## 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.

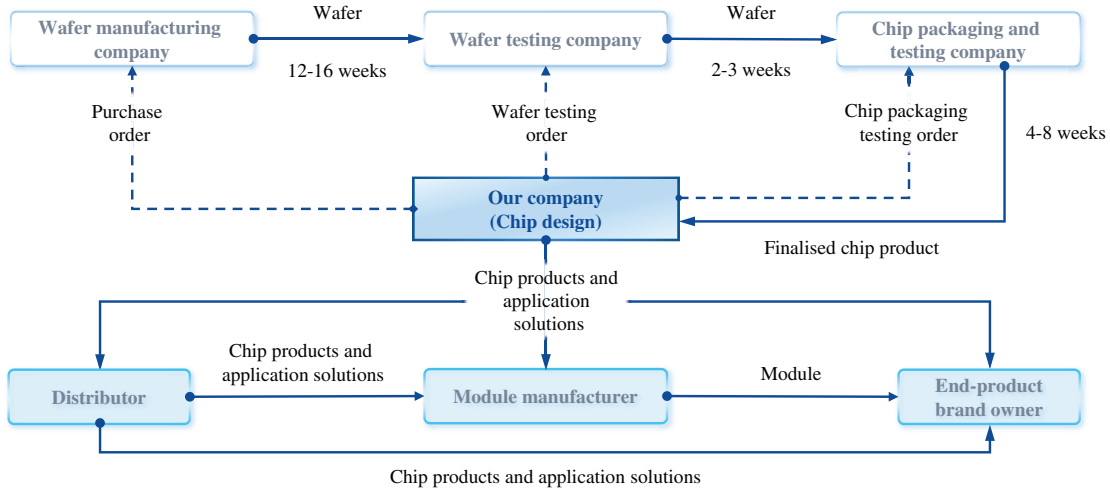
Against this backdrop, memory density and performance requirements are reaching unprecedented levels. As AI, IoT, and 5G converge and proliferate, electronic systems are imposing far more stringent requirements on memory capacity, speed, power, and reliability.

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, specifically, we were:

- the third largest EEPROM supplier in the world in 2023, 2024 and 2025 by revenue,
- the largest China-based EEPROM supplier in 2023, 2024 and 2025 by revenue, and
- the second largest supplier of DDR5 SPD chips in the world in 2023, 2024 and 2025 by revenue.

## 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, which are EEPROM-based non-volatile memory chips that supports DDR2 through DDR5 memory modules widely adopted in AI servers and AI PCs; 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 adopted a co-development model that enables us to serve as a core supplier to major global memory companies, in particular, top-tier dynamic random access memory (DRAM) module players in the world. The AI-era is driving substantial upgrades in memory configurations for servers and PCs used in AI infrastructure. Mainstream AI servers typically deploy more than 20 DDR5 memory modules — about twice that of general-purpose servers. The increasing adoption of AI PCs is also driving successive upgrades in memory configurations for our customers. We have developed SPD chips for memory modules since DDR2. For DDR5, building on our mass-production track record and core technologies, we are in a strategic collaboration with a global leader in memory interconnect chips. As DDR5 spreads across data centers and edge computing, we believe our SPD chip technology will continue to be recognized by enterprises specializing in memory modules and provide technological underpinnings for secure and controllable digital infrastructure in China and globally.

We supply the essential SPD chips for our strategic partner's DDR5 memory interface solutions, which are critical components used in DRAM modules in servers. Therefore, we benefit from this synergistic collaboration in terms of expedited product roll-out and quickly access the world's major DRAM module suppliers. The global server DRAM market is highly concentrated, with top-tier players capturing the vast majority of market share, a landscape that enables us to capitalize on the market's rapid growth. According to Frost & Sullivan, the global top three DRAM suppliers together accounted for over 90% of the server DRAM market in 2025 and we are the world's second largest supplier of DDR5 SPD chips in 2023, 2024 and 2025 by revenue.

We are also actively extending our product lines and have introduced VPD chips supporting next-generation high-performance memory devices. VPD has become a key component in new-generation enterprise SSD (eSSD) modules and CXL (Compute Express Link) memory modules, where it provides vital parameter management, device identification, and system-level verification. As model training and inference scale up, AI servers and high-performance computing systems demand more of memory performance, reliability, and manageability. Standards for eSSD and CXL are advancing accordingly, imposing tighter requirements on VPD accuracy, stability, and interface capability. In VPD, we have partnered with a globally leading memory manufacturer that leads standard setting and product specifications, becoming the first VPD developer to enter the design-in phase to support that company's next-generation eSSD modules and CXL memory modules, thereby building technical and customer barriers.

***High-reliability memory chips for automotive electronics***

The demand for high-reliability products is setting up competitive barriers in the industry, benefiting leading companies like us. Notably, automotive electronics is one of the most definitive and high-potential markets for memory chips. Upgrades to automotive E/E architectures driven by electrification, intelligence, and connectivity are triggering a structural step-up in automotive memory demand. At the application level, functionality upgrades in core modules are directly increasing per-vehicle memory requirements, such as intelligent cockpits moving to multi-screen and high-performance computing platforms, ADAS and autonomous driving advancing to higher levels, and the rising number of domain controllers. Vehicle use of high-performance memory chips such as EEPROM and NOR Flash for parameter and firmware memory continues to increase. According to Frost & Sullivan, global sales volume of NEV is expected to rise from 28.3 million units in 2026 to 44.3 million units in 2030, representing a CAGR of 11.9%. Compared to 10-15 units of EEPROMs typically used in a single internal combustion engine (ICE) vehicle, the count of EEPROMs in a new energy vehicle has grown to 30-40 units.

Automotive electronics has stringent requirements on reliability, temperature tolerance, and noise immunity of memory chips, resulting in higher quality and development thresholds. 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. Our memory chips are widely adopted across dozens of sub-modules in the four major automotive domains — visual perception, smart cockpit, electrified powertrain, and body/chassis.

| Automotive System | Automotive Submodule |
|---|---|
| Visual Perception | ADAS Cabin monitoring & Interior camera Assisted panoramic perception AVM |
| Smart Cockpit | Instrument cluster Central control display IVI system Interaction between |
| Chassis and Vehicle Body | EPS/ABS BCM/VCU/TPMS Airbag Window/Door controllers |
| EIC System | Electric drive BMS system OBC |

With 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. Given that automotive-grade certification typically takes a relatively long period, this deep engagement model creates natural customer barriers and long-term stickiness. This position not only reflects our technical strength, but also supports further market share gains and consolidation of our leadership.

***Memory chips for consumer electronics***

Leveraging over 16 years of experience, we continually adopt product upgrades to address unmet need in the AI-era. For example, as a basic memory component, our EEPROM is widely used across consumer electronics end-products. AI is making consumer electronics end-products smarter. As features evolve and categories emerge, the breadth and depth of memory applications are rising, expanding the market for memory chips. We hold leading global positions in several important sub-segments such as smartphones, LCD panels, and Bluetooth modules, and our penetration continues to increase. We are also seizing opportunities in edge AI, extending our product application into new categories to reinforce our growth momentum.

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 (NOR Flash memory accessed via a serial interface), 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. Our products are widely used by major global smartphone brands and in the end-products of many leading consumer-electronics companies.

**Diversified Applications Within a Single Scenario**

We have long been deeply engaged in the smartphone market — the largest segment within the consumer electronics sector — continuously strengthening our business capabilities and deepening our technological market penetration in smartphone applications. For example, in smartphones, our products are integrated into multiple key modules and play important roles:

- EEPROM chips serve as the preferred storage technology in smartphone camera modules. As smartphones enter the era of an established installed base and consumer demand for high-quality photography and videography continues to grow, camera technology innovation has become a key focus of differentiation among major handset manufacturers. The volume of data that needs to be stored in camera modules, including lens parameters, white balance parameters, autofocus position information, and other data, is increasing. EEPROM chips, with their versatility, high reliability, stable data storage, and endurance of millions of write cycles, effectively meet the various parameter storage requirements of camera modules. Combined with lower power consumption, reduced write current, and superior electrostatic discharge protection, EEPROM has become the storage technology of choice in this application.

- Lens driver chips control autofocus (AF) and optical image stabilization (OIS) in smartphone cameras. With the goal of optimizing the user photography experience, AF and OIS have become key technologies for upgrading smartphone camera functionality and enhancing imaging quality. Our lens driver chip product line encompasses open-loop AF, closed-loop AF, discrete OIS, and integrated OIS solutions, and is widely deployed in camera modules across major smartphone brands. We have also independently

developed a two-in-one technology that combines a lens driver chip with an EEPROM chip, significantly reducing the footprint of two separate chips within the camera module and further enhancing our product competitiveness.

- NOR Flash chips are suited for applications where storage capacity requirements are relatively high. Smartphones require small-to medium-capacity code-type memory for internal instruction execution, system data exchange, and other functions, and NOR Flash chips offer performance and cost advantages in such applications. Our series of NOR Flash chips are now widely used in AMOLED displays and TDDI (Touch and Display Driver Integration) controllers in smartphones.

- NFC chips enable seamless short-range communication with NFC-enabled smartphones. NFC connectivity has become a standard feature of mainstream smartphones, and our NFC chips are designed for broad interoperability and practical security, complying with NFC Forum technical specifications and universal ISO/IEC short-range communication standards. With embedded EEPROM/NOR Flash chips for storing fixed identification codes and application data, users can perform configuration updates, feature activation, and after-sales support operations via their smartphones, further reducing the management costs associated with large-scale deployment by end customers.

## 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. According to Frost & Sullivan, global shipments of AI servers will exceed 3.2 million units in 2026 and will reach 7.8 million units in 2030, with a CAGR of approximately 25.0% during the period, and AI PC penetration rate will rise from 42.0% in 2026 to 85.0% in 2030.

- 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. With both cloud and devices expanding, system counts, and per-system content are rising in tandem, significantly increasing the installed base of modules and corresponding memory chips.

- 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. 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."

- The automotive electronics EEPROM market is poised for explosive growth. Frost & Sullivan estimates that the global automotive electronics EEPROM market will exceed over US$700.0 million in 2030. As ADAS, cockpit, and electrified powertrain functions roll out across more models and trims, the number of controllers per vehicle continues to increase, and multiple modules for sensing, control, display, and power require dedicated memory to support software operation and function management. Rising penetration together with more memory points per vehicle is lifting total automotive-grade memory consumption.

- 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%.

- Consumer electronics sector drives growth in the memory chips market, fueled by growing demand for AIoT solutions and the accelerating deployment of edge AI devices, while the booming TWS earphone and smartwatch market requires high-density, low-power memory chip products for complex firmware and instant-on connectivity, sustaining steady demand.

- 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

### Differentiated capabilities across multiple memory sub-segments enabling effective capture of structural growth opportunities

Rather than relying on a single product or application, we have developed differentiated capabilities to continuously scale and replicate our success across different segments. This is further supported by our technology extension across multiple product lines, including SPD chips, EEPROM, NOR Flash, lens driver and NFC chips, which enables us to efficiently address a broad range of application scenarios and respond to evolving customer needs in the AI-era.

These capabilities allow us to proactively identify and capture emerging opportunities across the evolving memory market, particularly driven by the growth of AI-related applications. Our ability to consistently execute across product cycles and extend our capabilities across segments creates a scalable and hard-to-replicate advantage, enabling us to effectively capture emerging opportunities and strengthen our market positions across different niches over time.

### Customer-driven innovation across successive product generations

We offer complete solutions across SPD chips, EEPROM, NOR Flash, lens driver and NFC chips, and we are advancing the design-in of VPD chips. We are also increasing production and shipments of higher-end closed-loop and OIS chips, aligning an all-generation, high-reliability, high-performance portfolio to diverse market needs, and gradually entering fast-growing categories such as edge AI.

Validated across demanding industries, our product quality has been recognized by applications with stringent quality and reliability thresholds. In 2023, 2024, 2025 and the first half of 2026, device-side failure rates for our memory chips were well below the common 50 PPM threshold applied to commercial-grade components. Our automotive-grade memory covers A1-A2 grades, holds IATF 16949 compliance certification, and passes AEC-Q100 tests, meeting top commercial performance levels. Our high-reliability EEPROM features wide voltage, strong compatibility, and low power, with up to 4 million program/erase cycles at room temperature and data retention up to 200 years.

We develop new products based on customer input, strengthening our definition capability through deep customer collaboration.

- For DDR5 SPD, we are in a strategic collaboration with Montage, a leading global memory interconnect supplier.

- In VPD, we are in partnership with a global leading memory vendor that leads standard setting and specifications, becoming the first VPD chip developer to enter the design-in phase to support that company's next-generation eSSD modules and CXL memory modules, laying the groundwork for faster commercialization and deployment.

- In lens driver chips, we work with well-known smartphone brands and module makers on new technology development, specification definition, and validation, continuously lifting our chip R&D, algorithm, and system-tuning capabilities in closed-loop and OIS lens driver chips, supporting the expansion of closed-loop and OIS-related business and deepening customer engagement.

- For NFC chips, we continue to reduce die area, improve RF sensitivity, expand packaging options, and to actively explore new application scenarios.

**A high-stickiness, top-tier customer base with significant cross-selling potential**

With mature mass-production experience and long-term market cultivation, we are a trusted partner to leading global companies. In memory module supporting chips, our DDR5 SPD co-developed with our strategic partner has been accepted by leading memory manufacturers for their DDR5 modules. In automotive and industrial, our products are widely used across multiple core modules for 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. In consumer electronics, our products have entered the core supply chains of multiple global smartphone brands and are applied across the devices of many well-known consumer-electronics companies.

Memory quality, reliability, and stability are critical to system performance, and as a result, the industry naturally demonstrates high customer stickiness. In memory modules, automotive electronics, and industrial control and consumer electronics, supplier certification process is highly rigorous and time-consuming. Such process covers a whole range of aspects including product reliability, environmental tolerance, long-term stability, and mass production capability. Once a supplier is certified and ramps up production, they are rarely replaced. After many years of effort, we have gained market share across multiple products, including SPD for memory modules, EEPROM for automotive applications, EEPROM for smartphone cameras and LCD panels, and we supply memory chips to mainstream auto OEMs. The strong customer stickiness, combined with our proven track record of reliability, underpins our sustainable market leadership and ongoing growth.

Our broad customer base also enables efficient cross-selling. We typically start by offering a flagship product to a customer, build a solid reputation for consistent quality and reliable supply, then expand to meet their other memory chip needs. As our partnership grows, we participate in their discussions on further needs of memory solutions and specification design. By getting our products designed into their systems early on, during the definition and validation phases, we

reduce time-to-market, boost success rate, and grow our share of business with key customers. In memory modules, long-standing SPD leadership opened the door to VPD for next-generation eSSD and CXL memory modules. In automotive electronics, we have expanded from displays and infotainment to body, chassis, and electrified powertrain. In smartphones, we have broadened from EEPROM into lens driver chips and NOR Flash, increasing platform coverage with key customer accounts.

We maintain a global sales network, supported by a mature distributor system that aligns us with top customers across applications and underpins long-term strategic relationships. We also deploy localized sales or technical support in China, Korea, the United States, and other key markets, tracking dynamics and needs, and offering timely on-site response, tailored adaptation, and operational support. By responding quickly and professionally, we improve satisfaction and reinforce customer stickiness.

**A highly coordinated, responsive supply chain**

As a fabless company focused on design and R&D, we have over 16 years of mass production experience and built long-term relationships with leading foundries and OSAT partners around the world. These partners possess advanced manufacturing processes and ample production capacity.

To support our global expansion strategy, we are strengthening our overseas supply chain networks. We are establishing supply chain networks of wafer fabrication and assembly/test operations in regions like Singapore and South Korea, and partnering closely with multiple international suppliers. This approach not only gives us access to cutting-edge manufacturing processes, but also reduces regional risks and ensures steady supply. By adopting a diversified, supply chain model, we optimize resources on a worldwide scale, balance cost and product performance, and deliver reliable, uninterrupted supply to our customers.

**Experienced management and R&D teams**

Our management team has deep expertise in the IC industry. Core members bring an average of over 20 years of experience in semiconductors and enterprise management, with tenures at leading global firms and top domestic players alike. They possess a thorough grasp of the global memory chip value chain and key customer requirements, and bring with them strengths spanning from strategy, R&D, operations, and market development.

Our core R&D professionals hold relevant academic degrees and have worked at renowned semiconductor companies both domestically and abroad, with an average of over 15 years of industry experience. They possess specialized technical skills in memory chip design, process development, and system integration. We have assembled a diverse talent pool with strong track records in product planning, IC design, and validation. R&D staff account for approximately 60% of our total workforce, and over 30% of our employees hold master's degrees or higher. Driven by sustained innovation in SPD and EEPROM and lens driver chips, we held 80 granted patents and 83 composition designs as of the Latest Practicable Date, a testament to our systematic R&D capabilities and continuous technological breakthroughs.

## OUR STRATEGIES

**Deepen our advantages in established segments**

We intend to continue to focus on segments where we lead, proactively capturing opportunities from industry shifts, and solidify our leadership.

- *Embrace the AI-era*. AI is driving explosive growth and upgrades in memory quantity and performance. With our pronounced lead in DDR5 SPD, we are the first to lay out VPD for next-generation eSSD and CXL modules and will consolidate this global leadership. Meanwhile, we are actively developing logic chips for edge-side applications, aiming to meet the growing demand for localized AI applications.

- *Advance in automotive electronics*. After more than a decade of technical and market investments, we hold a leadership position in China's in-vehicle market. Our customers cover all major domestic brands and extend to most global OEMs and Tier-1 suppliers. We will further expand our presence in overseas markets and aim to become a global leader in in-vehicle EEPROM in order to capture significant growth opportunities.

- *Increase penetration in consumer electronics*. We have maintained a leading position in EEPROM solutions for smartphone camera modules and LCD panels for over a decade. Going forward, we will capture new opportunities arising from emerging edge AI-driven features in various consumer electronics applications.

**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**

As speculative heat recedes, focus on the semiconductor industry is expected to return to technology and innovation. We do not wish to participate in price wars, and will instead focus on developing differentiated products and sustained innovation that deliver lasting customer value and support long-term, sustainable growth.

- For lens driver chips, particularly closed-loop and OIS, we work closely with top customers and apply innovations to solve pain points and help migrate high-performance features from premium phones down to mid-range and even entry-level models, enlarging the total market.

- In industrial markets where we have a strong EEPROM market share, we will invest in high-performance computing products and companion devices used alongside them to expand use in new-energy systems, industrial power and control, AIDC power supplies, and solid-state transformers (SSTs).

- Building on our leadership in memory chips, we will track industry trends and long-term customer needs, and actively develop new memory solutions that will create value for our customers and us.

We have established a diversified partner ecosystem spanning the semiconductor value chain, including global leading memory manufacturers, automotive brands and consumer electronic companies. Our collaboration takes different forms depending on the nature of the partnership. These include, for example, co-developing next-generation products jointly with technology leaders to align with evolving industry standards; engaging at the early design-in stage with partners who shape product specifications and market direction; and working closely with industry-leading players throughout their product development and validation cycles.to secure long-term platform positions. These collaborative approaches position us well to capture emerging opportunities across AI, automotive, industrial and consumer applications.

**Expand and enhance our product offerings through leveraging a corporate culture of equality, openness, efficiency, and pragmatism**

Good corporate management culture is key to a company's long-term success and health. We stay true to our values, including keeping customers at the center of what we do, and focusing on doing what is right. We communicate clearly and get things done quickly. Our team works to create

value for both customers and us, and in return, we try to create value for both our customers and employees. We are honest about our limits, we reflect on our work, and we are always willing to learn new things, enter new markets, develop new products, and work with new teams.

