	2,582,406	2,637,137
Total non-current liabilities	10,847	10,305	10,276	8,867
Net assets	1,942,611	2,162,046	2,572,130	2,628,270

During the Track Record Period, our net assets continued to increase. Our net assets increased from RMB1,942.6 million as of December 31, 2023 to RMB2,162.0 million as of December 31, 2024, mainly due to (i) the profits of RMB276.0 million we recorded for the year of 2024, and (ii) the equity-settled share-based payment arrangements of RMB50.6 million, partially offset by (i) the repurchase and cancellation of A shares of RMB81.8 million and (ii) dividends of RMB31.5 million we declared and paid in 2024. Our net assets further increased to RMB2,572.1 million as of December 31, 2025, mainly due to (i) the profits of RMB355.8 million we recorded for the year of 2025, (ii) the equity-settled share-based payment arrangements of RMB42.4 million, and (iii) an increase of RMB58.3 million in fair value of equity investments at fair value through other comprehensive income, net of tax, partially offset by dividends of RMB47.4 million we declared and paid in 2025. Our net current assets increased from RMB2,059.8 million as of December 31, 2025 to RMB2,116.1 million as of March 31, 2026, mainly due to (i) the profits of RMB32.5 million we recorded for the three months ended March 31, 2026, and (ii) the equity-settled share-based payment arrangements of RMB23.9 million for the three months ended March 31, 2026.

Summary of Consolidated Statements of Cash Flow

The following table sets forth a summary of our cash flows for the years/periods indicated:

	For the year ended December 31,			For the three months ended	
	2023	2024	2025	2025	2026
	RMB	RMB	RMB	RMB	RMB
	(in thousands)			(unaudited)	
Net cash flows generated from operating activities .	102,709	302,093	399,097	71,257	16,200

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	For the year ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB	RMB	RMB (in thousands)	RMB (unaudited)	RMB
Net cash flows (used in)/ generated from investing activities	(132,822)	(225,369)	(208,765)	240,165	(10,704)
Net cash flows (used in)/ generated from financing activities	(93,397)	(96,609)	(48,500)	5,131	(15,861)
Net (decrease)/increase in cash and cash equivalents	(123,510)	(19,885)	141,832	316,553	(10,365)
Cash and cash equivalents at the beginning of the year/period	717,324	592,822	577,701	577,701	711,171
Exchange (losses)/gains on cash and cash equivalents	(992)	4,764	(8,362)	(163)	(6,054)
Cash and cash equivalents at the end of the year/period	592,822	577,701	711,171	894,091	694,752

We recorded net cash outflows from investing activities of RMB132.8 million, RMB225.4 million, RMB208.8 million and RMB10.7 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, primarily attributable to (i) purchase of structured deposits, (ii) equity investment in listed companies and private companies, and (iii) investment in private equity funds. As of March 31, 2026, low-risk structured deposits accounted for 90.8% of our financial assets at fair value through profit or loss.

We have adopted a structured internal review mechanism to manage our investment. See “Financial Information—Discussion of Certain Key Items of Consolidated Statements of Financial Position—Financial Assets at Fair Value Through Profit or Loss.” In selecting investment products, we evaluate investments on a case-by case basis, taking into account factors including the macro-economic environment, general market conditions, risk control and creditworthiness of investment managers, our working capital requirements, and the expected returns or potential losses.

Key Financial Ratios

	As of December 31,			As of March 31,
	2023	2024	2025	2026
Net profit margin	11.8%	26.8%	29.1%	11.6%
Gross profit margin	46.6%	54.8%	57.3%	48.9%
Current ratio	17.9	14.4	13.5	17.2
Quick ratio	15.5	12.6	11.8	14.9
Debt to asset ratio	5.2%	6.2%	6.4%	5.0%
Trade receivables turnover days . . .	74	47	42	47

For calculation of our key financial ratios, see “Financial Information—Key Financial Ratios.”

RISK FACTORS

Our business and the [REDACTED] involve certain risks, which are set out in the section headed “Risk Factors.” You should read that section in its entirety carefully before you decide to [REDACTED] in our Shares. Some of the major risks we face include: (i) the semiconductor industry is highly competitive and rapidly evolving. If we are unable to compete effectively with existing or new competitors, our sales, market share and profitability could be adversely affected;

