

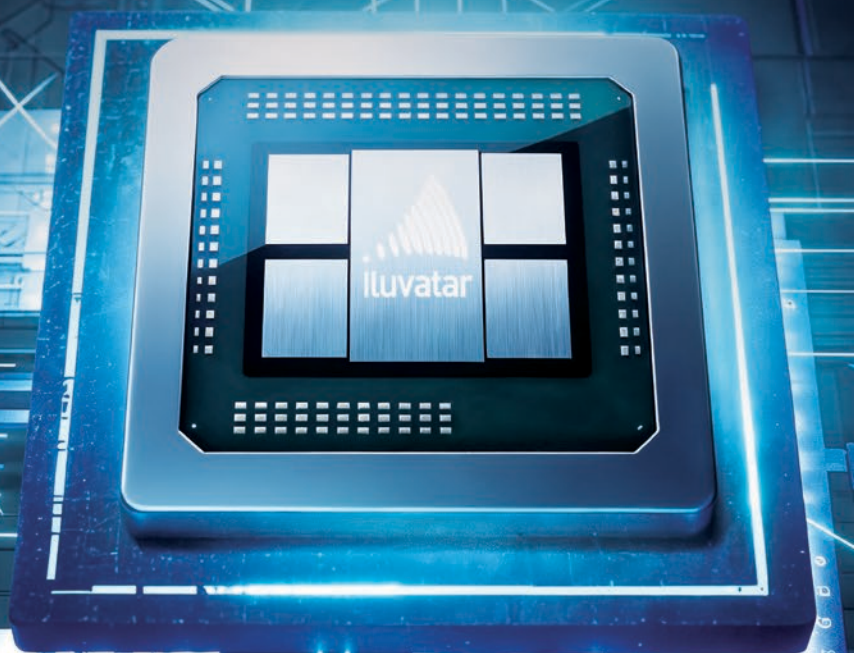


Shanghai Iluvatar CoreX Semiconductor Co., Ltd.  
上海天數智芯半導體股份有限公司

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

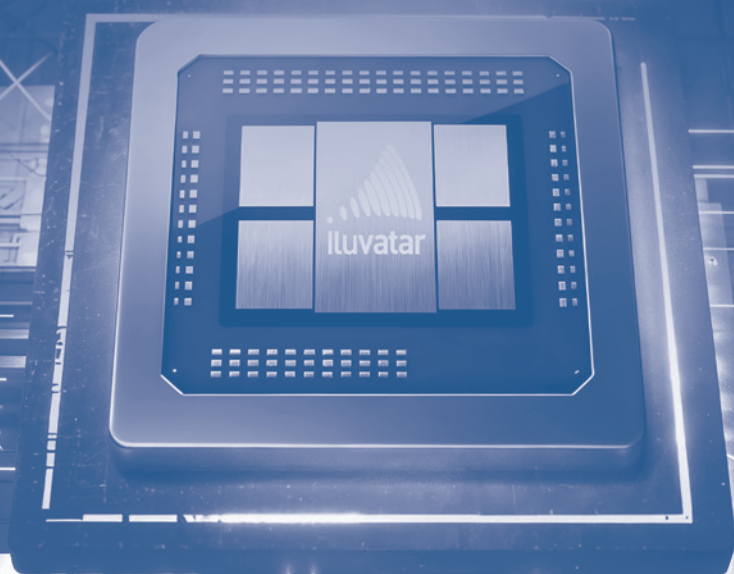
Stock Code : 9903

# A N N U A L R E P O R T 2 0 2 5



# CONTENTS

Corporate Information	2
Chairperson's Statement	4
Financial Highlights	6
Management Discussion and Analysis	7
Directors and Senior Management	21
Directors' Report	29
Corporate Governance Report	49
Environmental, Social and Governance Report	75
Independent Auditor's Report	99
Consolidated Statement of Profit or Loss and Other Comprehensive Income	104
Consolidated Statement of Financial Position	105
Consolidated Statement of Changes in Equity	107
Consolidated Statement of Cash Flows	109
Notes to the Financial Statements	111
Definitions	181



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Gai Lujiang (蓋魯江)  
*(Chairperson of the Board and Chief Executive Officer)*

Mr. Sun Yile (孫怡樂)

Mr. Liu Zheng (劉崢)

Mr. Yang Lei (楊磊) *(Employee Representative Director)*

### Non-executive Director

Mr. Wang Chen (王晨)

### Independent Non-executive Directors

Dr. Teng Yong (滕勇)

Mr. Ren Jintao (任今濤)

Dr. Wang Yan (王燕)

## AUDIT COMMITTEE

Mr. Ren Jintao (任今濤) *(Chairperson)*

Dr. Teng Yong (滕勇)

Dr. Wang Yan (王燕)

## REMUNERATION COMMITTEE

Dr. Wang Yan (王燕) *(Chairperson)*

Mr. Gai Lujiang (蓋魯江)

Mr. Ren Jintao (任今濤)

## NOMINATION COMMITTEE

Dr. Teng Yong (滕勇) *(Chairperson)*

Mr. Gai Lujiang (蓋魯江)