Building on this corporate management culture, we will expand our product line in a sustained manner through:

- Leveraging the strong, trusted relationships we have, to market and sell more of our products to our existing customers, and extend our know-how from our core products and use it to reach new customers and new applications.

- Keeping a close eye on potential technological trends and talented teams in the market, and attract external talents and teams with strong product development capabilities by providing a favorable development environment and incentive system, so as to fuel the R&D and expansion of new products.

- Seeking potential targets that possess industry-leading advantages, high technical barriers, synergistic effects with our existing business, and alignment with industrial development trends. Subject to prudent evaluation, we will steadily advance strategic investment and integration to speed up the deployment of cutting-edge technologies and new products.

**Expand overseas presence and strengthen supply chain and teams**

We will continue to expand internationally, building and optimizing a supply-chain system. Building on existing overseas customers and business, we will deepen cooperation with local partners, increase localization in procurement, quality, and delivery, improve supply stability and flexibility, and better handle uncertainties in the global environment. In line with our migration toward higher-end applications, we will introduce more mature overseas processes and technology resources to ensure future performance upgrades.

We will also build international professional teams. By attracting and working with top overseas technical teams, we will continuously improve our R&D and design capabilities, which will support our technological upgrades and global business expansion.

## OUR EVOLUTION

Our long-term vision has been to build a global fabless semiconductor company at the cutting-edge of non-volatile memory and lens driver chip technologies, developing and delivering advanced, AI-driven memory chip solutions for applications across industries. We have focused on the intersection of business insight and technological innovation and it continues today — we create value for customers by providing innovative memory chip products and solutions that leverage our proprietary technology and deep expertise across industries and business processes. Over the years, centered around a business strategy to identify the industries and customers that have a significant unmet need for our technology capabilities to solve the application issues they encounter, we have been able to consistently innovate, develop and apply our technology capabilities, and evolve our business.

We adopt a fabless manufacturing strategy, where we focus on the design and sales of non-volatile memory and lens driver chip products and solutions and partner with world-leading suppliers on wafer fabrication, packaging and testing. At the core of our business is semiconductor design, which involves the complex translation of design requirements and features into a specific physical circuit layout. Key steps in this process include system specification, RTL coding, circuit

design, simulation and verification. We believe our fabless model reduces our capital requirements, operating expenses and time to market, which in turn enables us to focus and devote our resources to developing our core competencies in research and development, technological innovation, and product design.

The following represents certain highlights of development milestones since our founding in 2009:

- 2011 — Entered into the supply chain of a world-leading mobile phone manufacturer.
- 2015 — Began mass production of open-loop lens driver chips.
- 2016 — Became the world's top EEPROM supplier for smartphones, serving as a key supplier for a world-leading smartphone enterprise.
- 2018 – Launched the self-developed integrated lens driver + EEPROM two-in-one product.
- 2021 Q4 — Began mass supply of automotive-grade EEPROM products and DDR5 SPD chips (co-developed with our strategic partner) entered commercialization phase following Joint Electron Device Engineering Council (JEDEC) standards.
- 2021 — Obtained IATF 16949 automotive quality management system certification and achieved technical breakthrough in EEPROM with 4 million program/erase cycles and 200-year data retention.
- 2023 — Certified as a National Specialized and Innovative "Little Giant" Enterprise.
- 2024 — Won Shanghai Municipal Manufacturing Single Champion Product award for EEPROM memory chips.

## OUR ADVANCED 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 memory modules, with a primary focus on DDR5; 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.

### Non-volatile memory chips

Non-volatile memory chips provide memory for identity, configuration, calibration data and executable code, and, on modern memory modules, also enable management and thermal sensing. We offer non-volatile memory chips, which enable long-term data retention and stable operation in a wide range of application scenarios. Within such non-volatile memory chips, we organize our offerings into three application-led groups described below.

- *Memory module supporting chips, which primarily include SPD chips installed on DDR (double data rate) DRAM modules used in PCs and servers*. SPD chips are our primary product offering in this category, which store the module's identity and timing parameters and, in DDR5, also mediate $I^2C$ and $I^3C$ and sense temperature. In addition, we are developing VPD chips intended to provide module identity and configuration memory for next-generation enterprise SSDs, extending our module-management know-how from DRAM modules into enterprise memory.

- *High-reliability memory chips for automotive electronics and industrial control, which comprise automotive-grade and industrial-grade memory chips.* This segment has far stricter requirements for reliability, temperature tolerance, and certification (such as AEC-Q100, IATF 16949) than consumer-grade products, forming high entry barriers. These efforts have built solid competitive barriers. We serve 16 of the world's top 20 car brands, and the relatively long automotive certification cycle creates strong customer stickiness for our memory chips for automotive electronics and industrial control.

- *Memory chips for consumer electronics*. Compared to automotive and industrial-grade products, the certification requirements of memory chips for consumer electronics prioritize ultra-low power consumption and compact size. Our memory chips for this segment serve broader applications (smartphones, handheld gimbal, wearables, home appliances) with reliability calibrated to typical consumer product life cycles.

***Memory module supporting chips***

We design and supply SPD chips that provide the identity, configuration memory, management channel and thermal telemetry required across DDR generations from DDR2 through DDR5, currently with a primary focus on DDR5. Every DDR module carries an SPD chip — an EEPROM-based non-volatile memory chip that stores the module's identity and timing parameters so the system can bring the memory up correctly at power-on and operate it at rated performance. In DDR5, the SPD also integrates an $I^2C/I^3C$ hub that mediates the Sideband Bus among on-module devices and a high-precision temperature sensor at the SPD. JEDEC standards require a PMIC on DDR5 modules to manage local power delivery, and our SPD interoperate with the PMIC and TS over the management channel to support standards-compliant configuration and thermal control.

We have built this product line generation by generation. During the DDR2 and DDR3 eras, we established a complete SPD portfolio across mainstream module types, through which we built relationships with major module makers. In the first half of 2022, we leveraged a market-wide DDR4 SPD supply shortage to broaden our presence with leading module manufacturers. Our initiatives in this period reinforced our reputation for reliable delivery and fast platform adaptation of our SPD chip products.

The transition to DDR5 marked a step-change in both specification and market opportunity. We launched DDR5 in the fourth quarter of 2021. Since then, our co-developed DDR5 SPD chips have moved into broad deployment at major memory module players. We are in a strategic collaboration with Montage, a global leader in memory interconnect chips. Together with Montage, we have developed DDR5 SPD chips that support next-generation memory modules. In the course of such collaboration, each party retains ownership of the technologies and intellectual property independently developed by it in connection with the DDR5 SPD chips, while the parties jointly bear the related R&D expenses and production costs and share the gross profit generated from sales of these products. By staying closely attuned to end users' product requirements, we are able to plan our chip products and define product specifications with greater precision, thereby effectively reducing the R&D risks associated with new products and enhancing both their suitability for end applications and their market competitiveness. We have established a leading market position in DDR5 SPD. We are the second largest supplier of DDR5 SPD chips in the world in 2023, 2024 and 2025 by revenue, according to Frost & Sullivan.

Our products' form factor and platform coverage has expanded in line with market demand. Our DDR5 SPD is not only applied on memory module formats used in desktops, laptops, and servers, including UDIMMs (standard memory modules commonly used in desktops), SODIMMs (compact memory modules designed for laptops and small form-factor devices), and RDIMMs (memory modules commonly used in servers and data centers), but also supports new slim-form-factor memory module packaging formats, such as CAMM/CAMM2 (a thinner memory module design enabling slimmer laptop profiles) and LPCAMM/LPCAMM2 (a power-efficient version of CAMM designed for ultra-thin laptops and portable devices). These memory modules require one

SPD and one PMIC per module. As premium thin-and-light laptops and other electronics products gradually shift from the older low power double data rate (LPDDR) to LPCAMM2, the demand for DDR5 SPD chips increases. In addition, our DDR5 SPD covers memory module packaging formats, such as RDIMM (memory modules with a register for improved stability used in servers), LRDIMM (load-reduced memory modules allowing higher capacity in servers and data centers), MRDIMM (multiplexed-rank memory modules enabling higher bandwidth for AI and high-performance computing) and SOCAMM/SOCAMM2 (compact memory modules designed for edge servers and embedded systems). A typical DDR5 server DIMM carries one SPD, two TS and one PMIC under the JEDEC standard. AI servers commonly use over 20 DIMMs per system, roughly twice as many as for a mainstream general-purpose server. This multiplies the number of units needed for our SPD chips, creating a significant need for our DDR5 SPD chips.

Our strong technology and standards compliance underpin this product line. We design our SPD hub for the JEDEC-defined $I^2C$ and $I^3C$ management channel (a standard interface for the system to communicate with and configure memory module components) used on DDR5 DIMMs. This allows system controllers to discover and configure on-module devices, read vital product data, and monitor thermal conditions with high reliability. The embedded non-volatile SPD keeps identity and configuration data even when power is off for the entire life of the module. The integrated TS provides continuous readings at the SPD location to support thermal management and performance derating policies.

In 2023, we began developing a VPD chip which is the first VPD chip to enter the design-in phase to support next-generation eSSD modules and CXL memory modules, extending our module-management expertise beyond DRAM and aligning with the industry's move toward standardized non-volatile identity in enterprise memory storage.

*Key features and application scenarios of memory module supporting chips*

Our DDR5 SPD integrates three functional blocks, an 8 Kb EEPROM for identity and configuration, an $I^2C/I^3C$ hub that complies with the JEDEC-defined $I^2C/I^3C$ management channel on DDR5 DIMMs, and a high-precision temperature sensor located at the SPD site for local thermal telemetry. Our DDR5 SPD is in mass production and can be applied across UDIMM, SODIMM, CAMM/CAMM2, LPCAMM/LPCAMM2, SOCAMM/SOCAMM2, RDIMM, LRDIMM and MRDIMM. We co-developed our DDR5 SPD with Montage and established broad deployment by major memory module players beginning late 2021. As compared with DDR4 SPD, our DDR5 SPD contains higher specifications and richer on-module content, increasing the value of our DDR5 SPD per module. In addition, a wider application of AI servers and AI PCs further increases demand for our DDR5 SPD chips.

The application scenarios of our memory module supporting chips include, without limitation:

- *PCs*. DDR5 SPD is applied on UDIMM and SODIMM for desktops and notebooks and on the new thin-and-light formats CAMM/CAMM2 and LPCAMM/LPCAMM2, which are gaining adoption in new notebooks and compact designs. As the industry moves toward AI PCs, memory modules in these systems tend to carry more memory chips creating more opportunities for us.

- *Data centers, servers, and AI servers*. In data centers, DDR5 SPD handles identification and management-bus communications across RDIMM, LRDIMM, MRDIMM formats and also supports SOCAMM/SOCAMM2 formats for accelerator-class and AI-server designs. AI servers typically use more than twenty DDR5 DIMMs in a single system, about twice as many as mainstream general-purpose servers. As AI servers adopt more DDR5 DIMMs, the need for our DDR5 SPD is expected to grow compared with DDR4. In addition, the next-generation GPU solution from one of the world's largest GPU suppliers will adopt the SOCAMM2 memory module form factor, and this solution also relies on DDR5 SPD chips to complete memory parameter configuration.

- *Enterprise SSDs*. In 2023, we began developing a VPD chip that brings identity and configuration functions to next-generation eSSD modules and CXL memory modules. A VPD chip enables consistent identity, field updates, and fleet-wide management across SSDs.

- *Legacy and embedded systems*. Our DDR3 and DDR4 SPD chips remain available for long-lifecycle platforms in industrial, embedded, and specialty computing.

Across these application scenarios, our SPD chip's embedded non-volatile EEPROM stores identity and configuration data even when power is off. Its integrated hub supports standards-compliant $I^2C/I^3C$ communications among on-module devices, and its temperature sensing helps systems manage performance and stability under heavy load. In DDR5, our SPD chip works smoothly with on-module PMICs and temperature sensors in line with JEDEC's module topology, which enables reliable system bring-up, telemetry, and thermal management in PCs, servers, and AI platforms.

***High-reliability memory chips for automotive electronics and industrial control***

We design and supply high-reliability non-volatile memory chips for demanding embedded systems in vehicles and in industrial control equipment. Our portfolio centers on EEPROM for small, frequently updated parameters, identifiers, and logs. Our portfolio also includes NOR Flash for executable code and larger configuration blocks that must be read quickly and predictably. These chips are built for long service life, strong data integrity, and stable operation under electrical noise, voltage swings, and frequent power cycling.

*(i) Automotive electronics*

Our automotive-grade EEPROM spans the A1-A2 series and covers densities from about 1 Kb to 4 Mb. Our automotive-grade EEPROM support $I^2C$, SPI (a high-speed serial interface for fast data transfer), and Microwire (a simpler serial interface commonly used in legacy automotive systems) interfaces and offer compact packages to accommodate space-constrained control boards of a smart vehicle. We also offer automotive-grade NOR Flash focused on low to mid densities, centered around the 512 Kb to 16 Mb range, to host safety-critical and performance-sensitive code. The design, screening, and reliability testing processes of our automotive memory chips adhere to established automotive industry standards and have completed AEC-Q100 validation.

We have progressed through successive design wins and process improvements. We have introduced the A1-A2 automotive EEPROM and expanded densities and interfaces of our memory chip products for this segment over multiple generations. We also improved write endurance and data retention to meet vehicle lifetime targets. By 2023, our selected EEPROM achieved AEC-Q100 validation and entered series production with Tier-1 suppliers.

In 2024, we introduced low-density automotive NOR Flash, which can be applied in automotive cockpit and body. In addition, we have made our automotive NOR Flash, mainly for use in ADAS systems and power electronics.

*(ii) Industrial control*

For industrial control markets, our EEPROM products span roughly 1 Kb to 4 Mb and our NOR Flash products span 512 Kb to 64 Mb, with higher densities expected to be introduced in the future to support growing firmware images in automation, energy, and communications.

We develop this product line to gain broad adoption in factory automation and communications equipment. Through 2024 and 2025, we taped out and sampled higher-density industrial NOR Flash at 64 Mb, with additional densities under development for larger over-the-air updatable firmware in automation, digital energy, and networking.

*Key features and application scenarios of high-reliability memory chips for automotive electronics and industrial control*

We design our high-reliability memory chips for automotive electronics and industrial control with long service life and ability to provide steady performance under harsh environments. They are built to keep data intact, tolerate noise and power swings, and fit into dense circuit boards and modules.

*EEPROM*. We target multi-million write cycles at room temperature with controlled derating at higher temperatures. Our EEPROM products for automotive electronics and industrial control offer long data retention, low standby current, and compact packages, and also offer interface options covering $I^2C$, SPI, and Microwire, with common voltage and pin-count variants to make replacement and design-in straightforward. Our automotive-grade EEPROM spans the A1-A2 series and continues to gain acceptance of customers across their automative cockpit, visual perception, body, and powertrain programs.

*NOR Flash*. Our NOR Flash products can realize 100,000 erasure/programming cycles and nominal data retention over a 20-year period at room temperature. Read performance of our NOR Flash supports fast random access and execute-in-place, meaning code can run directly from flash. Our NOR Flash is also hardened for ESD and latch-up to handle noisy environments.

Across these memory chip products, we continue to refine our technology to reduce quiescent power, and improve electromagnetic and electrical robustness to meet evolving automotive and industrial standards.

The application scenarios of our memory chips for automotive electronics and industrial control include, without limitation:

- *Cockpit systems*. Our high-reliability memory chips for automotive electronics and industrial control store configuration, calibration, logs, and code across major electronic domains in a smart vehicle. In the intelligent cockpit, instrument clusters, infotainment head units, and head-up displays use our EEPROM to retain trim data, feature flags, and event logs through repeated updates and power cycles.

- *ADAS and vision sensing*. Camera modules, millimeter-wave radar modules and laser lidar modules use our EEPROM for lens and sensor calibration, module IDs, and diagnostics that must stay accurate for the life of the vehicle. With sensor counts and data rates keep increasing in a smart vehicle, durable parameter storage and quick code execution of our EEPROM become more critical to the steady performance of these modules.

- *Body and chassis systems*. Body control modules, electric power steering, and integrated braking systems write and rewrite parameters, status, and fault logs throughout their service life. Our EEPROM supports these frequent updates with high write endurance and noise immunity to protect data during cranking, brownouts, and load dumps.

- *Electrified powertrain*. Battery management systems, traction inverters, onboard chargers, and auxiliary controllers combine EEPROM for configuration and diagnostics. These applications emphasize long retention, resistance to electromagnetic interference, and dependable behavior under sustained thermal stress. Our memory chip products meet these needs across OEM qualification flows and extended service horizons.

- *Industrial automation*. Our EEPROM powers programmable logic controllers, servo drives, robotics, and factory gateways. Engineers store IDs, calibration constants, and field logs in EEPROM that must tolerate frequent updates and sudden power loss. Human-machine interface panels use EEPROM in display and touch modules to deliver responsive user interfaces and safe, repeatable firmware updates over many years.

- *Digital energy and power electronics*. In photovoltaic inverters, energy-storage systems, DC/DC and AC/DC converters, and EV charging equipment, our EEPROM records configuration and fault or event logs that survive brownouts, service cycles, and grid disturbances. As these platforms add richer telemetry and remote management, demand grows for larger code storage and more frequent parameter updates.

- *Communications infrastructure and optical modules*. Our EEPROM stores module identifiers, digital diagnostics, and calibration data that host systems read for monitoring and control. Optical transceivers and access or aggregation equipment require compact footprints, low power, and predictable long-term retention, and we tailor our memory chip products for dense, thermally constrained line cards and modules.

- *Medical devices and instruments*. Manufacturers use our EEPROM to retain calibration, device identifiers, and maintenance histories across regulated lifetimes of their end-products. These end-products run under controlled but extended temperature ranges and duty cycles, so we focus on data integrity and read stability to support long product lifecycles of these end-products.

***Memory chips for consumer electronics***

We serve consumer electronics end-products with a broad portfolio of non-volatile memory chips tailored for compact form factors and tight power budgets typically required of consumer electronics end-products. In these systems, our EEPROM stores small, frequently updated parameters such as calibration data, device identifiers, pairing keys and production records, and it preserves those data without power across the use life of particular consumer electronics end-products. We offer EEPROM from approximately 1 Kb to 4 Mb across $I^2C$, SPI and Microwire interfaces, and low-power SPI NOR Flash from 512 Kb to 64 Mb for consumer applications. We also offer SPI NOR Flash with higher-density reserves on ETOX with tens and hundreds of megabits to support larger firmware of certain consumer electronics end-products.

We established an early leadership position in smartphone imaging through entering the camera module of a top-tier mobile phone supplier in 2011. By 2016, we have become a top supplier of smartphone EEPROM for that use. As consumer electronics end-products demand lower power, we introduced an ultra-low-voltage smartphone EEPROM in January 2022 operating at 1.2 V and supporting automatic interface-voltage recognition for 1.2 V and 1.8 V $I^2C$ rails, and it was selected as the sole EEPROM for the reference design of a leading smart phone brand. That design win accelerated the adoption of our memory chip products across power-sensitive wearables and emerging AI glasses.

By 2024, we ranked among the top global EEPROM suppliers by market share and held leading positions in smartphone cameras, LCD/AMOLED panels and Bluetooth modules. In 2025, we continued to improve our memory chip products to address package miniaturization requirements of certain consumer electronics end-products. In addition, we are developing higher-density SPI NOR Flash on ETOX to address larger over-the-air updatable firmware images in displays and connected accessories of certain consumer electronics end-products.