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(ii) price pressures from market competition and fluctuating market conditions may negatively impact our revenue and gross profit margin; (iii) our future success depends on the timely development, introduction, marketing and selling of new semiconductor solutions and technologies and iteration of our existing products and technologies, which we might not be able to achieve, the development of new and more complex solutions and technologies can also increase our cost of sales and adversely affect our gross profit margin; (iv) we depend on third-party foundries, which reduces our ability to control our manufacturing process, any interruption or shortage or loss of capacity from these foundries could materially interrupt our business operations and product offerings, and a significant increase in procurement costs could also affect our gross profit margin; and (v) our gross profit margin is subject to volatility and may be adversely affected by rising raw material costs and weakness in our downstream markets, either of which could materially and adversely affect our results of operations.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Mr. CHEN Zuotao is the chairman of the Board of Directors and an executive Director of our Company. Mr. CHEN Zuotao, Mr. CHEN Zuoning (brother of Mr. CHEN Zuotao), Tianhao Technology and Tianhao Investment constitute our Single Largest Group of Shareholders, holding approximately 21.03% of the issued share capital of our Company immediately before the [REDACTED], and approximately [REDACTED]% of the issued share capital of our Company immediately following the completion of the [REDACTED], assuming that no new Shares are issued under the [REDACTED] and our Restricted Share Incentive Plans, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]. For further details about our Single Largest Group of Shareholders, please see the section headed “Relationship with our Single Largest Group of Shareholders”.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE STAR MARKET AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Our Company has been listed on the Shanghai Stock Exchange STAR Market since December 2019. Since our listing on the Shanghai Stock Exchange STAR Market and up until the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects. As advised by our PRC Legal Advisors, there was no material matter that should be brought to the [REDACTED] attention in relation to our compliance record on the Shanghai Stock Exchange STAR Market. Our PRC Legal Advisors are of the view that for the years ended December 31, 2023, 2024 and 2025 and up to the Latest Practicable Date, we have complied with the relevant laws and regulations on A-share listing applicable to us in all material respects. Our Company seeks to be [REDACTED] on the Hong Kong Stock Exchange in order to provide further capital for the development and expansion of our business, further enhance overseas financing capabilities, further advance our global strategic footprint, and better attract overseas investors and talents.

DIVIDEND POLICY

We paid dividends of RMB106.8 million, RMB31.5 million, RMB47.4 million and nil in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. For details, see “Financial Information—Dividend Policy.” Our 2025 year-end profit distribution plan was approved at the 2025 annual general meeting held on April 10, 2026. A cash dividend of RMB7.0 (tax inclusive) per 10 Shares was subsequently paid on April 27, 2026 to Shareholders of record as of April 24, 2026 out of our distributable profits, amounting to approximately RMB110.8 million in aggregate. As of the Latest Practicable Date, there were no dividend payables outstanding.

Our dividend policy is stipulated in our Articles of Association. We may distribute dividends in the form of cash, stocks or a combination of cash and stocks, and the accumulated profits distributed in cash (including by means of share repurchase) for the most recent three years shall in principle not be less than 30% of our Company’s annual average audited net profit attributable to owners of our Company for the last three years. We do not have a predetermined dividend payout ratio.

[REDACTED]

Assuming the [REDACTED] is not exercised, an [REDACTED] of HK\$[REDACTED] per [REDACTED] (which is the mid-point of the [REDACTED] range) and the full payment of the [REDACTED], if any, we expect to incur approximately HK\$[REDACTED] million of [REDACTED] (including (i) [REDACTED] expenses, including but not limited to commissions, fees, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange [REDACTED])

SUMMARY

fee, amounting to approximately HK\$[REDACTED] million, (ii) fees and expenses of legal advisors and accountants amounting to approximately HK\$[REDACTED] million and (iii) other fees and expenses relating to the [REDACTED], including but not limited to the [REDACTED] fees, amounting to approximately HK\$[REDACTED] million), accounting for approximately [REDACTED] of the gross [REDACTED] from the [REDACTED]. Approximately HK\$[REDACTED] million of our [REDACTED] is expected to be charged to our consolidated statements of comprehensive income and approximately HK\$[REDACTED] million is expected to be deducted from equity upon [REDACTED]. We did not incur [REDACTED] during the Track Record Period. The estimate of [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

FUTURE PLANS AND [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the [REDACTED] range of between HK\$[REDACTED] and HK\$[REDACTED] per H Share) and that the [REDACTED] is not exercised, in line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below: (i) approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED] million, will be used to enhance the development of our core memory chip and mixed signal technologies and the related design and processing platforms, with an aim to solidify the core technology barriers underpinning our future product portfolio and further drive the continuous expansion of our product matrix; (ii) approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED] million, will be used to enhance our supply chain, strengthen our team outside China, and enhance our marketing efforts overseas; (iii) approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED] million, will be used for strategic investments and/or acquisitions; and (iv) approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED] million, will be used for working capital and general corporate uses.

[REDACTED]

SUMMARY

RECENT DEVELOPMENT

Our 2025 year-end profit distribution plan was approved at the 2025 annual general meeting held on April 10, 2026. A cash dividend of RMB7.0 (tax inclusive) per 10 Shares was subsequently paid on April 27, 2026 to Shareholders of record as of April 24, 2026 out of our distributable profits, amounting to approximately RMB110.8 million in aggregate.

In April 2026, we invested in certain listed securities and recorded a significant fair value gain as of the Latest Practicable Date. Had the fair value change of the listed securities not been taken into account, our net profit might decline in 2026, primarily due to: (i) potential changes in our product mix, as the downstream markets for our higher-margin memory chip products are expected to face headwinds; (ii) a planned increase in R&D expenditure to support our expanded R&D activities; and (iii) additional share-based compensation expenses. As a result, even if our revenue continues to grow in 2026, our net profit and net profit margin might decline in 2026.

Our Directors confirm that, up to the date of this document, except for the foregoing, there has been no material adverse change in our business, financial condition and results of operations since March 31, 2026, which is the end date of the period reported on in the Accountants’ Report in Appendix I to this document, and there is no event since March 31, 2026 which would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.