Dr. Wang Yan (王燕)

## JOINT COMPANY SECRETARIES

Mr. Yang Lei (楊磊)

Ms. Zhang Xiao (張瀟)

## AUTHORIZED REPRESENTATIVES

Mr. Yang Lei (楊磊)

Ms. Zhang Xiao (張瀟)

## PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 101, Building 3  
No. 2168 Chenhang Road  
Minhang District  
Shanghai, PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai, Hong Kong

## HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai, Hong Kong

## COMPLIANCE ADVISER

Maxa Capital Limited  
Unit 2602, 26/F  
Golden Centre  
188 Des Voeux Road Central  
Sheung Wan, Hong Kong

## AUDITOR

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
27/F, One Taikoo Place,  
979 King's Road Quarry Bay,  
Hong Kong

## HONG KONG LEGAL ADVISER

Kirkland & Ellis  
26th Floor, Gloucester Tower  
The Landmark  
15 Queen's Road Central  
Central, Hong Kong

### **COMPANY WEBSITE**

www.iluvatar.com

### **STOCK CODE**

09903

### **LISTING DATE**

January 8, 2026

### **PRINCIPAL BANKS**

Bank of Communications Co., Ltd.  
Shanghai Pujiang  
High Tech Park Branch  
No. 2388 Chenhang Road  
Minhang District  
Shanghai, China

Industrial Bank Co., Ltd.  
Shanghai Putuo Branch  
No. 301 Nanzheng Road  
Putuo District  
Shanghai, China

China Merchants Bank Co., Ltd.  
Shanghai Zhangyang Branch  
No. 810 Zhangyang Road  
Pudong New District  
Shanghai, China

# CHAIRPERSON'S STATEMENT

## Dear Shareholders and friends from all communities,

The past year has been a pivotal one marked by the accelerated adoption of AI technology and the profound restructuring of the global industrial landscape. Thanks to the long-standing trust and support of our shareholders, the Company has achieved steady progress in its business development, with key operating indicators continuing to improve and positive advancements in both product R&D and market expansion. We would like to take this opportunity to express our sincere gratitude to our shareholders, partners, and all sectors of the society.

If AI is the most significant technological variable of our time, then chips are the core infrastructure underpinning its continuous evolution. Computing power fundamentally determines the boundaries and pace of intelligent technology. In the field of general-purpose computing acceleration, GPGPUs have become indispensable components in AI training, inference, and application scenarios due to their high architectural versatility and broad ecosystem compatibility. We recognized this from the very beginning of our inception and have built our entire R&D strategy and product roadmap around this principle.

We are witnessing a historic process in which AI is reshaping every industry — but this process is far from over; in fact, we are still in the early stages of its true unfolding. From industrial manufacturing to healthcare, from financial services to urban governance, the depth and breadth of the intelligent transformation still hold vast untapped potential. Achieving this goal requires deep collaboration and joint investment across the entire industry chain, including chips, hardware, foundational software, model frameworks, and industry applications. We look forward to working hand in hand with our ecosystem partners to drive the continuous improvement and maturation of the infrastructure for an intelligent society.

In building our core capabilities, we have always adhered to a fundamental principle: using our customers' real-world needs as the standard, rather than targeting peak performance in demonstration scenarios. During the Reporting Period, the Company maintained high standards in product R&D investment, the depth of customer service, and the quality of engineering delivery, earning widespread recognition from our partners. We are committed to providing customers with high-quality computing power that is efficient, predictable, and sustainable — this means our products must not only deliver competitive computing performance but also withstand rigorous engineering tests in terms of system stability, software usability, and long-term maintainability. We position ourselves as enablers of the intelligent society, and this is the responsibility we continuously undertake for our customers.

As we enter the new year, we will continue to increase investment in independent R&D, advance the development and mass production of next-generation high-quality computing products, and further enhance our products' comprehensive competitiveness in terms of performance, usability, reliability, and commercial value. At the same time, we will treat ecosystem development as an equally important strategic priority, continuously improving our software toolchain and developer support system. By collaborating with more partners to expand application scenarios, we aim to truly integrate our proprietary computing power into the production practices of various industries, forming a complete value loop from chips to applications.

Chips manufacturing is an industry characterized by long development cycles. From architectural design to ecosystem maturity, every step requires sustained investment of significant time and resources — there are no shortcuts. Since our inception, we have consistently prioritized R&D accumulation and deep customer engagement, advancing the iteration and delivery of each product generation at a steady pace. We believe that in this industry, true competitive advantage stems from the trust built through consistently delivering high-quality products, reliable delivery, and exceptional customer support. This is a path that requires long-term commitment and it is the only path worth pursuing.

Looking ahead, we are confident in the prospects of the intelligent era and in the role our Company can play. We will continue to focus intently on deepening our technological expertise and refining our market strategies, working with partners across the industry to explore the vast possibilities of the intelligent society.

Once again, we extend our sincere gratitude to our shareholders and friends from all communities for your continued attention, trust, and support.