*Key features and application scenarios of memory chips for consumer electronics*

*EEPROM*. Our consumer EEPROM memory chips target multi-million write cycles at room temperature with controlled derating at higher temperatures. They offer long data retention, low standby current, and broad interface support across $I^2C$, SPI, and Microwire. Our memory chip products offer ultra-low-voltage options down to about 1.2 V allowing the system to operate at significantly reduced voltage levels, with automatic interface-voltage adaptation between 1.2 V and 1.8 V for $I^2C$, fitting the power budgets of smartphones, handheld gimbals, wearables, and AI glasses. Our consumer EEPROM also offer package choices, primarily small-footprint WLCSP.

*NOR Flash*. Our consumer NOR Flash memory chips focus on low-power SPI NOR from 512 Kb to 64 Mb. They deliver fast random reads for execute-in-place firmware, strong ESD and latch-up robustness, and extended nominal retention.

Commercially, our consumer memory chips are in mass production across smartphones, displays, connectivity modules, comprising a wide range of consumer electronics. Our consumer memory chips have gained adoption in wearables, handheld gimbals and AI-adjacent devices. We continue to enhance penetration of our consumer memory chips through new design wins in AI-enabled consumer electronics end-products and to grow share in established markets, such as LCD and AMOLED panels and connectivity modules, solidifying our position as a leading supplier of consumer-grade non-volatile memory chips.

The application scenarios of our memory chips for consumer electronics include, without limitation:

- *Smartphones and mobile imaging*. Our EEPROM memory chips sit inside camera modules to retain factory calibration, lens IDs, and production data that are read at power-on and during use to keep image quality stable over time. They are chosen for their high write endurance under frequent updates, long data retention, and reliable reads. Ultra-low-voltage options by our consumer memory chips help extend battery life in power-sensitive product designs of our customers. In the same camera assemblies, designers pair our EEPROM with our lens driver chips where needed.

- *Display systems*. Display systems rely on fast and consistent random reads for quick startup and smooth user interaction. They are often paired with small-density EEPROM to hold configuration and trim data that can be updated in the field while preserving long-term retention. This combination is widely used in smartphones, tablets, monitors, and TVs, and extends to embedded HMI displays in consumer and small-appliance products.

- *Connectivity and audio accessories*. In Bluetooth headsets and TWS earphones, Wi-Fi modules, smart speakers, and soundbars, our EEPROM stores pairing information, calibration constants, and production records that change over the device's life. Compact packages and low standby current are key selection factors, and we offer options that meet the size and energy limits of these consumer electronics end-products.

- *Wearables and AI glasses*. Our ultra-low-voltage EEPROM helps extend battery life and simplify power-rail design of wearables and AI glasses. These products require long data retention and predictable read behavior despite aggressive duty cycling, and our consumer memory chips are tuned for these needs. We are expanding SPI NOR densities to fit larger firmware while keeping power low.

- *Other consumer electronics and appliances*. Appliance control boards of many consumer electronics end-products use EEPROM for storing parameters, usage logs, and service data that must survive power loss and maintenance cycles. Our memory chip products are also used in computers and selected IoT devices that need persistent configuration and compact code storage, including printers, PC accessories, and home-automation nodes.

**Lens driver chips**

Lens driver chips are a type of mixed-signal chips. It combines analog and digital circuits to sense, drive, and control physical systems under digital control. We focus on lens driver chips used in camera modules to convert electrical energy into precise motion for small actuators. By combining precision current drive, control algorithms, sensing, and calibration, our lens driver chips deliver stable and repeatable positioning across open-loop, closed-loop, and optical image stabilization variants. We also work with our customers to integrate EEPROM in the same package with our lens driver chips to store calibration data and parameters, which simplifies module design of the end-products of our customers.

We have built this product line step by step and moved up the value chain. Our early- stage open-loop driver chips delivered fast autofocus in compact packages and helped establish our brand. Several series of our open-loop lens driver chips were included in municipal innovation catalogs in 2019 and 2023, underscoring our technology advantages in this product line. In 2023, we introduced a new generation of open-loop driver chips that features automatic interface-voltage adoptation between 1.2 V and 1.8 V, with self-adaptive capabilities to accommodate different voltage requirements of end-products. With this product type reaching mass production, our lens driver chips have received wide customer acceptance and recorded robust growth. In parallel, we advanced development of closed-loop and OIS driver chips by solving key challenges in closed-loop control, high-precision ADC design, and gyro-assisted stabilization algorithm. After passing platform validation, we have began deliveries of closed-loop and OIS driver chips to leading smartphone OEMs.

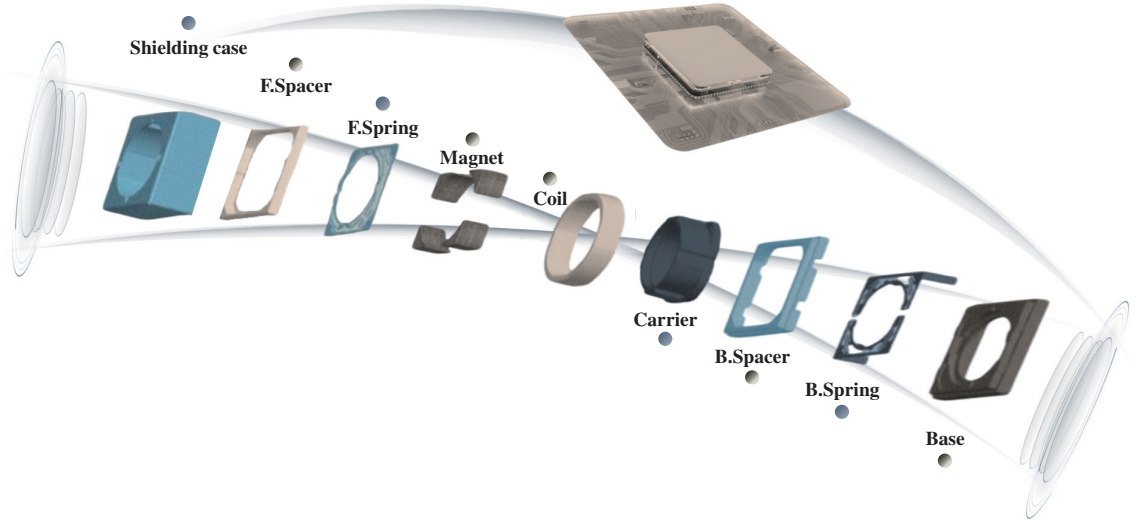
During 2024, we started producing additional variants of open-loop lens driver chips, including driver chip-plus-EEPROM combinations, and expanded validations and pilot shipments for closed-loop and OIS driver chips into mid- to high-end models. In 2025, we began shipping multiple OIS driver chips to major smartphone brands, showcasing our ability to develop and deliver lens driver chips in the highest value tier of this segment. We plan to focus on broadening the penetration of our OIS driver chips, compressing stabilization time even further, optimizing the gyro-assisted stabilization algorithm, and continuing to reduce chip size and power so the parts can fit thinner camera modules and higher-end periscope modules. We will also continue to extend driver chip-plus-memory integration to meaningfully lower module size and make calibration simpler.

*Key features and application scenarios of lens driver chips*

Our open-loop lens driver chips use damping-aware algorithms, lens-parameter self-detection, and offset-current self-calibration to achieve fast-settling control. They deliver quick autofocus, minimizing module size and allowing large motor tolerance. Certain types of our open-loop lens driver chips also enable automatic interface-voltage adoptation between 1.2 V and 1.8 V to accommodate different voltage requirements of end-products.

Our closed-loop drivers chips contain precise sensing and tighter control to improve accuracy and keep performance of the end-products, such as smartphones and cameras, steady across temperature and power changes. Our closed-loop driver chips are moving from customer testing into wider use. Our OIS driver chips together with gyro-assisted stabilization are now applied in mid- to high-end smartphones. We expect adoption of our lens driver chips to keep growing as premium camera modules make multi-axis stabilization standard.

We focus our lens driver chips on enabling fast lens stabilization that settles in a fraction of one actuator cycle and broader tolerance to actuator variation, such that our customers can source lenses from multiple suppliers. We also offer built-in memory options that integrate with our lens driver chips, such as EEPROM or on-chip NOR Flash, to store calibration and control parameters locally. We strive to enhance performance, stability, and energy efficiency of our lens driver chips while keeping their sizes small for thin camera stacks and other space-constrained modules. With the wider acceptance of lens-embedded mobile and connected consumer electronics end-products, we believe the penetration of our lens driver chips will continue to grow.




*A pictorial illustration of the assembly structure of an actuator which a lens driver chip drives*

The application scenarios include, without limitation:

- *Smartphones*. Our lens driver chips power autofocus and stabilization in rear and front camera modules, improving focus speed, stability, and image sharpness from mainstream to flagship phones. Our open-loop driver chips are used in high-volume autofocus channels where fast settling and low cost matter the most. They choose closed-loop driver chips for channels that require faster settling and higher-precision focus control. They adopt OIS drivers in mid- to high-end modules to reduce blur in photos and video caused by shaking. As multi-camera arrays spread and front cameras add autofocus, the number of lens per smartphone increases and therefore, the demand for our lens driver chips is expected to rise, too. We also offer driver chips-plus-EEPROM options to shrink module size and simplify parts count.

- *Handheld gimbal*. Lens driver chips provide precise attitude control and image stabilization functions. From entry-level smartphone gimbals to professional camera gimbals, they enhance footage smoothness, response speed, and shooting stability. Applications for consumer-grade lightweight gimbals prioritize low power consumption, quiet operation, and cost-effectiveness. With the growing popularity of short-form videos and video blogs, handheld gimbals require higher motor torque and response precision, which is expected to drive up the demand for lens driver chips.

- *Other compact imaging devices*. Manufacturers require the same control and stabilization of lens in video-conference terminals, access-control and intercom cameras, and scanner or imaging modules in retail and logistics settings. These end-products value fast settling, low noise, and stable long-term lens performance in tight, thermally constrained surroundings. We optimize our algorithms to achieve stabilization in less than one actuator cycle and maintain tolerance to driver frequency variation, enabling

compatibility with multiple lens driver chips with only minor adjustments to chip parameter settings. In tablets and consumer cameras, our closed-loop and OIS driver chips enable sharper images in low light and during motion for casual photography and content creation.

- *Wearables and smart-home imaging*. Space and power are especially limited in wearables and smart-home imaging devices. We emphasize small packages, low quiescent power, and driver chip-plus-memory integration to preserve space for optics while keeping autofocus fast and repeatable. We work with module makers to co-optimize the mechanical stack and control targets so focus and stabilization settle quickly within ultra-thin assemblies.

**Other products**

Beyond non-volatile memory chips and lens driver chips, we apply our non-volatile memory and mixed-signal expertise to identification and contactless communication. Our primary product in this category is the NFC chip.

***NFC chips***

Our NFC chips are built for broad interoperability and practical security. They follow the chip specifications made by the NFC Forum and common ISO/IEC proximity standards, so they work seamlessly with smartphones and mass-market IC readers. They combine a sensitive RF front end that saves energy and keeps the connectivity stable with an anti-collision mechanism, such that multiple e-tags can be read without interference. Embedded non-volatile memory of our NFC ships stores fixed identifiers and application data that our customers can update in the field for provisioning, feature enablement, and after-sales support, with safeguards such as password protection, lock bits, and optional authentication. Our NFC chips are tuned for low power so they read reliably at longer distances for a given antenna size, and they deliver consistent performance across manufacturing and environmental variation to ensure predictable behavior in large deployment. Across the portfolio we strive to reduce die area, improve RF sensitivity, streamline memory organization for faster reads and writes, and expand packaging options to simplify integration into space-constrained products and labels.

The application scenarios include, without limitation:

- *Electronic price tags*. Our NFC chips are integrated into electronic price tags, supporting rapid device initialization, battery-free E-ink refreshing, and interactive consumer marketing. Built-in memory stores SKU identifiers, configuration parameters, and dynamic promotional links, ensuring real-time retail data and traceability. Our NFC chips ensure fast and stable read or write performance, even in high-density environments.

- *Consumer electronics and smart-home devices*. Manufacturers embed our NFC chips to enable tap-to-pair and tap-to-configure experiences. An end-user brings a smartphone near a speaker, headset, TV, set-top box, or home-automation node to complete secure pairing, provision Wi-Fi credentials, or start a guided setup. The NFC chip embedded in the e-tag stores configuration data, device identifiers, and service links that persist without power and can be updated in subsequent installation or maintenance.

- *Major appliances and small household devices*. Our NFC chips streamline onboarding and after-sales service. Technicians and end-users can tap an appliance to retrieve model and serial numbers, installation parameters, diagnostics, and maintenance logs stored in the tag's memory. Because the tags are battery-free, they add little cost and provide support over the end-product's life.

- *Packaging, accessories, and brand engagement*. Our NFC chips support anti-counterfeit checks, interactive product information, dynamic price updates for electronic price tags and after-sales services. Our NFC chips store marketing data that remain accessible for the life of the end-product. We are working to optimize RF sensitivity for small antennas and challenging placements so tags can be integrated into labels, cartons, compact accessories and electronic price tags without hurting read reliability.

- *Light industrial and facility uses*. Customers deploy our NFC chips for asset identification, configuration handover, and maintenance records where short-range and intentional reads are preferred. Field personnel tap tools, fixtures, or installed equipment to retrieve or update configuration and service data in the chip's memory without powering the host system. Our NFC chips have strong data retention and comply with common standards. This makes them easy to use with commodity mobile devices or common IC readers.

## OUR KEY OPERATING AND FINANCIAL DATA

We offer a broad range of products, spanning high, mid, and low-end segments, and including both standardized offerings and highly customized solutions. During the Track Record Period, the unit price of our products varied by application scenario: (i) memory module supporting chips ranged between less than RMB0.3 and RMB12.3; (ii) chips used for automotive electronic and industrial control ranged between less than RMB0.2 and RMB8.8, (iii) chips used for consumer electronics ranged between ranged between less than RMB0.1 and RMB3.9; (iv) lens driver chips ranged between less than RMB0.2 and RMB9.1; and (v) NFC chips ranged between less than RMB0.1 and RMB2.2. The price of each product varies based on a mix of factors, such as (i) the type of product sold; (ii) the industry vertical in which the product is applied; (iii) the number of products the customer orders; (iv) the prior established business relationship between the Company and the customer; (v) estimated spending budget of the customer; and (vi) overall market supply/demand and competitive landscape, and the resulting cyclical fluctuation in the semiconductor industry.

The following table sets forth a breakdown of our revenue among our three main business lines during the Track Record Period, both in amounts and as percentages of total revenue:

| | 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-volatile memory chips[(1)] | 561,688 | 79.8 | 885,989 | 86.2 | 1,069,499 | 87.6 | 232,069 | 88.9 | 247,512 | 88.4 |
| Lens driver chips | 87,163 | 12.4 | 105,010 | 10.2 | 113,922 | 9.3 | 21,345 | 8.2 | 16,619 | 5.9 |
| NFC chips and others[(2)] | 54,626 | 7.8 | 37,278 | 3.6 | 37,863 | 3.1 | 7,652 | 2.9 | 15,863 | 5.7 |
| **Total** | **703,477** | **100.0** | **1,028,277** | **100.0** | **1,221,284** | **100.0** | **261,066** | **100.0** | **279,994** | **100.0** |

*Notes:*

(1) Comprising memory module supporting chips highlighted by SPD chips in DDR memory modules, high-reliability memory chips for automotive electronics and industrial control, and memory chips for consumer electronics.

(2) Other products mainly comprising PMICs and TS chips in 2023, and logic chips and TS chips in 2025 and the first quarter of 2026. TS chips included herein are not used in memory modules.

The table below sets forth the product shipping volume by number of chips per product line for the years/periods indicated:

| | For the year ended December 31, | | | | | | For the three months ended March 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Shipping volume | Average selling price | Shipping volume | Average selling price | Shipping volume | Average selling price | Shipping volume | Average selling price | Shipping volume | Average selling price |
| | | *(RMB)* | | *(RMB)* | | *(RMB)* | | *(RMB)* | | *(RMB)* |
| Non-volatile memory chips[(1)] | 1,631,496,546 | 0.34 | 2,374,000,980 | 0.37 | 2,723,876,383 | 0.39 | 538,315,930 | 0.43 | 861,982,659 | 0.29 |
| Lens driver chips | 414,697,215 | 0.21 | 552,381,200 | 0.19 | 586,292,000 | 0.19 | 121,750,500 | 0.18 | 84,508,000 | 0.20 |
| NFC chips and others[(2)] | 385,641,444 | 0.14 | 386,359,130 | 0.10 | 474,335,962 | 0.08 | 91,415,507 | 0.08 | 134,162,313 | 0.12 |

*Notes:*

(1) Comprising memory module supporting chips highlighted by SPD chips in DDR memory modules, high-reliability memory chips for automotive electronics and industrial control, and memory chips for consumer electronics.

(2) Other products mainly PMICs and TS chips in 2023, and logic chips and TS chips in 2025 and the first quarter of 2026. TS chips included herein are not used in memory modules.

From 2023 to 2025, all three business lines recorded continuously increased shipping volume. Non-volatile memory chips achieved the strongest growth, primarily attributable to our expanded sales of SPD chips, automotive-grade memory chips and industrial-grade memory chips. The shipping volume of lens driver chips also increased significantly, mainly driven by recovering smartphone market demand. Shipping volume of NFC chips and other products remained relatively stable. Between the three months ended March 31, 2025 and 2026, the shipping volume of non-volatile memory chips as well as NFC chips and others products continued to show a robust increase, while the shipping volume of lens driver chips declined.

From 2023 to 2025, despite the pricing pressure we faced, the average selling price of our non-volatile memory chips continued improving. The increased average selling price of non-volatile memory chips was mainly attributable to a favorable product mix shift toward higher value-added applications. The average selling price of lens driver chips remained relatively stable during the period from 2023 to 2025. The average selling price of our NFC chips and other products slightly decreased, primarily due to weaker-than-expected recovery in smart card and related application markets and a less favorable product mix we offered during this period. Between the three months ended March 31, 2025 and 2026, average selling price of non-volatile memory chips recorded a slight decrease, primarily as a result of changes in product mix we sold in response to downstream market headwinds. Average selling price of lens driver chips showed a modest increase. Average selling price of NFC chips and other products rose, mainly due to increased contribution from higher-margin NFC chips as we expanded into new application scenarios.

We continuously strengthen our value chain competitiveness through long-term partnerships with foundries and OSAT providers. As we enhance our penetration in established markets and launch high-performance new products, our expanded sales and market position enhance our bargaining power with our suppliers.

The table below sets forth a breakdown of our revenue by application scenario 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* | *%* |
| | *(in thousands, except for percentages)* | | | | | | *(unaudited)* | | | |
| **Non-volatile memory chips** | **561,687** | **79.8** | **885,990** | **86.2** | **1,069,499** | **87.6** | **232,069** | **88.9** | **247,512** | **88.4** |
| Memory module supporting chips[(1)] | 193,033 | 27.4 | 385,643 | 37.5 | 477,698 | 39.1 | 110,980 | 42.5 | 79,730 | 28.5 |
| Automotive electronics and industrial control | 74,463 | 10.6 | 153,865 | 15.0 | 255,010 | 20.9 | 48,759 | 18.7 | 63,549 | 22.7 |
| Consumer electronics | 270,503 | 38.5 | 318,441 | 31.0 | 296,243 | 24.3 | 64,307 | 24.6 | 86,383 | 30.9 |
| Others[(2)] | 23,687 | 3.4 | 28,041 | 2.7 | 40,548 | 3.3 | 8,023 | 3.1 | 17,850 | 6.5 |
| **Lens driver chips** | **87,163** | **12.4** | **105,010** | **10.2** | **113,922** | **9.3** | **21,345** | **8.2** | **16,619** | **5.9** |
| **NFC chips and others[(3)]** | **54,626** | **7.8** | **37,278** | **3.6** | **37,863** | **3.1** | **7,652** | **2.9** | **15,863** | **5.7** |
| **Total** | **703,477** | **100.0** | **1,028,277** | **100.0** | **1,221,284** | **100.0** | **261,066** | **100.0** | **279,994** | **100.0** |

*Notes:*

(1) Mainly comprising SPD chips, VPD chips and TS chips.

(2) Representing general-purpose memory chips used across scenarios.

(3) Others mainly comprising PMICs and TS chips in 2023, and logic chips and TS chips in 2025 and the first quarter of 2026. TS chips included herein are not used in memory modules.

From 2023 to 2025, AI applications, the rising trend of intelligent transportation and domestic sourcing by automotive OEMs, and growing demand from industrial control applications supported our continued revenue growth across major downstream application scenarios. Between the three months ended March 31, 2025 and 2026, revenue derived from memory module supporting chips decreased primarily due to fluctuations in downstream markets resulting from tight supply and upward price pressure on packaged DRAM and NAND chips, while revenue derived from our other application scenarios recorded continued growth.

The table below sets forth a breakdown of our revenue by product type 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* | *%* |
| | *(in thousands, except for percentages)* | | | | | | *(unaudited)* | | | |
| **Non-volatile memory chips** | **561,687** | **79.8** | **885,990** | **86.2** | **1,069,499** | **87.6** | **232,069** | **88.9** | **247,512** | **88.4** |
| SPD chips | 193,033 | 27.4 | 385,506 | 37.5 | 475,987 | 39.0 | 110,108 | 42.2 | 78,924 | 28.2 |

| | 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)* | | | |
| VPD chips | – | – | 136 | 0.0 | 1,125 | 0.1 | 816 | 0.3 | – | – |
| TS chips | – | – | – | – | 586 | 0.0 | 57 | – | 807 | 0.3 |
| EEPROM | 350,405 | 49.8 | 423,551 | 41.2 | 473,792 | 38.8 | 105,465 | 40.4 | 108,114 | 38.6 |
| NOR Flash | 18,249 | 2.6 | 76,796 | 7.5 | 118,009 | 9.7 | 15,623 | 6.0 | 59,667 | 21.3 |
| **Lens driver chips** | **87,163** | **12.4** | **105,010** | **10.2** | **113,922** | **9.3** | **21,345** | **8.2** | **16,619** | **5.9** |
| **NFC chips and others[(1)]** | **54,626** | **7.8** | **37,278** | **3.6** | **37,863** | **3.1** | **7,652** | **2.9** | **15,863** | **5.7** |
| **Total** | **703,477** | **100.0** | **1,028,277** | **100.0** | **1,221,284** | **100.0** | **261,066** | **100.0** | **279,994** | **100.0** |

*Notes:*

(1) Others mainly comprising PMICs and TS chips in 2023, and logic chips and TS chips in 2025 and the first quarter of 2026. TS chips included herein are not used in memory modules.

From 2023 to 2025, revenue derived from SPD chips increased markedly, mainly as a result of rapid DDR5 penetration and our timely roll-out of DDR5-compliant SPDs. In the first quarter of 2026, revenue derived from SPD chips saw a decrease, primarily due to fluctuations in downstream markets resulting from tight supply and upward price pressure on packaged DRAM and NAND chips. Revenue derived from EEPROM steadily increased from 2023 to 2025 and in the first quarter of 2026 compared to the same period in 2025, mainly driven by increased demand from automotive and industrial control applications. Revenue derived from NOR Flash increased notably from 2023 to 2025, mainly driven by demand from automotive and industrial control applications, and continued the increase in the first quarter of 2026 compared to the same period in 2025, mainly attributable to our growing market shares in the consumer electronic sector, and meaningful orders we secured from leading international automotive brands.

Revenue from our lens driver chips continued to grow from 2023 to 2025, primarily driven by deeper penetration of our products in premium smartphones while the revenue saw a decrease in the first quarter of 2026 compared to the same period in 2025, as the overall smartphone market faced pressure. Revenue from NFC chips slightly decreased from 2023 to 2024, remained relatively stable 2025 and showed a robust increase in the first quarter of 2026, primarily driven by new application scenarios we expanded into which demanded higher-margin NFC chip products.

The following table sets forth a breakdown of our revenue by sales channel 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* | *%* |
| | *(in thousands, except for percentages)* | | | | | | *(unaudited)* | | | |
| Direct sales | 220,064 | 31.3 | 473,394 | 46.0 | 593,772 | 48.6 | 140,753 | 53.9 | 111,303 | 39.8 |
| Distribution | 483,413 | 68.7 | 554,883 | 54.0 | 627,512 | 51.4 | 120,313 | 46.1 | 168,691 | 60.2 |
| **Total** | **703,477** | **100.0** | **1,028,277** | **100.0** | **1,221,284** | **100.0** | **261,066** | **100.0** | **279,994** | **100.0** |

We recorded a continued increase in revenue from both sales channels from 2023 to 2025, primarily driven by the strong growth of our non-volatile memory chips, in particular, SPD chips, automotive-grade memory chips and industrial-grade memory chips. Our direct sales revenue decreased in the three months ended March 31, 2026 compared to the same period in 2025, primarily due to lower sales of SPD chips, which were mainly sold through direct sales. Our distribution revenue increased over the same period, primarily due to higher sales of automotive-grade chips, industrial-grade memory chips and NFC chips, which were mainly sold through distributors.

The table below sets forth a breakdown of our revenue by region 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* | *%* |
| | *(in thousands, except for percentages)* | | | | | | *(unaudited)* | | | |
| Chinese Mainland[(1)] | 379,027 | 53.9 | 468,877 | 45.6 | 567,605 | 46.5 | 107,988 | 41.4 | 151,716 | 54.2 |
| Macau, Hong Kong and Taiwan[(1)] | 260,674 | 37.1 | 465,170 | 45.2 | 579,046 | 47.4 | 132,849 | 50.9 | 110,582 | 39.5 |
| South Korea[(1)] | 40,486 | 5.8 | 66,655 | 6.5 | 48,362 | 4.0 | 14,359 | 5.5 | 9,390 | 3.4 |
| Other countries/regions[(1)(2)] | 23,290 | 3.2 | 27,575 | 2.7 | 26,271 | 2.1 | 5,870 | 2.2 | 8,306 | 3.0 |
| **Total** | **703,477** | **100.0** | **1,028,277** | **100.0** | **1,221,284** | **100.0** | **261,066** | **100.0** | **279,994** | **100.0** |

*Notes:*

(1) The revenues we report by geography are based on locations where the customers are incorporated.

(2) Comprising Vietnam, United States, Singapore, Germany, Japan, Thailand, Israel, Philippines and Indonesia.

From 2023 to 2025, most regions achieved continued revenue growth. During this period, revenue derived from Macau, Hong Kong and Taiwan increased at a faster pace, mainly due to strong demand from major customers in the region and our successful market penetration in high-growth AI, automotive and industrial control applications. In the three months ended March 31, 2026, compared to the same period in 2025, revenue derived from Chinese Mainland maintained its growth momentum, while revenue derived from Macau, Hong Kong and Taiwan declined as delivery of SPD chips dropped during the period.

## OUR TECHNOLOGY

Our technology platform is built on non-volatile memory technology, integrated with (i) advanced mixed-signal circuit design that processes both real-world analog signals and digital data, (ii) cross-fabrication process collaboration that involves integrating diverse, multi-disciplinary teams—such as design, engineering, and manufacturing—from day one to break down functional silos, and (iii) rigorous device-level qualification capabilities to ensure a specific, complete product complies with mandatory safety, security, and technical industry standards before market release. We apply these capabilities across non-volatile memory chips — SPD chips for DDR modules, EEPROM and NOR Flash, and lens driver chips, as well as NFC chips. The focus of our technology development is long-term data integrity, low power, compact die size and robust operation over extended temperature ranges.

### Core non-volatile memory chips design and process platforms

Our non-volatile memory technology targets high endurance, long retention, low supply voltage, and compact arrays that employ highly efficient, contiguous memory structures. We have developed circuit and array techniques that raise write-cycle capability, reduce leakage and charge loss, and stabilize program/erase behavior. In EEPROM, we maintain full-range $I^2C$/SPI/Microwire interfaces from approximately 1 Kb through 4 Mb, with ultra-low-voltage options suited to power-sensitive mobile and wearable designs.

Set forth below is a summary of selected non-volatile memory technologies (applicable to EEPROM and NOR Flash) and representative parameters as disclosed.

| Technology area | Specific technique/feature | Representative parameter/value | Benefit/impact | Status/IP coverage |
|---|---|---|---|---|
| Charge handling and reliability | High-efficiency charge pumps, program/erase slope control, online error correction | Stable P/E behavior, improved data integrity (qualitative) | Higher endurance and lower error rate during frequent updates | In production, covered by internal know-how and patents |
| Array/die efficiency | Compact decoder architectures, Y-decoder R/W multiplexing, "no byte-select transistor" layouts | Smaller die at given density (qualitative) | Lower cost per bit, smaller packages | In production |
| Low-voltage operation | Ultra-low-voltage non-volatile memory operation, $I^2C$ interface voltage auto-recognition | Selected EEPROM operate at 1.2 V, auto-recognition for 1.2/1.8 V | Extends battery life, simplifies system design | In production (1.2 V smartphone EEPROM) |
| Endurance and retention (EEPROM) | Array/cell lifetime tuning | Up to multi-million write cycles, long retention at room temperature (selected devices) | Frequent small updates without data loss | In production |

### SPD chip technologies

DDR5 modules require an SPD chip on each DIMM. Our DDR5 SPD integrates three functional blocks: an EEPROM that stores module identity and configuration, an $I^2C/I^3C$ hub that mediates Sideband Bus among on-module components, and a high-precision temperature sensor located at the SPD site.

Set forth below is a summary of the key technology differentiators of our SPD chips in DDR modules.

| Function block | Interface and capacity | Representative parameter/value | Role on module | Benefit/impact | Status |
|---|---|---|---|---|---|
| EEPROM | $I^2C/I^3C$, 8 Kb | Non-volatile memory of module data | Module identity/ configuration for system bring-up | Reliable initialization, standards compliance | In mass production |

| Function block | Interface and capacity | Representative parameter/value | Role on module | Benefit/impact | Status |
|---|---|---|---|---|---|
| $I^2C/I^3C$ hub | $I^2C/I^3C$ | Compliant with the JEDEC-defined $I^2C/I^3C$ management channel on DDR5 DIMMs | Mediates low-speed communications among managed devices | Simplifies system control topology | In mass production |
| Temperature sensing | $I^2C/I^3C$ | High-precision sensing over a wide temperature range, JEDEC DDR5 module compliant | Local temperature telemetry at SPD location | Supports thermal management and derating | In mass production |

### Lens driver control and precision analog

Our lens driver technology spans open-loop, closed-loop and OIS. Open-loop driver chips provide fast, precise current control for autofocus without feedback. Closed-loop driver chips add high-precision sensing and control to refine lens positioning in real time. OIS devices integrate gyroscope-based stabilization and close loop control algorithms to counteract blur caused by shaking.

Set forth below is a summary of our selected lens control and analog technologies.

| Control/analog block | Specific technique/feature | Representative parameter/value | Applied products | Benefit/impact | Status |
|---|---|---|---|---|---|
| Current drive and settling | Fast stabilization algorithms, damping-aware control | Rapid lens settling, low position error (qualitative) | Open-loop, closed-loop, OIS | Faster autofocus, reduced blur | In mass production (open-loop), validated/ramping (closed-loop), shipping (OIS) |
| Calibration and tolerance handling | Lens-parameter self-detection, offset-current self-calibration | Automatic parameter adaptation (qualitative) | Open-loop, Closed-loop, OIS | Consistent performance across actuator tolerances/temperature | In production (selected models) |
| Precision sensing and controlling | High-resolution ADCs and low noise PGA for position feedback | High-precision conversion (qualitative) | Closed-loop, OIS | Accurate and quick lens positioning | In production/validation |
| OIS control | Gyroscope-based stabilization | Integrated gyro input and control (qualitative) | OIS driver chips | Motion compensation during capture | Commercial shipments since 2025 |

## RESEARCH AND DEVELOPMENT

As of March 31, 2026, we had a total of 196 full time employees engaged in research and development. In 2023, 2024, 2025 and the three months ended March 31, 2026, our research and development expenses amounted to RMB160.8 million, RMB175.6 million, RMB207.8 million and RMB66.7 million, respectively.

Our research and development programs focus on the development of our core non-volatile memory and mixed-signal technologies. Our R&D teams cover circuit design, analog and mixed-signal, firmware and algorithms, product engineering, reliability, and applications support.

Our first priority in our R&D efforts is to solidify our position in SPD chips in DDR5 modules. Our DDR5 SPD combines EEPROM, an $I^2C/I^3C$ hub, and a temperature sensor, and we also supply stand-alone temperature sensors used on many server DIMMs. We continue to apply our SPD chips to more form factors for computer memory modules, distinguished primarily by their physical size and application, such as UDIMM, SODIMM, CAMM/CAMM2, LPCAMM/LPCAMM2, SOCAMM/SOCAMM2, RDIMM, LRDIMM, and MRDIMM.

For EEPROM, we are developing smaller-die, higher-reliability devices for industrial and automotive use, with automotive-grade series spanning A1-A2. For NOR Flash, we focus on low-power parts at low to mid densities. Our NOR Flash from 512 Kb to 32 Mb are in mass production, 64 Mb and 128 Mb parts have taped out, and higher densities are under development. Selected low-density devices have achieved program/erase cycles of 100,000 and retention over a 20-year period at room temperature, and portions of the 512 Kb-16 Mb series have completed AEC-Q100 validation.

In addition, we are moving our lens driver portfolio into higher-value segments. We continue to improve our open-loop driver chips used in high-volume camera modules. We have progressed through validation and into deployments our closed-loop driver chips integrated with high-precision sensing. In 2025, multiple OIS driver chips began commercial shipments on mid- to high-end smartphones.

Furthermore, we continually upgrade our NFC products. We are reducing die area, improving read/write speed and RF sensitivity, and expanding toward higher-value CPU cards and a broader range of RFID/NFC offerings, such as public transport, access control and identity, campus cards, smart metering, electronic price tag, new retail and supply-chain management, while maintaining compliance with ISO/IEC 14443 and 15693 and support for standard cryptographic algorithms.

Notably, in 2023, we began developing a VPD chip for new-generation enterprise SSDs and CXL memory modules to extend our module-management know-how beyond DRAM modules. As of the Latest Practicable Date, the VPD chips had passed testing and qualification by target customers and will be incorporated into their module samples for distribution to end customers for further testing and validation.

The table below sets forth our major research and development projects and their status.

| Product | Current Development Status | R&D Focus/Key Highlights | Target Applications | Expected Commercialization Timeline |
|---|---|---|---|---|
| Memory module supporting chips (SPD chips, VPD chips and TS) . | Certain specifications have completed tape-out and are under respin optimization. | Strict adherence to industry standards; high reliability; high measurement accuracy across a wide temperature range. | Memory modules in servers and PCs. | 2026 |
| Industrial-grade EEPROM chips . . . . . | Certain specifications are in mass production; others have completed respin and are under product testing; some have completed tape-out and are in engineering sample testing. | Smaller memory cell design covering multiple densities to lower design and production cost; further enhancements to functionality and reliability. | Consumer electronics including smartphones, tablets and IoT; industrial control, communications and medical instruments. | 2026-2027 |

| Product | Current Development Status | R&D Focus/Key Highlights | Target Applications | Expected Commercialization Timeline |
|---|---|---|---|---|
| Automotive-grade EEPROM . . . | Certain specifications have completed tape-out and are in engineering sample testing; others remain at circuit design stage. | Multiple capacities; selected parts designed to comply with ISO 26262 functional safety; operating temperature up to 125°C; higher storage density (up to 2× mainstream). | Automotive electronics; space-constrained mobile devices or industrial control. | 2027-2028 |
| NOR Flash . . . | Certain specifications are in mass production; others have completed respin and are under product testing; some have completed tape-out and are in engineering sample testing; additional specifications are at tape-out or circuit design stage. | Low-to-mid density coverage; enhanced reliability and temperature tolerance; up to 200k program/erase cycles; data retention up to 50 years; -40°C to 125°C operating range; improved power, data rate, ESD and latch-up performance versus peers. | Consumer electronics and automotive; harsh-environment industrial control; IoT use cases requiring low latency and low power. | 2026-2029 |
| Lens driver chips . . . . . | Certain specifications are in mass production or being introduced into mass production; others have completed tape-out and are in engineering sample testing; additional specifications remain at circuit design stage. | Multiple specifications, including a new-generation open-loop driver compatible with 1.2 V/1.8 V; closed-loop and OIS drivers; optional integration of EEPROM or high-capacity Flash; improved drive capability, precision and settling time. | Smartphones, tablets, security surveillance devices, handheld gimbals and other imaging products. | 2026-2027 |
| NFC chips and others . . . . . | Certain specifications are in mass production; others have completed customer validation and are under respin optimization; some are at tape-out or circuit design stage. | Multiple NFC and logic chips; NFC compliant with NFC Forum specifications and supporting ISO/IEC protocols; improved reliability with optimized die size and power; enhanced RF sensitivity for better read distance. | Electronic shelf labels; consumer electronics and smart-home devices; large and small appliances; packaging accessories and brand interaction; light-industry and facility scenarios; logic devices for consumer electronics. | 2026 |

## MANUFACTURING AND QUALITY ASSURANCE

We are a fabless company. We outsource wafer fabrication to foundries and high-volume assembly and final electrical testing to OSAT partners. At the same time, we keep the critical quality and test responsibilities in-house. This model enables us to scale production with trusted partners while we control how products are validated, screened and released to customers.

Consistent with this model and our sales channels, we deliver to distributors or directly to module manufacturers and end-product brand owners, and our automotive-grade chips have been qualified by multiple global Tier-1 suppliers for deployment in leading automaker platforms and other end-systems. Our quality management and release processes are designed to meet the specific requirements of these automotive end-product and related manufacturers, including third-party reliability qualifications for automotive programs.

We maintain an internal product testing unit that leads engineering validation and pilot-run inspections before any product enters mass production. Using early wafers, we test and evaluate device performance, reliability and margins against our specifications. Before ramp, we run strict pilot lots and only proceed when results meet our release criteria. For mass production, we develop, validate and own the probe and final-test programs and any additional outgoing screen program.

We plan and execute device qualifications aligned with applicable industry practices, and, for automotive-grade parts, we support third-party AEC-Q100 validations. Where reliability data or field experience indicates a potential failure mode, we add targeted test items to intercept that mode before shipment. We also lead failure analysis and corrective actions together with suppliers and customers, feeding the findings back into design rules, process windows and screening content to prevent recurrence. These measures — engineering validation, pilot-run inspection, test-program confirmation, enhanced outgoing screening and disciplined release — are the core of the quality checking that we perform ourselves, even though manufacturing is outsourced.

As of the Latest Practicable Date, we have the following qualifications:

| Category | Scope/status |
|---|---|
| ISO 9001 . . . . . | Certified quality management system covering design and related processes |
| IATF 16949 . . . . . | Certified automotive quality management system, applied to automotive device supply |
| ISO 14001 . . . . . | Certified environmental management system |
| AEC-Q100 . . . . . | Selected devices validated (e.g., EEPROM A1-A2 grades, portions of 512 Kb-16 Mb NOR) |
| ISO 26262 . . . . . | Design practices referenced for targeted automotive-grade EEPROM specifications |

## INVENTORY MANAGEMENT

We regularly monitor inventory quantities on hand and record provisions for excess and obsolete inventories based primarily on historical usage rates and our forecast of future demand for our products. In setting our inventory turnover targets, we also consider the public-relations environment, political developments, macroeconomic trends, and end-market conditions. We attempt to control our inventory levels so that we do not hold inventories in excess of demand at the end of each fiscal quarter.

Our inventory turnover days were 252 days, 226 days, 238 days and 241 days in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. To improve our inventory efficiency, we have adopted a unified warehousing and distribution system and continuously enhance inventory turnover. We have developed strong capabilities in regard to order execution,

supply chain management and efficient delivery. We run an integrated sales and operations planning process that aligns sales and manufacturing through rolling forecasts and clear rules for converting demand into firm production and purchasing plans.

We have adopted business-to-business electronic data exchanges that enables us to manage our inventory and facilitate our order requests to our suppliers. Our suppliers are provided with improved demand planning through analyzes of transaction activities, which allows us to make reasonable forecasts and maintain efficient manufacturing or procurement processes. With the collaborative planning, forecasting and replenishment model, visualization of orders, and other features, we can improve the execution and delivery efficiency of product orders at a much lower cost, better positioning us to maintain an optimal inventory level to satisfy market demand in a timely manner.

## SUPPLY CHAIN MANAGEMENT

We established a structured supply chain management system covering supplier onboarding, approval, and other processes, and we strive to continuously refine the system. At the stage of supplier onboarding, we conduct preliminary examination of suppliers. Thereafter, new suppliers are also required to go through quality system survey, on-site audit and sign the quality agreement. They are included in our list of qualified suppliers after the review and approval by the production management department, quality department and other departments.

We have developed and continue to optimize our supplier quality management procedures. We conduct audits of suppliers at fixed frequencies and take supplier management actions such as regular evaluations and quarterly quality meetings to continuously improve the quality management level of suppliers. We conduct quarterly evaluations for qualified suppliers on quality assurance, process and technology, production capacity, lead time and services, price, environmental protection, etc. In addition, we formulate an annual audit plan every year and conduct in-depth onsite audits of suppliers. Suppliers who did not receive satisfactory results in the audit are required to develop an improvement plan based on the audit results and implement it within the given time frame. Additionally, we also dispatch staff to conduct on-site inspections, supervising suppliers' production processes, quality control systems, and environmental protection measures. All records of supply audits and matters for rectification are entered into a supply management system and will be followed up until they are closed, forming a closed-loop management, to ensure the efficient and stable operation of our supply chain.

## OUR CUSTOMERS

During the Track Record Period, our primary customers include leading domestic and international module manufacturers and end-product brand owners, as well as companies that principally engage in distribution and sales of electronic components, semiconductors, and modular circuits. Our demonstrated track record of technological leadership, design innovation, product performance, cost-effectiveness, and on-time deliveries have resulted in our leadership position in providing memory chip products and solutions. We believe our strong relationship with our module manufacturers and end-product brand owners customers, many of which are also currently developing solutions which are focused on several of our target markets, will continue to position us as a source of supply for their product offerings. In line with market practice, we use distributors to facilitate sales of our products.

Both the module manufacturers and end-product brand owners, as well as their partners may communicate their design requirements and technical specifications, negotiate prices, and make the overall decision regarding the use of our semiconductor solutions in their products. Our customers place orders with us for the purchase of our products, take title to the products purchased upon acceptance. The majority of these customers do not have return rights except for warranty provisions.

The following table sets forth the background information of our five largest customers in each year/period during the Track Record Period.

| Customer | Revenue | Percentage of total revenue | Major products/ services purchased from us | Year of commencement of business relationship | Credit period |
|---|---|---|---|---|---|
| | *(RMB in thousands)* | | | | |
| ***For the three months ended March 31, 2026*** | | | | | |
| 1. Customer A[(1)] . . . . . | 74,793.1 | 26.7% | Memory module supporting chips | 2018 | 30 days |
| 2. Customer B[(2)] . . . . . | 16,314.0 | 5.8% | Memory module supporting chips, high-reliability memory chips for automotive electronics and industrial control, memory chips for consumer electronics/Lens driver chips/NFC chips | 2023 | 45 days |
| 3. Customer C[(3)] . . . . . | 11,479.5 | 4.1% | High-reliability memory chips for automotive electronics and industrial control, memory chips for consumer electronics/Lens driver chips/NFC chips | 2021 | 60 days |
| 4. Customer D[(4)] . . . . . | 10,897.6 | 3.9% | Memory module supporting chips, high-reliability memory chips for automotive electronics and industrial control, memory chips for consumer electronics/NFC chips | 2017 | 30 days |
| 5. Customer E[(5)] . . . . . | 8,755.7 | 3.1% | Memory module supporting chips, high-reliability memory chips for automotive electronics and industrial control, memory chips for consumer electronics | 2023 | 45 days |
| **Total** . . . . . | **122,239.9** | **43.6%** | | | |

| Customer | Revenue | Percentage of total revenue | Major products/ services purchased from us | Year of commencement of business relationship | Credit period |
|---|---|---|---|---|---|
| | *(RMB in thousands)* | | | | |
| ***For the year ended December 31, 2025*** | | | | | |
| 1. Customer A[(1)] . . . . . | 453,946.8 | 37.2% | Memory module supporting chips | 2018 | 30 days |
| 2. Customer F[(6)] . . . . . | 81,079.8 | 6.6% | Memory module supporting chips, high-reliability memory chips for automotive electronics and industrial control, memory chips for consumer electronics/Lens driver chips/NFC chips | 2020 | 60 days |
| 3. Customer B[(2)] . . . . . | 54,279.6 | 4.4% | Memory module supporting chips, high-reliability memory chips for automotive electronics and industrial control, memory chips for consumer electronics/Lens driver chips/NFC chips | 2023 | 45 days |
| 4. Customer G[(7)] . . . . . | 53,376.7 | 4.4% | Memory module supporting chips, high-reliability memory chips for automotive electronics and industrial control | 2022 | 60 days |
| 5. Customer E[(5)] . . . . . | 35,734.8 | 2.9% | Memory module supporting chips, high-reliability memory chips for automotive electronics and industrial control, memory chips for consumer electronics | 2023 | 45 days |
| **Total** . . . . . | **678,417.7** | **55.5%** | | | |

| Customer | Revenue | Percentage of total revenue | Major products/ services purchased from us | Year of commencement of business relationship | Credit period |
|---|---|---|---|---|---|
| | *(RMB in thousands)* | | | | |
| ***For the year ended December 31, 2024*** | | | | | |
| 1. Customer A[(1)] . . . . . | 353,697.7 | 34.4% | Memory module supporting chips | 2018 | 30 days |
| 2. Customer F[(6)] . . . . . | 121,544.1 | 11.8% | High-reliability memory chips for automotive electronics and industrial control, memory chips for consumer electronics/ Lens driver chips/NFC chips | 2020 | 60 days |
| 3. Customer B[(2)] . . . . . | 54,701.5 | 5.3% | Memory module supporting chips, high-reliability memory chips for automotive electronics and industrial control, memory chips for consumer electronics/Lens driver chips | 2023 | 45 days |
| 4. Customer H[(8)] . . . . . | 32,515.2 | 3.2% | Memory chips for consumer electronics/NFC chips | 2018 | 60 days |
| 5. Customer I[(9)] . . . . . | 28,761.6 | 2.8% | High-reliability memory chips for automotive electronics, memory chips for consumer electronics/ Lens driver chips | 2021 | 60 days |
| **Total** . . . . . | **591,220.1** | **57.5%** | | | |
| ***For the year ended December 31, 2023*** | | | | | |
| 1. Customer A[(1)] . . . . . | 161,356.0 | 22.9% | Memory module supporting chips | 2018 | 30 days |
| 2. Customer F[(6)] . . . . . | 132,792.8 | 18.9% | High-reliability memory chips for automotive electronics and industrial control, memory chips for consumer electronics/ Lens driver chips | 2020 | 60 days |
| 3. Customer B[(2)] . . . . . | 47,448.5 | 6.7% | High-reliability memory chips for automotive electronics, memory chips for consumer electronics/ Lens driver chips/NFC chips | 2023 | 45 days |
| 4. Customer I[(9)] . . . . . | 34,380.0 | 4.9% | High-reliability memory chips for automotive electronics memory chips for consumer electronics/ Lens driver chips | 2021 | 60 days |
| 5. Customer H[(8)] . . . . . | 30,318.9 | 4.3% | NFC chips | 2018 | 60 days |
| **Total** . . . . . | **406,296.2** | **57.7%** | | | |

*Notes:*

(1) Customer A is a global-leading data processing and interconnect IC design company based in Macao. Customer A is a direct sales customer.

(2) Customer B is a PRC-based company mainly focusing on electronic solution design and sales of related electronic products and computer software. Customer B is a distributor.

(3) Customer C is a PRC-based company focused on the sales of, and technical services relating to, electronic components and integrated circuits. Customer C is a distributor.

(4) Customer D is a Hong Kong-based company focused on the distribution of electronic components and the provision of integrated solutions. Customer D is a distributor.

(5) Customer E is a PRC-based company, mainly engaging in the sales of communication and electronic products and related goods. Customer E is a distributor.

(6) Customer F is a PRC-based company that is an authorized seller of memory-chip products for world-renowned semiconductor chip companies in Greater China. Customer F is a distributor.

(7) Customer G is a leading PRC-based company that engages primarily in automobiles, electronics and new energy, and is listed on both the Hong Kong Stock Exchange and the Shenzhen Stock Exchange. Customer G is a direct sales customer.

(8) Customer H is a PRC-based company engaged in sales of computer software and hardware, and the design and development of IC chips. Customer H is a distributor.

(9) Customer I is a PRC-based company that primarily engages in the manufacturing of computers, communications and other electronic equipment. Customer I is a distributor.

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. 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.

We have entered into an exclusive cooperation arrangement with Customer A, our single largest customer in each year/period during the Track Record Period. Under this arrangement, both parties co-develop the new generation of memory modules, and Customer A is responsible for the sale of such co-developed products to end customers. As a result, our revenue attributable to our single largest customer in each year/period during the Track Record Period was 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% of our revenue in the respective years/period. Such revenue was ultimately derived from a broad end customer base served by Customer A, including both top-tier players and a variety of other participants across the downstream market. Given the mutually exclusive nature of our cooperation, the forefront positioning of our co-developed product and the diversity of the end customer base, we believe our collaboration with Customer A is sustainable and the associated customer concentration risk is limited.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with the aforementioned customers, nor did we receive any material complaints from such customers. We did not receive any material product returns from our customers during the Track Record Period and up to the Latest Practicable Date, and to the best knowledge of our Directors and senior management, there were no potential material product returns as of the Latest Practicable Date.

All of our top five customers in each year/period during the Track Record Period settled payments directly with us. To the best knowledge of our Company, all of our top five customers in each year/period during the Track Record Period were independent third parties. As advised by our

PRC Legal Advisors, none of our Directors, their respective associates or any shareholder who owned more than 5% of our issued share capital as of the Latest Practicable Date has any interest in any of our five largest customers in each year/period during the Track Record Period.

## OUR SUPPLIERS

We utilize a fabless business model. Our suppliers are primarily third party foundries and packaging and testing service providers. Costs paid to our suppliers primarily include costs of procuring raw materials, such as wafers, and costs of obtaining packaging and testing services.

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.

To mitigate supplier concentration risk, we have developed relationships with alternative wafer foundries as backup suppliers, and have been exploring overseas foundry partnerships in Korea and Singapore as contingency arrangements. We have maintained long-term and stable relationships with our major foundry partners dating back to 2009, generally under framework agreements with initial terms of three to five years subject to annual renewal, and we did not experience any supply disruption or material adverse change in such relationships during the Track Record Period and up to the Latest Practicable Date. We consider the likelihood that our relationships with major foundry partners will be subject to material adverse changes or termination to be low. According to Frost & Sullivan, it is common industry practice for fabless IC design companies to rely on a limited number of foundry partners for deeper technical collaboration, pricing advantages and supply stability, and an adequate number of alternative suppliers capable of providing products of comparable quality, capacity and commercial terms are available in the market.

The following table sets forth the background information of our five largest suppliers in each year/period during the Track Record Period.

| Supplier | Procurement amount | Percentage of total procurement | Major products/ services provided to us | Year of commencement of business relationship | Credit period |
|---|---|---|---|---|---|
| | *(RMB in thousands)* | | | | |
| ***For the three months ended March 31, 2026*** | | | | | |
| 1. Supplier A[(1)] | 54,885.1 | 34.8% | Wafer foundry | 2009 | 30 days |
| 2. Supplier B[(2)] | 26,894.3 | 17.0% | Wafer | 2025 | 30 days |
| 3. Supplier C[(3)] | 22,812.5 | 14.4% | Wafer foundry | 2021 | 0 days |
| 4. Supplier D[(4)] | 14,899.2 | 9.4% | Packaging and Testing Contract Manufacturing | 2009 | 45 days |
| 5. Supplier E[(5)] | 9,916.7 | 6.3% | Packaging and Testing Contract Manufacturing | 2009 | 60 days |
| **Total** | **129,407.8** | **81.9%** | | | |

| Supplier | Procurement amount | Percentage of total procurement | Major products/ services provided to us | Year of commencement of business relationship | Credit period |
|---|---|---|---|---|---|
| | *(RMB in thousands)* | | | | |
| ***For the year ended December 31, 2025*** | | | | | |
| 1. Supplier A[(1)] | 254,376.7 | 43.8% | Wafer foundry | 2009 | 30 days |
| 2. Supplier C[(3)] | 84,410.9 | 14.5% | Wafer foundry | 2021 | 0 days |
| 3. Supplier D[(4)] | 60,857.3 | 10.5% | Packaging and Testing Contract Manufacturing | 2009 | 45 days |
| 4. Supplier E[(5)] | 53,386.6 | 9.2% | Packaging and Testing Contract Manufacturing | 2009 | 60 days |
| 5. Supplier F[(6)] | 40,784.7 | 7.0% | Packaging and Testing Contract Manufacturing | 2015 | 60 days |
| **Total** | **493,816.2** | **85.0%** | | | |
| ***For the year ended December 31, 2024*** | | | | | |
| 1. Supplier A[(1)] | 270,654.2 | 46.4% | Wafer foundry | 2009 | 30 days |
| 2. Supplier C[(3)] | 144,830.5 | 24.8% | Wafer foundry | 2021 | 0 days |
| 3. Supplier E[(5)] | 60,177.4 | 10.3% | Packaging and Testing Contract Manufacturing | 2009 | 60 days |
| 4. Supplier D[(4)] | 30,208.2 | 5.2% | Packaging and Testing Contract Manufacturing | 2009 | 45 days |
| 5. Supplier F[(6)] | 26,883.6 | 4.6% | Packaging and Testing Contract Manufacturing | 2015 | 60 days |
| **Total** | **532,753.9** | **91.3%** | | | |
| ***For the year ended December 31, 2023*** | | | | | |
| 1. Supplier A[(1)] | 211,414.2 | 53.9% | Wafer foundry | 2009 | 30 days |
| 2. Supplier E[(5)] | 54,284.4 | 13.9% | Packaging and Testing Contract Manufacturing | 2009 | 60 days |
| 3. Supplier C[(3)] | 40,888.4 | 10.4% | Wafer foundry | 2021 | 0 days |
| 4. Supplier G[(7)] | 23,447.6 | 6.0% | Packaging and Testing Contract Manufacturing | 2011 | 30 days |
| 5. Supplier D[(4)] | 22,961.8 | 5.9% | Packaging and Testing Contract Manufacturing | 2009 | 45 days |
| **Total** | **352,996.4** | **90.1%** | | | |

*Notes:*

(1) Supplier A is a PRC-based company that engages in the R&D and production of IC-related electronic products. Supplier A is dual-listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange.

(2) Supplier B is a memory IC design company based in Taiwan. It is listed on the Taiwan Stock Exchange.

(3) Supplier C is a wholly-owned subsidiary of a company dual-listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, where it engages in the R&D and production of IC-related electronic products.

(4) Supplier D is a PRC-based company involved in the production of high-density printed circuit boards, optoelectronic devices and other IC components. It is also involved in the packaging and testing of semiconductor IC components, and the design and development of packaging types.

(5) Supplier E is based in the PRC and mainly engages in development and production of semiconductor chips and related packaging and testing products.

(6) Supplier F is a PRC-based company listed on the Shenzhen Stock Exchange, and is mainly involved in IC and MEMS sensor packaging and testing.

(7) Supplier G is a packaging and testing service provider based in the PRC, and is one of the first companies to adopt IC front-end chip manufacturing systems and standards to serve global customers.

As of the Latest Practicable Date, none of our Directors, their respective associates or any Shareholder who owns more than 5% of the issued share capital of our Company immediately following the completion of the [**REDACTED**] had any interest in our five largest suppliers in each year/period during the Track Record Period. To the best knowledge of our Directors, each of our five largest suppliers in each year/period during the Track Record Period was an Independent Third Party.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any disruption to our business as a result of any significant shortage or delay in supply of the products we sourced from our suppliers. None of our five largest customers in each year/period during the Track Record Period was a supplier in each year/period during the Track Record Period and none of our five largest supplier in each year/period during the Track Record Period was also a customer of us in each year/period during the Track Record Period.

**Key terms of our agreements with foundry partners**

We generally enter into framework agreements with our major foundry partners, with the actual price and volume specified in individual purchase orders. During the Track Record Period, we did not enter into any exclusive supply agreements with our suppliers. The terms of these agreements vary depending on the specific product or project and may be affected by multiple factors, including but not limited to the available capacity of the foundry partner. But these agreements generally contain the following terms:

| Key Terms | Description |
|---|---|
| **Duration** | Initially three to five years, subject to annual renewal |
| **Principal rights and obligations of parties involved** | We provide product parameters, technical specifications, production process requirements, and other product requirements to foundry partners. Our foundry partners fabricate wafer products according to our requirements.<br><br>We provide wafer products and technical specifications to packaging and testing service providers who provide packaging and testing services in accordance with our requirements. |
| **Production Volume** | We typically decide production volume in any given period on a purchase order basis. The foundries will supply products to us in that period in a specific quantity and at a specific price as set forth in a particular purchase order. We also have monthly rolling plans with our suppliers. When there is an increased demand for production capacity, the supplier will adjust the production capacity, raw materials, equipment and personnel allocation accordingly. |
| **Payment and credit term** | Credit terms and payment methods shall be outlined in the purchase orders. We are granted certain credit terms, ranging between 30 and 60 days, by our major suppliers. |
| **Minimum purchase requirement** | None. |

| Key Terms | Description |
|---|---|
| **Logistics** | Third party logistic service providers are engaged to deliver materials between our manufacturer, testing and packaging service providers to the locations and at the times agreed upon between our supplier and us. |
| **Product returns** | We have the right to return defective materials that fail to meet agreed quality standards, and the supplier shall provide remedies, including returns and/or exchanges. |
| **Confidentiality** | We usually set confidentiality clauses in the framework agreements, and the period of confidentiality obligations may be extended to after the expiration of the agreements. |
| **Termination** | The framework procurement agreement typically terminates upon the expiration of the agreed term and may also be terminated early (i) upon mutual consent of both parties, (ii) in the event of a force majeure, and (iii) by the non-defaulting party in the event of a material breach. |

## SALES NETWORK OF OUR PRODUCTS

### Distributorship

In line with market practice, we use distributors to facilitate sales of our products. 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. All of our distributors are corporate entities. They assist us in providing customer support with daily communications, basic technical support and customer relationship management. While the overall distributor arrangement is consistent across the three product lines, the specific sales arrangements under each vary slightly, in order to better align with market dynamics and customer needs. There are no specific qualification requirements for distributors in the industry. We select distributors primarily based on their customer resources and track record. As part of our due diligence, we review their business registration documents, selected financial information and distribution plans. Distributors are required to inform us if they have appointed any sub-distributor. We do not have any contractual or operational relationship with such sub-distributors. Based on the information reported to us, such sub-distributors are corporate entities and are mostly system integrators.

The table below sets forth the total number of our distributors that generated revenue for us in each year/period indicated and their movement during the Track Record Period.

| | For the year ended December 31, | | | For the three months ended March 31, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Number of distributors at the beginning of the period | 80 | 93 | 108 | 114 |
| Number of new distributors | 15 | 23 | 17 | 4 |
| Number of terminated distributors[(1)] | 2 | 8 | 11 | 8 |
| Number of distributors at the end of the period | 93 | 108 | 114 | 110 |

*Note:*

(1) Representing number of distributors that generated revenue for us in the preceding year but did not generate revenue for us in the current year/period.

In 2023, 2024, 2025 and the three months ended March 31, 2026, 41, 44, 46 and 46 overseas distributors generated revenue for us, respectively, with coverage spanning Asia, North America and Europe. Our overseas distributors are leading semiconductor distributors in their local markets with established customer networks and technical support capabilities.

The increase in terminated distributors was mainly due to inactive accounts where no orders were placed during the year/period. During the Track Record Period and up to the Latest Practicable Date, we did not have any material dispute with the terminated distributors.

We provide suggested selling prices to our distributors, but do not restrict their autonomy in determining the final selling price. There is typically no minimum purchase amount requirements. Some of the distribution agreements we enter into include arrangements for price adjustment mechanism, which is determined based on a mix of factors, such as (i) the number of products the distributor orders, and (ii) the prior established business relationship between the Company and the distributor. Our price adjustment mechanism is intended to provide flexibility to distributors, without restricting their discretion in determining their final selling prices. In general, as order quantities increase, the average selling price per unit may be adjusted downward to reflect volume-based efficiencies and to maintain our competitive positioning in the market. During periods of increased market demand, we may offer more competitive per-unit pricing through our distributor channels to facilitate market penetration, while our overall pricing flexibility remains intact as we retain the ability to optimize pricing across our various sales channels and customer segments. While lower average selling price through distributor channels may result in downward pressure on our pricing, the corresponding increase in sales volumes is expected to generate economies of scale in production and distribution, which may partially offset any adverse impact on gross margins. We seek to balance per-unit pricing considerations with volume growth objectives in order to maintain stable gross margin performance on an aggregate basis.

***Measures to avoid channel stuffing***

We have set up and implemented multiple measures to ensure the benefits of our distributors by avoiding channel stuffing, including:

- *Buyer-seller relationship*. We and our distributors are in a buyer-seller relationship. We typically do not accept product returns unless attributable to quality issues, ensuring that distributors will not compel us to accept unsold products. We regularly monitor the level of product returns from the distributors. During the Track Record Period, the amount of returns accounted for less than 1% of our total sales to distributors.

- *No minimum procurement target*. We typically do not set up minimum procurement target for our distributors as to avoid overload of products with our distributors.

- *Monthly report*. We monitor and manage our distributors through a reporting mechanism, under which our distributors are required to provide a monthly report of their sales, including sales volume and product categories.

- *Actual demand.* Our distributors typically place orders with us after they have received forecast or purchase orders, which inherently reduces their inventory risks and accelerates their inventory turnover. In addition, we maintain regular communication with our distributors, and encourage our distributors to place orders and adjust the frequency of their purchases in accordance with the market needs.

***Measures to avoid cannibalization***

We have implemented anti-cannibalization measures. Our international distributors are restricted to distribute in designated territories. For distributions in the Greater China region, we manage distributors by dividing the sales scope into Northern China and Southern China, based on

the location of our subsidiaries. We adopt a registration system for our distributors, under which distributors are required to register end customers with us, and once an end customer has been registered by a distributor, other distributors may not distribute the same product to such customer. Our distributor arrangements set out general commercial terms including pricing guidelines and distribution scope. We maintain communication with our distributors from time to time to understand their sales activities. We conduct regular review of distributors' sales reports to monitor the pricing at which they sold our products. Through these measures, we are able to coordinate and monitor our distributors' sales. We believe these measures are effective in mitigating the risk of cannibalization and in maintaining the efficiency of our distribution channels.

***Key terms of distribution agreements for our products***

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

- *Term*. We generally enter into a master distribution agreement with a term of one year, automatically renewable every year unless earlier terminated by either party (typically with 30 days prior notice).

- *Pricing*. We typically sell products of all our three business lines to distributors at our fixed prices in effect at the time of shipment. The fixed price we set with a distributor is determined based on a mix of factors, such as (i) the industry vertical in which the product is applied, (ii) the number of products the distributor orders, (iii) the prior established business relationship between the Company and the distributor and (iv) estimated spending budget of the distributor. Some of the distribution agreements we enter into include arrangements for price adjustment mechanism.

- *Minimum purchase amount.* There is typically no minimum purchase amount requirement.

- *Scope of distribution.* The distribution agreements are non-exclusive, and international distributors are typically restricted to distribute in designated territories.

- *Sub-distribution*. Our distributors are generally not restricted from engaging sub-distributors. During the Track Record Period and up to the Latest Practicable Date, to our knowledge, some of our distributors had engaged sub-distributors in selling our products and solutions.

- *Limitations on return or exchange*. We generally do not accept returns or exchanges from our distributors, except for any quality issues with our products.

- *Payment and credit terms*. Payment for products by our distributors is generally due within 60 days from the end of the month the invoice is issued.

- *Compliance with relevant laws*. Our distributors are required to comply with all applicable laws in distributing our products.

- *Termination*. Typically, either party may terminate any renewal with prior notice. Either party may terminate the agreement with 30 days' prior written notice. We may also terminate such agreements immediately upon any material breach by, or the insolvency of, the distributor.

**Distribution model and accounting treatment**

We recognize revenue when our distributors accept the products according to the contractual terms. Until revenue is recognized, these products remain classified as part of our inventories.

Once ownership of the products has been transferred to the distributor, returns are no longer permitted except for quality issues, and any requests for resolution must be addressed through replacement procedures outlined in the distribution agreement. We can help facilitate transfer of inventory to a third party upon the termination of their distribution agreements. During the Track Record Period and up to the Latest Practicable Date, we had not repurchased any products previously sold to distributors.

**Our management of distributors**

To uphold high operational and brand standards, we continuously assess our distributors throughout the year. We have implemented a thorough selection process to ensure that prospective distributors are well-equipped to serve our end customers and effectively market our products. Key criteria in our evaluation include their existing customer base, core product offerings, established customer relationships, and warehousing capacity.

We collaborate closely with our distributors to provide ongoing operational support aimed at driving their success and fostering sustainable growth. This includes offering training sessions to enhance their team's product knowledge and helping them manage inventory levels more efficiently.

We enter into distribution agreements that specify pricing, volume-based discounts, and geographic coverage in advance. We monitor compliance with these terms through periodic reporting from our distributors. We do not offer rebates to our distributors.

We conduct reviews of our distributors at fixed frequencies and take distributor management actions such as regular evaluations, to continuously improve the quality management level of distributors. We review our distributors based on a number of factors, including (i) general background, such as their qualifications, scope of operations, business scale, relevant industry experience, local distribution network, geographical points of sale coverage, customer service capabilities, and sales and technical support capabilities, (ii) synergy of products, for which we assess whether the other authorized products of the distributors conflict with our products or whether there could be any synergy effect between our products and their other authorized products, (iii) the capabilities of providing solutions comprising different products to the customers, and (iv) systematic management, for which we assess whether the distributors have well-established data infrastructure, including robust customer relationship management systems and sales data analytics capabilities.

**Direct sales**

Our direct sales are primarily focused on serving leading strategic customers within the AI server, automotive electronics, industrial control and consumer electronics industries. Our sales and marketing team is well-versed in the professional knowledge pertinent to our products, enabling it to effectively communicate the value of our technologies and the performance of our products. We believe that our direct sales help us consolidate and improve our market shares and penetrate different industry verticals effectively.

Our direct sales are usually conducted under sales and purchase arrangements. We have a buyer-seller relationship with our direct sales customers and we recognize revenue when they accept our products upon delivery according to the contractual terms.

*Key terms of agreements with direct sales customers*

The terms of the agreement with our direct sales customers vary depending on the specific product or project and the result of our negotiation with each customer, but these agreements generally contain the following terms:

| | |
|---|---|
| **Duration** | Generally, one to three years with an automatic renewal term, unless terminated earlier or otherwise agreed. |
| **Pricing** | The selling price of our products will be separately agreed in the order placed by the customer. Prices are determined through individual negotiation, reflecting development complexity, volume commitments, and the strategic nature of the relationship. |
| **Transfer of risks** | Risks are transferred to the customers when the products are accepted by them according to the contractual terms. |
| **Payment and credit terms** | We usually provide our direct sales customers with a credit term ranging from 30 days to 120 days, while it still depends on their operating situations, financial condition and expected transaction volume. |
| **Minimum purchase requirements** | Our framework agreements with our customers usually do not contain minimum purchase requirements. |
| **Delivery of products** | We are generally responsible for delivering products to the locations and at the times as specified in the orders placed by our customers. |
| **Product returns/ exchanges** | Our customers will inspect the products upon delivery and are generally entitled to return or exchange products that do not meet their requirements in terms of quality or specifications. |
| **Confidentiality** | These framework agreements usually have strict confidentiality provisions that restrict us from disclosing confidential information of our major customers. |
| **Termination** | These framework agreements can be terminated with mutual agreement of parties, or terminated unilaterally under certain circumstances such as unrectified material breach of the contract, force majeure or bankruptcy of a party. |

**Transfer Pricing Arrangements**

During the Track Record Period and up to the Latest Practicable Date, there were certain intra-group transactions among our Company and our subsidiaries to facilitate the respective function of our subsidiaries during the course of business of our Group. Our intra-group transactions mainly consist of various services and product sales. We follow the fundamental principle that intra-company transactions must be conducted on an arm's length basis.

During the Track Record Period, our intra-group transactions mainly consist of the following:

- Provision of sales supporting services. A subsidiary of us provides sales supporting services to another subsidiary. The service provider also undertakes certain customer service responsibilities and the service recipient has product sales function.

- Provision of R&D services. Certain of our subsidiaries provide R&D services to other entities for specific R&D projects.

- Product sales. Our certain subsidiaries function as our sales entities. They procure finished goods from our Company and then sell the finished goods directly to third parties.

We have engaged a transfer pricing advisor to review our intra-group transactions. Our transfer pricing advisor reviewed the intra-group transactions and conducted benchmarking studies on an annual basis. Our transfer pricing advisor is of the view that (i) the pricing of our intra-group transactions aligns with the arm's length principle in accordance with relevant regulations and guidelines, (ii) our tax exposure in relation to transfer pricing is limited, and (iii) our intra-group transactions are consistent with the functions performed, risks assumed, and returns earned by each relevant subsidiary. Based on the above analysis and the advice of our transfer pricing advisor, our Directors are of the view, and the Sole Sponsor concurs, that the Group did not violate the relevant transfer pricing regulations and guidelines during the Track Record Period, nor did the Group received any audits, investigations or challenges from the relevant authorities in respect of such transactions.

To ensure our ongoing compliance with applicable transfer pricing laws and regulations, we have implemented the following measures:

- Our finance team regularly communicates with transfer pricing advisor so as to maintain informed of regulatory requirements and key tax practices;

- We review and monitor our transfer pricing arrangements on an ongoing basis, and continue to engage third party tax advisors to conduct reviews of such arrangements, ensuring they remain in line with the arm's length principle; and

- Where transfer pricing documents need to be submitted to tax authorities, such documents would be prepared by designated personnel and submitted after internal review and approval.

## BRANDING AND MARKETING

### Branding

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. We believe that the most effective form of marketing in our industry stems from building a strong market reputation rooted in these core strengths. 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.

Leveraging our established brand value and customer-centric operational strengths, we have built a large base of loyal clients across the semiconductor supply chain. We also deploy a variety of targeted programs and activities, such as participating in renowned industry conventions and exhibitions, to showcase our technical advantages and promote our products and solutions to a broader range of potential partners.

### Sales and Marketing/Customer Technical Support

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. Key industry leaders who target mass market applications often conduct a rigorous evaluation

process to choose the most suitable semiconductor solutions for their upcoming products. A supplier's design emerging successful from the evaluation process is commonly referred to as a "design win". We work with our customers closely to design integrated solutions to enhance the performance and efficiency of their products. Our engineers collaborate with our customers' engineers to create products that comply with their specifications and provide a high level of performance at competitive prices.

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. For example, our automotive-grade EEPROM has been successfully qualified and incorporated into the supplier portfolio of a China-based global leading automotive brand. Following a rigorous qualification process, which included reliability testing, design validation, and product optimization to meet the automaker's stringent specifications, our products were approved for deployment in critical applications including in-vehicle camera modules and battery management systems. We supply under a master procurement agreement. Our automotive partner may provide advance demand forecasts to facilitate our production planning. We may negotiate prices on a monthly basis. Specific quantities and delivery schedules are confirmed in purchase orders, and we are responsible for transportation and delivery. Beyond this strategic our products are also integrated into automotive subsystems through leading module manufacturers and have achieved broad adoption in the automotive sector.

Our sales and marketing team boasts a high level of technical expertise and industry knowledge, enabling them to effectively support a lengthy and complex sales process. As of March 31, 2026, we had a dedicated sales and marketing team of 68 full-time employees. This team includes a highly trained group of product managers and field applications engineers who are well equipped to address customer needs and provide solutions. Additionally, our team is armed with strategic marketing experience and a strong ability to identify and capitalize on emerging market trends, ensuring we stay ahead in a dynamic industry landscape. We also provide technical support and assistance to potential and existing customers, so as to facilitate a smooth integration of our solutions into their products. We believe that the depth and quality of this design support are key to improving customers' time to market and maintaining a high level of customer satisfaction.

We attend periodic technology forums that facilitate direct interaction between their product development teams and our research and development teams. We obtain customers through this way, and also by means of referrals from strategic partners and direct outreach. For overseas customers, we maintain relationships through regular virtual communications, dedicated account management, and periodic on-site visits for technical support and design-in collaboration. Also, our customers are increasingly utilizing contract manufacturers while retaining design and key component qualification activities. As this trend matures, we continually upgrade our sales operations and manufacturing support to maximize our efficiency, flexibility and coordination with our customers.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We recognize the importance of Environmental, Social, and Governance (ESG) matters to the Company's sustainable development and are continuously strengthening ESG integration across all aspects of our operations. We remain committed to enhancing the global competitiveness of our products and services, and to supporting the Company's long-term sustainable development by contributing positively to society and the environment. Upon [**REDACTED**], we will comply with the Environmental, Social and Governance Reporting Code set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited by publishing ESG reports annually to disclose the Company's ESG management to stakeholders.

## Corporate Governance

### *ESG Governance*

We fully recognize the importance of environmental and social responsibilities to our business. To strengthen our ESG management, we have established a three-tier ESG governance framework comprising the Board of Directors, the Strategy and Sustainability Committee (to be established upon [**REDACTED**]), and the ESG Working Group. Within this framework, the Board of Directors serves as the highest supervisory body and assumes ultimate responsibility for ESG matters. The Strategy and Sustainability Committee, established under the Board of Directors, is responsible for researching and managing the Company's development strategy, including recommending ESG strategies, principles, and policies, organizing feasibility studies on sustainable development goals, periodically reviewing ESG progress (with external professional support where needed), assessing ESG-related risks, and adjusting sustainable development strategies in accordance with applicable regulations when necessary. The Strategy and Sustainability Committee also reviews ESG reports and other relevant ESG disclosures and makes recommendations to the Board of Directors for approval. The ESG Working Group is responsible for implementing ESG management plans and measures and for continually identifying, assessing, and reporting ESG-related risks and improvement suggestions to ensure the effective implementation of the ESG management system.

The table below sets out the ESG expertise of our Board.

| Name | Gender | Position | Audit Committee | Nomination Committee | Remuneration & Appraisal Committee | Strategy Committee | Financial Expert | Risk Expert | Industry Expert |
|---|---|---|---|---|---|---|---|---|---|
| CHEN Zuotao | Male | Chairman of the Board | | √ | √ | √ | | | √ |
| ZHANG Jianchen | Male | Director and General Manager | | | | √ | √ | | √ |
| WENG Huaqiang | Male | Director and Secretary of the Board | | | | | √ | √ | |
| LUO Zhi | Female | Independent non-executive Director | √ | √ | √ | | √ | √ | |
| CHEN Dong | Female | Independent non-executive Director | √ | | √ | | √ | √ | |
| MAO Zhenhua | Male | Independent non-executive Director | | | | √ | √ | √ | |
| SUN Kai | Male | Independent non-executive Director | √ | √ | | | | √ | |

Under this framework, our Board, as the highest supervisory body, bears ultimate responsibility for ESG matters. To ensure the effective integration of the our strategy with ESG principles, the professional backgrounds and competencies of Board members have been considered, and they have been categorized as financial experts, risk experts and industry experts.

### *Business Ethics*

We maintain a zero-tolerance policy toward all forms of corruption and strictly comply with applicable anti-corruption laws and regulations, including but not limited to the Anti-Unfair Competition Law of the People's Republic of China and the Criminal Law of the People's Republic of China. We uphold robust codes of conduct and anti-corruption policies for employees and partners, strictly prohibiting bribery and other improper payments in business operations. This

prohibition applies to all global business activities, whether involving government officials or third-party professionals. Improper payments prohibited by this policy include bribes, kickbacks, excessive gifts or hospitality, and any other payments made or offered to secure an improper business advantage. We maintain accurate books and records that reflect transactions and asset dispositions in reasonable detail. Any requests for false invoices, or for payments that are unusual, excessive, or insufficiently explained, must be refused and reported immediately, and misleading, incomplete, or false entries in books and records are strictly prohibited. We also ensure that marketing personnel comply with all applicable promotion and advertising requirements.

We have implemented a wide range of internal control measures for anti-corruption and anti-bribery, including:

- Providing regular anti-corruption and anti-bribery compliance training for directors, senior management, and employees;
- Monitoring books, records, and accounts related to supplier management, tendering and bidding processes, and financial payment management to identify any false, misleading, or undisclosed entries; and
- Establishing a whistleblowing mechanism and encouraging employees, suppliers, customers, and other third parties to report suspected activities and policy violations.

In addition, we have established a standardized whistleblowing intake mechanism to ensure that all reports are handled in a timely and fair manner. We provide multiple reporting channels for internal employees and external stakeholders and strictly protect the lawful rights and interests of whistleblowers. We have established specialized investigation procedures to ensure that every report undergoes an independent and objective investigation and verification. Verified violations will be handled seriously in accordance with the policies of the Company and applicable laws and regulations. We will adopt strict confidentiality measures regarding reporting information and the identity of whistleblowers and strictly prohibit any form of retaliation.

**ESG Risk Management**

We have established transparent and efficient channels to engage stakeholders and maintain close communication with shareholders, governments, regulatory bodies, customers, employees, suppliers, and other stakeholders through a range of online and offline methods. We actively solicit and act on feedback from stakeholders regarding our ESG management and continuously refine our ESG practices to meet stakeholder expectations. Based on our business characteristics and stakeholder priorities, we have identified the following material ESG topics, assessed their potential risks and strategic opportunities, and implemented effective measures to address them. The ESG risks and opportunities we have identified include climate change response, water resource management, waste management, employees, product responsibility, intellectual property protection, supply chain management, and community contribution.

We have fully integrated these ESG risks and opportunities into our overall corporate strategy and daily operational management, including:

- integrate into the top-level corporate governance framework and strategic planning;
- integration into our risk management framework; and
- dynamic updates to stakeholder communications.

We have assessed the identified material ESG risks and opportunities having regard to our historical operational performance and reasonably foreseeable future circumstances. Based on such assessment, we not identified any ESG compliance risks that are financially material to our operations.

## Environment

### *Climate Change Response*

We have identified several climate-related risks that could adversely affect our business operations, assessed their potential impact, and developed corresponding response plans. We also closely monitor typhoon paths, intensity levels, and rainstorm warning signals issued by meteorological authorities, and activate targeted emergency measures based on the warning level to ensure personnel safety and business continuity.

We recognize the potential financial and reputational risks associated with environmental matters, including risks arising from compliance with current environmental regulations and stricter standards. For example, China's carbon neutrality goals announced in 2020, which aim to peak carbon dioxide emissions before 2030 and achieve carbon neutrality by 2060, may increase energy procurement costs as we may need to bear transition costs for sourcing green energy, which may be more expensive than traditional energy, or for purchasing or upgrading equipment.

We face competition in product quality, the ability to meet downstream customer expectations, experience, and reputation. Rapid technological change and evolving industry standards have intensified this competition. We also recognize that climate-related issues pose additional risks to our business.

| Category | | Potential impact |
|---|---|---|
| **Physical risks** . . . . | Acute risks (e.g., typhoons, floods) and chronic risks (e.g., rising sea level, continuous shifts in climate patterns) | Acute and chronic risks may disrupt the continuity of the Company's office and R&D activities, creating uncertainty in R&D progress, project delivery cadence, and customer communication efficiency. These risks may also propagate through upstream wafer foundry, packaging, testing, and logistics links, increasing the complexity of supply chain coordination and product delivery management, and potentially affecting the Company's fulfillment capabilities and customer satisfaction. |
| **Transition risks** . . | Policy risks (arising from continuously tightening carbon emission regulations) and Reputation risks (driven by rising stakeholder expectations for green development) | As climate and sustainable development regulations strengthen at global and regional levels, and as customers and [**REDACTED**] pay greater attention to ESG disclosures, the Company may face transition risks in information disclosure, compliance management, and supply chain responsibility management, which could increase management costs. In addition, as customers and [**REDACTED**] place more emphasis on supply chain sustainability, heightened focus on the full lifecycle environmental performance of chip products and supply chain practices may prompt the Company to invest more resources in supplier screening, partnership management, and sustainable procurement to meet market and regulatory expectations and maintain competitiveness. |

| Category | | Potential impact |
|---|---|---|
| **Opportunities** . . . . | Green product opportunities (driven by growing market demand for low-carbon, eco-friendly products and solutions) | With rising demand for low-carbon, energy-saving, and environmentally friendly technology solutions, the Company has new opportunities for business expansion in high-energy-efficiency, low-power chips and related solutions. By continuously enhancing chip design capabilities and product performance, the Company can advance the use of its products in energy management, smart devices, green infrastructure, and related scenarios. This will help strengthen product competitiveness, broaden the customer base, and support downstream applications in improving energy efficiency and reducing carbon emission intensity, thereby creating new revenue growth opportunities for the Company. |

We consistently uphold the principles of energy conservation and environmental protection in our operations, strictly complying with the Environmental Protection Law of the People's Republic of China and other applicable environmental laws and regulations, and we have established internal policies dedicated to environmental protection. The Company has built a robust closed-loop management system for energy safety and conservation. We regularly promote safe electricity use, conduct nightly patrol inspections, and use an intelligent air-conditioning detection system to improve energy-saving efficiency.

The table below sets forth our greenhouse gas (GHG) and energy performance of our Shanghai headquarters' office area, during the Track Record Period:

| Category | Unit | For the year ended December 31, 2023 | For the year ended December 31, 2024 | For the year ended December 31, 2025 | For the three months ended March 31, 2026 |
|---|---|---|---|---|---|
| **Greenhouse gas emissions** | | | | | |
| Scope 1[(1)] . . . . . | $tCO_2e$ | – | – | – | – |
| Scope 2[(2)] . . . . . | $tCO_2e$ | 754.53 | 694.97 | 689.62 | 179.18 |
| Scope 3 – category 5: waste generated in operations[(3)] . . . . . | $tCO_2e$ | 1.03 | 1.24 | 1.24 | 0.32 |
| Total greenhouse gas emissions . . . . . | $tCO_2e$ | 755.56 | 696.22 | 690.86 | 179.50 |
| Greenhouse gas emission intensity . . . . . | $tCO_2e$/ RMB Million Revenue | 1.07 | 0.68 | 0.57 | 0.64 |
| **Energy consumption** | | | | | |
| Comprehensive energy consumption[(4)] . . . . . | MWh | 1,252.32 | 1,203.00 | 1,299.70 | 337.70 |
| Comprehensive energy intensity . . . . . | MWh/ RMB Million Revenue | 1.78 | 1.17 | 1.06 | 1.21 |

*Notes:*

(1) Our daily operations do not involve Scope 1 greenhouse gas emission sources.

(2) Our Scope 2 GHG emissions originate from purchased electricity and are calculated based on the national average $CO_2$ emission factors for grid electricity of 0.6205 kg $CO_2$/kWh and 0.5777 kg $CO_2$/kWh for 2023 and 2024, respectively, as published by the Ministry of Ecology and Environment of the PRC.

(3) Our Scope 3 greenhouse gas emissions are primarily from domestic wastewater, with emission factors referenced from the Collection of Greenhouse Gas Emission Factors for the Life Cycle of Products in China published by the Environmental Standards Research Institute of the Ministry of Ecology and Environment.

(4) The type of energy consumed during our operations is solely purchased electricity, calculated in accordance with the General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).

Considering the Company's business development cycle and internal and external environmental factors, we have initially set medium-term targets for GHG emissions and energy consumption. By 2030, we plan to:

- reduce GHG emissions per unit of revenue by 10% compared to 2024; and
- reduce energy consumption per unit of revenue by 10% compared to 2024.

Measures we implemented to facilitate GHG emission reduction include regular safe-electricity awareness initiatives, nightly inspections and the deployment of an intelligent air-conditioning monitoring system to achieve our energy-saving targets.

***Water Resource Management***

We actively implement water-saving initiatives and continuously promote water conservation to strengthen awareness across the Company. To reduce consumption, we adhere to responsible water management and efficient use of water resources in our operations, and our water-use intensity has begun to decline. Our water consumption consists solely of usage for office facilities.

The table below sets forth water resource usage during the Track Record Period:

| Category | Unit | For the year ended December 31, 2023 | For the year ended December 31, 2024 | For the year ended December 31, 2025 | For the three months ended March 31, 2026 |
|---|---|---|---|---|---|
| Water consumption . . . . . | Tonnes | 1,275.00 | 1,537.00 | 1,527 | 390 |
| Water intensity . . . . . | Tonnes/ RMB Million Revenue | 1.81 | 1.49 | 1.25 | 1.39 |

***Waste Management***

We adhere to compliant waste disposal and is committed to reducing waste at the source through targeted management measures. In our daily operations, the waste generated by us is primarily non-hazardous and mainly originates from our office and R&D activities, including kitchen waste and general office refuse. Our operations do not involve hazardous waste and do not produce other pollutant emissions.

## Social Responsibilities

### *Employment*

We comply with applicable employment laws in the jurisdictions where we operate and have established and implemented internal management systems, including the Recruitment Management Measures and the Staff Allocation Management Measures, to safeguard employees' lawful labor rights and interests. We prohibit all forms of child labor and forced labor and are committed to fostering a fair, equal, and harmonious working environment.

The table below sets forth our employee data during the Track Record Period:

| Category | For the year ended December 31, 2023 | For the year ended December 31, 2024 | For the year ended December 31, 2025 | For the three months ended March 31, 2026 |
|---|---|---|---|---|
| Total number of employees | 271 | 322 | 352 | 351 |
| Total employee turnover | 25 | 34 | 32 | 18 |
| **Total number of employees by gender** | | | | |
| Male | 190 | 226 | 243 | 242 |
| Female | 81 | 96 | 109 | 109 |
| **Total number of employees by age group** | | | | |
| Under 30 | 76 | 88 | 108 | 103 |
| Aged 30 to 50 | 174 | 219 | 226 | 231 |
| Above 50 | 21 | 15 | 18 | 17 |
| **Total number of employees by type** | | | | |
| Key management[(1)] | 16 | 15 | 12 | 10 |
| General staff | 255 | 307 | 340 | 341 |
| **Total number of employees by region** | | | | |
| Chinese mainland | 264 | 314 | 344 | 343 |
| Hong Kong, Macau, Taiwan | 3 | 4 | 4 | 4 |
| Overseas | 4 | 4 | 4 | 4 |

*Note:*

(1) Comprising directors, supervisors, senior management, and core technical personnel.

### *Care and Benefits*

We are dedicated to providing employees with a broad-based compensation and benefits system, a diverse working environment, and structured career development pathways. We provide multi-faceted health support for employees and their families, effectively enhancing the team's overall physical and mental well-being. Furthermore, we have established a fair and competitive compensation system. By conducting market benchmarking analyses, we continuously improve our compensation and incentive policies. We have also implemented a systematic and standardized performance management system, conducting annual evaluations for all employees to assess work performance, capabilities, and development potential, which serves as a key basis for compensation decisions, career development, and talent cultivation.

### *Training and Development*

We place great importance on building and developing a global talent team and continuously enhance our organizational capabilities through a systematic, multi-dimensional talent development mechanism.

For employee training and development, we have established a structured training system covering leadership, general skills, and professional capabilities with the goal of strengthening employees' professional competence and management capabilities. Looking ahead, we will continue to optimize our talent cultivation mechanism to provide strong talent support for the Company's sustainable development.

We have also established a standardized and transparent promotion mechanism that provides diversified career pathways and ensures fairness through a structured assessment process. In practice, we offer multiple development tracks, allowing employees to choose career directions aligned with their strengths. Promotion assessments consider work performance, professional capability, and other relevant factors to ensure well-rounded selection, foster a supportive development environment, and drive mutual progress for employees and the Company.

The table below sets forth our employee training data during the Track Record Period:

| Category | Unit | For the year ended December 31, 2023 | For the year ended December 31, 2024 | For the year ended December 31, 2025 | For the three months ended March 31, 2026 |
|---|---|---|---|---|---|
| Total training attendance | Person-time | 665 | 508 | 573 | 25 |
| Average training hour | Hour | 24.87 | 24.9 | 23.3 | 8 |

### *Occupational Health and Safety*

We strictly comply with the Labor Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and applicable laws and regulations in our domestic and overseas operating locations. We have formulated and implemented safety guidelines to standardize workplace safety and health management. Through strict enforcement of safety management systems, the establishment of safety performance incentive mechanisms, and continued investment in safety technology upgrades, we safeguard employees' workplace safety and health. We provide pre-employment health checks for new employees and annual physical examinations for all employees. We also conduct regular fire safety drills for all staff to strengthen fire emergency knowledge and skills and to raise overall safety awareness.

We regularly organize occupational health and safety training for all employees, covering equipment safety, safety regulations, construction safety, and accident case studies. In addition, through themed awareness campaigns and safety skills competitions, we continually reinforce employee safety awareness.

We have achieved "Zero Work-related Injuries" over the past three years, during which no work-related fatalities, injuries, or workplace safety incidents occurred.

***Product Responsibility***

We have established a strategic, full-process management system for product quality and safety. Across the supply chain, we require our main business partners to obtain quality certifications such as IATF 16949 and we give preference to factories that also hold ISO 14001 certification, creating a joint defense that spans quality, reliability, and environmental responsibility.

We have established a standardized product recall management mechanism along with formal processes for product anomaly feedback, failure analysis, and quality investigations, using closed-loop tools such as 8D reports for batch issues. When a product requires recall due to potential issues, this mechanism enables a rapid response. The sales department acts as the unified external liaison and coordinates with customers on recall scope, reasons, and handling plans, and initiates return authorization requests in the internal system. After approval through a cross-departmental joint review, the Company conducts product recovery, testing, and replacement in accordance with established procedures, ensuring each batch recall is recorded, analyzed, and optimized through the closed-loop traceability system. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product recalls or exchanges.

To strengthen quality traceability and risk prevention, we have built a digital platform that covers customer complaints, process data, and product history. This continuously enhances customer supply chain stability and product reliability.

***Intellectual Property Protection***

We continue to increase investment in R&D, including green products. To protect our innovation outcomes, the Company has established internal regulations such as the patent management system and is systematically building an intellectual property protection framework to safeguard core technologies and trade secrets.

We have developed a system that covers the entire process from wafer manufacturing to packaging and testing. Through end-to-end quantitative monitoring and systematic analysis, we identify and eliminate potential defects before products leave the factory, which reduces electronic waste and its environmental impact. Furthermore, by improving chip operating efficiency and integration, we reduce resource and energy consumption per unit of product during production and use, putting the concept of green manufacturing into practice.

***Supply Chain Management***

We are committed to strengthening the sustainable management of our supply chain. Our measures include implementing systematic environmental and social responsibility risk management for suppliers and promoting carbon reduction across the entire supply chain. In our supplier performance evaluation system, we plan to incorporate ESG-related indicators, including low-carbon and social responsibility metrics, as key scoring dimensions.

We have established a standardized, transparent, and forward-looking supplier social responsibility assessment system with clear "red lines" that prohibit child labor, forced labor, commercial bribery, and major safety and environmental incidents.

Upholding fairness and transparency, we seek long-term and stable strategic partnerships with suppliers. Through regular communication, we respond to supplier needs, optimize cooperation processes, and actively promote green development strategies, guiding suppliers to practice sustainable development and jointly advance carbon footprint reduction. Together with upstream and downstream partners, we deepen information sharing and resource complementarity to enhance the stability and overall competitiveness of the supply chain and to help drive the industry toward a sustainable future.

***Community Contribution***

We actively fulfill our social responsibilities and contribute corporate strength to society. We are committed to aligning business development with social responsibility by participating in community development, education support, emergency relief, environmental protection, and cultural and sports initiatives. To practice corporate citizenship systematically, we support education and medical welfare by establishing special charitable funds and making targeted donations. In 2025, we donated RMB100,000 to "Chip in for Little Livers" jointly organized by SMIC, Shanghai Renji Hospital, and China Soong Ching Ling Foundation, to fund surgical treatment for children with end-stage liver disease. Looking ahead, we will continue to work with all sectors of society to create sustainable social value.

## COMPETITION

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. As a result, they may be able to adapt more quickly to new or emerging technologies and customer requirements or devote greater resources to the promotion and sale of their products. For a description of the semiconductor industry's market environment, please refer to the "Industry Overview" section.

## EMPLOYEES

Our people-centric culture promotes sustainable growth internally and customer bonding externally. We are dedicated to creating a fair, just and open environment for our employees. As of March 31, 2026, we had a total of 351 employees, most of whom were based in China.

The following table sets forth the number of our employees categorized by function as of March 31, 2026.

| Function | Number of Employees | % of Total |
|---|---|---|
| Finance | 11 | 3.1 |
| Administration | 24 | 6.8 |
| Sales and marketing | 68 | 19.4 |
| R&D | 196 | 55.8 |
| Production | 34 | 9.7 |
| Quality control | 18 | 5.1 |
| **Total** | **351** | **100.0** |

We recognize the importance of talents for sustainable business growth and competitive advantages. We believe that our success depends on our ability to attract, retain and motivate qualified personnel. We adopt a diversified recruitment approach to ensure a sufficient talent pool for key positions. We recruit employees primarily through referrals, online job portals and campus job fairs. We offer new employee orientation training and regular on-the-job training to our employees. In particular, we provide a special training program which lasts for two to three weeks for our R&D employees to help them get familiar with R&D activities and project management. Our experienced engineers also conduct tutoring with new R&D employees.

Sharing success with employees and empowering them to grow is one of the core elements of our corporate culture. We always strive to provide employees with broad-based social benefits, a safe working environment and diverse career development opportunities. Meanwhile, we strictly abide by the laws, regulations and standards on workplace safety in relevant countries and regions, and are committed to creating a safe and healthy working environment for employees, and ensuring the safety and physical and mental health of employees by implementing a highly efficient management system.

As part of our human resources strategy, we provide our employees with relatively competitive salaries, performance-based bonuses and other incentive arrangements. In addition, we have implemented a series of long-term equity incentive schemes covering our core management team, key technical personnel and backbone employees in crucial positions, thereby closely aligning such employees' personal development with the Company's long-term interests. The grant, vesting and exercise conditions under this equity incentive scheme are closely tied to employees' annual performance appraisals, contributions, length of service and the attainment of the Company's strategic objectives, with a view to fostering sustained long-term commitment and a strong sense of ownership. We review employee performance from time to time based on, among other criteria, their ability to achieve prescribed performance targets. The remuneration and benefits package of our employees generally comprises salaries, bonuses and equity incentive entitlements, and is generally determined by reference to factors including seniority, performance evaluation, length of service and the criticality of the relevant role. We also endeavour to maintain a multi-tier incentive framework and a supportive working environment to enable employees to fully realise their potential. As a result, we have generally been able to attract and retain qualified personnel and maintain a stable core management team, thereby strengthening our talent foundation for the Company's sustained and healthy development.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations.

## INTELLECTUAL PROPERTY

Owing to the efforts of our R&D team, we have been able to develop and own a series of important intellectual properties and several key technologies that are critical to our business operations. As of the Latest Practicable Date, we owned 80 patents, nine software copyrights, and 83 composition designs around the globe.

To protect and enforce our intellectual property rights, we enter into framework agreements with our suppliers imposing confidentiality obligations to protect our intellectual property rights during the manufacturing. We have adopted a number of internal control policies and measures to protect our intellectual property rights and trade secrets: (i) implementing internal policy to establish robust management over our intellectual property rights, (ii) timely registration, filing and application for ownership of our intellectual properties, (iii) actively tracking the registration and authorization status of intellectual properties and take action in a timely manner if any potential conflicts with our intellectual properties are identified, and (iv) engaging professional intellectual property service providers.

We rely on confidentiality agreements to safeguard our interests in proprietary know-how that are not patentable and manufacturing processes for which patents are difficult to enforce. There is no guarantee that we will prevail on patent infringement claims against third parties, and we cannot assure you that our products do not infringe patents held by others or that they will not in the future. To the best of our knowledge, information and belief, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material intellectual property rights claims by third parties.

## DATA PRIVACY AND INFORMATION SECURITY RISK MANAGEMENT

We place significant emphasis on information security management, drawing on international best practices in our operation, and we strive to provide a safe, secure environment for our customers.

In the course of our business, we collect, store and process business data and transaction data. Our business and transactional data primarily includes customer order information, product sales records, supplier purchase contracts, logistics and delivery data, financial transaction flows, and internal operational management data. As we only make transactions with enterprises, we do not intend to collect or process personal data in the ordinary course of our business. To the extent that any non-sensitive personal data is incidentally processed, for example, business contact details and job titles, we will handle such data in accordance with applicable laws, regulations and industry standards. Our data are stored on servers located within the PRC with no cross-border transfers. We do not maintain any servers outside the PRC and does not conduct any cross-border data transfers or data processing activities in connection with its business operations or through its overseas subsidiaries.

We are committed to complying with applicable laws, regulations and industry standards. We have formulated our network and information security emergency plan. By establishing a high-standard information security management system that ensures full coverage, we have laid a robust foundation for information security, benefitting both domestic and international clientele. To strengthen our information security management system, we have implemented key policies and frameworks to proactively assess and address cybersecurity risks, protecting our assets and minimizing vulnerabilities.

In addition, we have established a remote disaster recovery system for our server by setting up multiple memory for the same information and data of long time dimension on cloud, local and remote locations. Even if the server is damaged due to the highest level of disasters such as earthquakes, mudslides and other irresistible natural disasters, we believe that it can safeguard and guarantee that the service and data can be completely restored within 24 hours.

All of our employees are required to sign a confidentiality agreement with us, which prohibits them from disclosing any confidential information relating to their work without our consent. We have a structured data backup system to encrypt and store data on servers in different locations in order to minimize the risk of data loss. We also conduct data restoration tests to examine the status of the backup system on a regular basis.

We will endeavor to maintain safeguards and continuously improve our controls to support the security of our information assets and the continuity of our operations.

Based on the above, our PRC Legal Advisors are of the view that our business operations have been in compliance with the relevant data privacy and cybersecurity laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

## LEGAL PROCEEDINGS AND COMPLIANCE

As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened material legal, arbitral or administrative proceedings against us or our Directors. During the Track Record and up to the Latest Practicable Date, we had not been and were not involved in any material incidents of non-compliance. Based on the foregoing, our Directors are of the view that our business operations had been carried out in compliance with applicable laws and regulations in all material aspects during the Track Record Period and up to the Latest Practicable Date.

## RISK MANAGEMENT AND INTERNAL CONTROL

It is the responsibility of our Board to ensure that we maintain sound and effective internal controls and risk management system to safeguard our Shareholders' investment and our assets at all times. We have adopted and implemented risk management policies covering various aspects of our business operations, such as financial reporting, compliance, and anti-bribery and anti-kickback. Our Board of Directors and our general manager are responsible for the establishment, updating and implementation of our internal control policies and systems, while our management team monitors the daily implementation of the internal control procedures and measures with respect to our functional teams.

In order to monitor the continuous implementation of [**REDACTED**] risk management policies and corporate governance measures, we have taken or will continue to take risk management measures as follows:

- Our Board is responsible for monitoring our internal control system, assessing its effectiveness and maintaining suitable and effective risk tolerance levels.

- Our audit department assists our management with developing risk management policies and reviewing major risk management matters, providing guidance to relevant departments on risk management measures, and overseeing the implementation of risk management policies.

- Our financial affairs department, legal and compliance department, human resources department and other relevant departments are responsible for implementing our risk management policies and conducting daily risk management activities.

- When necessary, we engage external professional advisors, an Internal Control Consultant to work with our internal audit and legal teams to conduct regular reviews to ensure the validity of all registrations, licenses, permits, filings and approvals.

- Regular training to be provided by external legal advisor to our Directors and senior management after [**REDACTED**] on the subject of compliance of relevant Listing Rules requirements and applicable PRC laws and regulations.

In addition, we have adopted a series of measures to mitigate the risks on bribery and corruption:

- A policy relating to anti-bribery and anti-corruption was issued by us, which includes guidelines on monitoring, accepting escalation, processing investigation and reporting of incompliance behavior including bribery and corruption.

- A whistle-blower mechanism was set up by us, including report channels (email), investigation procedures and responding to detected problems.

- A policy relating to control the risks of economic sanctions was issued by us. Our legal and business managers are responsible to review and control such risks and the policy also includes relevant implementation procedures.

- Compliance training is provided to all employees including new employees.

To facilitate our ongoing compliance with applicable laws and regulations, we have formulated the "Legal and Compliance Management Procedures" and established a compliance risk management mechanism. All departments regularly review the laws, regulations, regulatory requirements, and industry standards applicable to their business activities, proactively identify potential compliance risk points, with a particular focus on high-risk areas such as anti-commercial

bribery, data security, export controls, connected transactions, and information disclosure. Employees or departments who identify significant legal or compliance risks are required to report them promptly. When a compliance risk arises, the human resources department, in conjunction with relevant business departments and external legal counsel, assesses the risk level, develops response measures (such as suspending business, revising processes and initiating investigations) and establishes clear timelines and responsible parties for remediation. We also implement a ledger management system for identified risks, tracking the progress of remediation through regular follow-ups, internal inspections, or audits to ensure effective implementation of the measures. Significant risk matters are documented in compliance reports submitted to the general manager and the Board of Directors for reporting. Furthermore, we mandate that compliance assessments must be conducted for certain critical business management activities, and the results must be submitted to relevant personnel for compliance review as required.

**Tariff and Export Control Policy Monitoring**

Our business operations and financial performance may be influenced by geopolitical risks. Geopolitical tensions have resulted in and may continue to cause changes in international trade policies and additional barriers to trade such as increased tariffs and export restrictions. In addition, recent trade tensions, such as the ongoing U.S.-China trade dispute, have led to high tariffs, more extensive export controls and other restrictive measures targeting high-technology goods, semiconductors and electronics. As of the Latest Practicable Date, our products were subject to Section 301 Tariffs of 50% imposed in 2018 and Section 301 Tariffs of 0% imposed in December 2025 which would be raised in June 23, 2027. On July 24, 2026, the USTR imposed an additional 12.5% tariff on products of China in connection with its forced labor investigations. However, our products are exempt from such additional 12.5% tariffs. Section 122 Tariffs of 10% have been invalidated by the U.S. Court of International Trade and lapsed on July 24, 2026. All IEEPA tariffs have been struck down.

Our revenue generated from direct exports to the U.S. were RMB4.7 million, RMB4.0 million, RMB5.9 million and RMB2.4 million, in 2023, 2024, 2025 and the three months ended March 31, 2026, representing 0.67%, 0.38%, 0.49% and 0.86% of our total revenue in respective year/period. As of the Latest Practicable Date, we do not have plans to expand our operations in the U.S. specifically. Our Directors, taking into accounts of the views of DLA Piper, are of the view that recent U.S. tariff measures have not had, and are not expected to have, a material impact on our business operations or financial position. During the Track Record Period, our revenue attributable to the United States was immaterial, and we did not rely on the U.S. market as a key revenue source. Accordingly, any incremental U.S. tariff measures are expected to have limited direct impact on our sales, margins or overall financial performance. Our products and business operations are not dependent on exports to, or imports from, the United States. Our procurement and manufacturing activities are primarily conducted outside the United States, and our key inputs are not materially subject to newly imposed U.S. tariffs beyond those already disclosed. However, our products may be incorporated into end-products imported into the United States, in which case any applicable tariffs are generally borne by the importer. Such tariffs may increase costs for customers, who may seek to pass such costs through the supply chain, which could in turn affect our business. Even where such costs are not passed on to us, the reduced competitiveness of such end-products in the U.S. market may result in lower demand and fewer orders placed with us. Further, U.S. trade policies remain subject to change, including potential expansion in the scope or coverage of tariff measures. As of the Latest Practicable Date, however, there is no specific indication that such developments would materially affect our operations or financial position, having regard to our limited U.S. exposure and existing business model.

The Export Administration Regulation (the "**EAR**") regulates U.S. export control, and the Bureau of Industry and Security (the "**BIS**") of the Department of Commerce administers the EAR. The U.S. export control regime regulates the export, transfer or disclosure of U.S. products, software, and technology to non-U.S. jurisdictions and non-U.S. persons based on the nature of the product or technology, as well as the destination, transferee, or end-use of a specific export or transfer. We have procured an EDA software during the Track Record Period for chipset design and development at an aggregate cost of USD1.3 million. We did not otherwise procure any U.S.- origin raw materials, components, software, IP cores or EDA tools. To the best of our knowledge, none of our suppliers procured any U.S.- origin raw materials, components, software, IP cores or EDA tools. Because it is subject to the EAR, our purchase and use of the EDA software must follow EAR requirements. As advised by DLA Piper, for the EDA software we procured that is subject to EAR, our procurement would not require a license or would be subject to a license exemption based on the classification provided by the supplier, because (i) it is nonsensitive or relatively less sensitive, (ii) China is not an embargo country as defined by the EAR or subject to comprehensive controls, and (iii) the Company is not a sanctioned target, and the end use is not restricted. As advised by DLA Piper, we can use the software without an export license, as long as we do not take action that violates the EAR. Notwithstanding the above, U.S. export control measures targeting the semiconductor industry have evolved and, in certain instances, restrictions on the supply of EDA software to China have been imposed and subsequently adjusted or rescinded within relatively short periods. Such developments may indicate a degree of regulatory uncertainty in relation to continued access to the U.S.-origin EDA software. As of the Latest Practicable Date and as advised by DLA Piper, our Directors are not aware of any planned regulatory changes affecting the Company's current access to EDA software. In the event that U.S. export control measures become more restrictive, our Directors are of the view that domestically available EDA software could be obtained and used to support our regular R&D activities in place of the U.S.-origin EAD software, without material affects on our R&D activities, product development timelines and costs.

We conduct compliance measures to fulfil our obligations under U.S. export control laws, including (i) designating specific personnel in our legal department to conduct all necessary compliance measures in our routine business; (ii) conducting routine screening against our counterparties and assessing the applicable restrictions for dealing with any counterparties; (iii) requiring our customers to sign export control compliance commitments; (iv) requesting our suppliers and contract manufacturers to complete due diligence questionnaires to confirm whether the items supplied to us and the items used in the manufacturing process for our products are subject to the EAR; (v) confirming applicable trade compliance obligations in the contracts with suppliers; (vi) engaging with our contracting manufacturers to ensure that information provided to us is accurate and up to date; and (vii) engaging our compliance and technical teams to review and assess the relevant export control classifications of our final products. We also regularly consult with our external U.S. export control counsel to monitor developments in law, regulation and best-practices for compliance. As advised by DLA Piper, based on its review of our relevant compliance manuals, our screening procedures and the measures described above, and taking into account our current supply chain, business model and customer base, our trade compliance program is reasonably adequate and effective in relation to export control risks.

Based on the above analysis, including (i) the minimal direct revenue exposure to the U.S.; (ii) the absence of any U.S.-origin raw materials, components, IP cores or EDA tools other than the EDA tools procured during the Track Record Period; and (iii) the relevant internal control and compliance measures implemented by the Company, our Directors are of the view that the actual and potential impact of the recent U.S. trade restrictions and tariffs on the Group's business operations and financial performance is not material. Taking into account the legal advice from the DLA Piper, the assessment of us and the due diligence the Sole Sponsor has performed, nothing has come to the Sole Sponsor's attention that would reasonably lead them to cast doubt on the view of our Directors.

## THE IMPACT OF U.S. OUTBOUND INVESTMENT RULE

On October 28, 2024, the U.S. Department of the Treasury ("**Treasury**") issued a final rule, codified in the United States Code of Federal Regulations at 31 C.F.R. part 850, to implement the Executive Order 14105 of August 9, 2023 (the "**Final Rule**"), which became effective on January 2, 2025. See "Regulatory Overview — U.S. Outbound Investment Rule."

As advised by DLA Piper, our Directors believe that we are likely to be deemed a Covered Foreign Person engaged in one of the "covered activities" (including (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems) as we design integrated circuits as described in the definition of "notifiable transactions" in 31 C.F.R. §850.217. We are not directly or indirectly engaged in any "covered activities" as described in the definition of "prohibited transactions" (each as defined in the Final Rule) as we do not design, fabricate or package any integrated circuit with performance parameters of the advanced integrated circuits covered by prohibited transactions as defined by the Final Rule. As advised by DLA Piper, U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as "Covered Transactions," and include certain acquisitions of an equity interest, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. U.S. persons engaged in a "Covered Transaction" that involves the acquisition of our equity interests (including the [**REDACTED**] of our H Shares in the [**REDACTED**]) may need to make a notification to Treasury pursuant to the Final Rule. Specifically, if U.S. persons engage in transactions involving the acquisition of non-publicly traded equity interests in the Company, U.S. persons may be required to make a notification to the Treasury under the Final Rule. While such requirements may give rise to additional compliance obligations for prospective U.S. investors, our Directors, having considered the views of DLA Piper, are of the view that such requirements are not expected, on their own, to materially deter participation in the [**REDACTED**], particularly to the extent that any investment would fall within the category of notifiable (rather than prohibited) transactions.

Based on the above, and that, as advised by DLA Piper, it is the responsibility of the U.S. person engaged in a "notifiable transaction" to make a notification to Treasury pursuant to the Final Rule, our Directors do not believe that the Final Rule is expected to have a material adverse impact on our business, results of operations, financial condition or the [**REDACTED**]. Taking into account the legal advice from the DLA Piper, the assessment of us and the due diligence the Sole Sponsor has performed, nothing has come to the Sole Sponsor's attention that would reasonably lead them to cast doubt on the view of our Directors.

However, there is no assurance that the Treasury will take the same view as ours. Future changes in the Final Rule, the America First Memo and any related policies, laws and regulations or their interpretations, or any similar or more expansive restrictions imposed by the U.S. or other jurisdictions, may result in additional costs on our business and/or limit our ability to raise capital or contingent equity capital from U.S. investors and other sources that may otherwise be beneficial to us, which could adversely affect our performance, financial condition and prospects, in which case the [**REDACTED**] of our H Shares may also be materially and adversely affected. See "Risk Factors — We are exposed to risks associated with U.S. Executive Order 14105 and its implementing regulations that prohibit and require notification by on U.S. persons for certain investments."

## LAND AND PROPERTIES

### Owned Properties

We own properties in Shanghai. We had obtained building ownership certificates of all such properties. As of the Latest Practicable Date, we held the title for each of these real estate properties. Our rights to use such construction land were lawful and valid, and there were no

disputes or potential disputes over the ownership over such land. The owned properties are not secured by any debt nor used as collateral for mortgages. The table below sets forth a summary of the properties we own as of the Latest Practicable Date.

| Location | Actual Usage | Area |
|---|---|---|
| | | *(sq.m.)* |
| Building 10, No. 1761 Zhangdong Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, China | Office, R&D | 4,734.37 |

As confirmed by our PRC Legal Advisors, our Company legally and validly owns the property, with no existing or potential ownership disputes.

**Leased Properties**

In addition, we held nine leased properties which are primarily used as offices and warehouses. As of the Latest Practicable Date, we had not received any claims from third parties asserting any rights or interests in respect of, or otherwise disputing, our rights and interests under such leased properties. As of the Latest Practicable Date, six lease agreements had not been registered, which required cooperation of the property owners. As advised by our PRC Legal Advisors, the failure to register such lease agreements for our leased properties will not in itself affect the validity or enforceability of the relevant lease agreements, nor will it restrict our right to continue using such leased properties or materially and adversely affect our operations. However, we may be subject to a fine of RMB1,000 to RMB10,000 for each unregistered lease if we fail to complete the registration within the prescribed time frame after receiving notice from the relevant competent authorities in mainland China. In consideration of (i) as advised by our PRC Legal Advisors, the absence of registration for certain lease agreements does not constitute a material or systemic non-compliance on our part, (ii) the maximum aggregate amount of potential administrative penalties was insignificant, and (iii) we were actively rectifying such noncompliance, our Directors are of the view, and the Sole Sponsor concurs, that the non-registration of certain property leases does not amount to material or systemic non-compliance.

As of March 31, 2026, none of the properties leased or owned by us had a carrying amount of 15% or more of our combined total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1) (b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

## LICENSES, PERMITS AND APPROVALS

We are subject to regular inspections, reviews and audits and are required to maintain or renew the permits, licenses, and certifications necessary for our operations. We renew all such material permits and licenses from time to time to comply in all material aspects with the relevant laws and regulations. The successful renewal of our existing licenses permits and approvals will be subject to our fulfillment of relevant requirements. We had not experienced any material difficulty in renewing such certificates, permits and licenses during the Track Record Period and up to the Latest Practicable Date and we do not expect any material difficulties in such renewals so long as we comply with the applicable requirements and conditions set by the relevant laws and regulations.

During the Track Record Period and up to the Latest Practicable Date, we had obtained all necessary licenses, approvals, and permits from the competent government departments and regulatory authorities that are material for our business operations in the jurisdictions where we operate and all such licenses, permits, approvals and certificates remain valid and in effect.

## INSURANCE

During the Track Record Period, we provided mandatory social insurance for our employees as required by PRC social insurance regulations, such as pension insurance, unemployment insurance, work injury insurance and medical insurance. During the Track Record Period, we made full contributions to social insurance and housing provident fund for all of our employees in compliance with applicable PRC laws and regulations, and there were no material outstanding as of the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we had not been the subject of any project liability claims. Our Directors consider our insurance policy as a whole is in line with the general market practice and complies with the relevant rules and regulation in China. We maintain these insurance policies on our facilities and have arranged open cover insurance for import and export cargo transportation and domestic cargo transportation. We also maintain property insurance for our operations. According to Frost & Sullivan, our current insurance coverage is consistent with industry practices. Based on the foregoing, our Directors believe that such coverage is adequate to meet our operational needs.

## AWARDS AND RECOGNITIONS

The following table sets forth certain awards we received and certain achievements we made in the past a few years:

| Year | Name of Award or Recognition | Awarding Entity |
|---|---|---|
| 2026 . . . . . | Shanghai Innovative Enterprise Headquarters (上海市創新型企業總部) | Office of the Shanghai Leading Group for Strategic Emerging Industries (上海市戰略性新興產業領導小組辦公室) |
| 2026 . . . . . | 2025 Shanghai Top 100 Specialized, Refined, Differential and Innovative (SRDI) Enterprises by Brand Value (2025上海專精特新企業品牌價值100強) | Shanghai Specialized, Refined, Differential and Innovative (SRDI) Enterprise Brand Value Evaluation Committee (上海專精特新企業品牌價值評價委員會) and Shanghai Institute of Corporate Culture and Brand (上海企業文化與品牌研究所) |
| 2026 . . . . . | 2026 Automotive Electronics Golden Chip Award – Innovative Application Award (2026汽車電子金芯獎–創新應用獎); 2026 Top 30 Domestic Automotive-Grade Chip New Products (2026國產車規芯片新品30強) | The 13th Automotive Electronic Innovation Conference 2026 (第十三屆汽車電子創新大會暨車規半導體技術與應用展) |
| 2025 . . . . . | Annual Semiconductor Listed Company Leadership Award (Automotive Memory) (IC風雲榜"年度半導體上市公司領航獎(車載存儲類)") | Semiconductor Investment Alliance (半導體投資聯盟) |

| Year | Name of Award or Recognition | Awarding Entity |
|---|---|---|
| 2025 . . . . . | 2025 STAR Market Top 50 (2025科創板價值50強) | China Media Group (中央廣播電視總台) and the Shanghai Municipal People' Government (上海市人民政府) |
| 2025 . . . . . | 2025 China Automotive Chip Innovation Achievement (2025中國汽車芯片創新成果) | China Association of Automobile Manufacturers (中國汽車工業協會) |
| 2025 . . . . . | 2025 Silver Medal for Corporate Social Responsibility (2025年度企業社會責任銀牌) | EcoVadis |
| 2024 . . . . . | Single Champion Products (2024年上海市製造業單項冠軍企業) | Shanghai Municipal Commission of Economy and Informatization (上海市經濟和信息化委員會) |
| 2024 . . . . . | 2024 China Automotive Chip Innovation Achievement (2024中國汽車芯片創新成果) | China Association of Automobile Manufacturers (中國汽車工業協會) |
| 2024 . . . . . | 2024 China IC Design Achievement Awards — Best RAM of 2024 (2024年中國IC設計成就獎之2024年度最佳存儲器) | Aspencore, EE Times China (EET電子工程專輯), EDN China (EDN電子技術設計), ESM China (ESM國際電子商情) |
| 2023 . . . . . | National Specialized and Innovative "Little Giant" Enterprise (國家級專精特新"小巨人"企業) | Ministry of Industry and Information Technology of the People's Republic of China (中華人民共和國工業和信息化部) |
| 2022 . . . . . | 2022 China Automotive Chip Innovation Competition: "Most Innovative Automotive Chip" (2022年中國汽車芯片創新大賽"最具創新性汽車芯片") | National New Energy Vehicle Technology Innovation Center (國家新能源汽車技術創新中心), China Automotive Chip Industry Innovation Strategic Alliance (中國汽車芯片產業創新戰略聯盟) |