# FINANCIAL HIGHLIGHTS

A summary of the consolidated results and the consolidated assets, liabilities and equity of the Group for the last four financial years, as extracted from or calculated based on the audited financial statements is set out below:

## Consolidated statement of profit or loss and consolidated statement of comprehensive income

	For the year ended 31 December			
	2022	2023	2024	2025
	RMB'000 (except percentages)			
Revenue	189,369	289,041	539,511	<b>1,033,606</b>
Gross profit	112,412	143,151	265,084	<b>557,993</b>
Loss for the year	(553,618)	(817,424)	(892,433)	<b>(1,003,656)</b>
<b>Attributable to:</b>				
Owners of the parent	(523,839)	(791,307)	(892,433)	<b>(1,003,656)</b>
Non-controlling interests	(29,779)	(26,117)	—	<b>—</b>
<b>Non-HKFRS Measure</b>				
Adjusted net loss	(432,776)	(609,665)	(644,668)	<b>(437,703)</b>

## Consolidated statement of financial position

	As at 31 December			
	2022	2023	2024	2025
	RMB'000 (except percentages)			
Total assets	1,046,680	1,592,979	1,685,175	<b>3,911,992</b>
Total liabilities	426,999	714,641	996,506	<b>1,558,896</b>
Total equity	619,681	878,338	688,669	<b>2,353,096</b>
Net current assets	468,386	600,673	382,392	<b>2,319,612</b>
Net assets	619,681	878,338	688,669	<b>2,353,096</b>

*Note:* The Company was listed on the Main Board of the Stock Exchange on January 8, 2026. The Company published financial information since 2022 in the Prospectus, and therefore the above table sets out the financial highlights for the four accounting years since 2022.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### Business Review for the Reporting Period

In 2025, as a leading provider of GPGPU products and AI computing solutions in China, we adhered to our principle of independent development and maintained an R&D cadence of “one generation in mass production, one in design and one in pre-research,” while consistently implementing our core philosophy of hardware-software co-design. We continued to iterate and upgrade our products, with a view to providing customers with high-quality computing power. As the AI industry transitions from technological breakthroughs to large-scale commercialization, demand for AI computing power has evolved from a focus on standalone hardware parameters to competition across full-stack capabilities encompassing hardware, software and services. Against this backdrop, we achieved substantial progress in product iteration, technological innovation, commercialization and ecosystem development, further consolidating our position in China’s GPGPU and AI computing solutions market.

In 2025, we recorded revenue of RMB1,033.6 million, representing a year-on-year increase of 91.6%, and gross profit of RMB558.0 million, representing a year-on-year increase of 110.5%. At the same time, we steadily enhanced our R&D and operational efficiency. Our adjusted net loss for the year was RMB437.7 million, narrowing by 32.1% year-on-year.

As of December 31, 2025, we had also served over 340 customers across various industries, and our products and solutions had been deployed and applied in over 1,000 projects across key sectors, including financial services, healthcare and transportation.

During the Reporting Period, our business and our customer base continued to grow. The number of projects deployed for customers from key industries, including internet, large AI models, scientific research, finance, healthcare, education and transportation, continued to increase. Looking ahead, we will continue to integrate global resources to accelerate technological iteration, translating our technological breakthroughs into computing power accessible to a broad range of industries.

## Products and Solutions

### GPGPU Products

During the Reporting Period, we continued to iterate and upgrade our TG and ZK series products. In 2025, the revenue generated from GPGPU products amounted to RMB922.6 million, representing a year-on-year increase of 149.6%, and accounted for 89.3% of our total revenue for the same year.

#### *TG series*

The TG series, as our flagship product line focused on training, is designed specifically to meet the demands of AI model training. It features optimized performance computing cores, memory configurations and enhanced architectural design to support multi-GPU cluster systems, delivering outstanding performance for large-scale model training workloads. During the Reporting Period, the TG series generated revenue of RMB583.7 million, representing a year-on-year increase of 116.7%.

The R&D of the next-generation TG series advanced in line with our planned schedule. Future products are intended to further enhance performance, particularly for large-scale AI training applications.

### *ZK series*

The ZK series is our product line designed specifically for cloud and edge inference applications. It incorporates features critical to high-efficiency inference, including enhanced integer computing units and optimized data channels. During the Reporting Period, the ZK series generated revenue of RMB338.9 million, representing a year-on-year increase of 238.2%. The ZK series has been applied across industries including financial services, commercial retail, healthcare and transportation.

We continued to advance the development of the next-generation ZK series products during the Reporting Period, with targeted optimizations for emerging and latest large language models. Through coordinated hardware and software design, we are enhancing the architecture to address current computational efficiency challenges associated with large language models. The new generation will expand support for lower-precision data types and mixed-precision computing, in line with the industry trend toward reduced precision. Together with improvements in computing capacity and bandwidth, and in collaboration with our ecosystem partners, these enhancements are intended to deliver robust performance and cost efficiency.

During the Reporting Period, we also launched a new generation of software development platform that provided native compatibility with mainstream GPU programming models in the industry, delivering full-stack software support for unleashing the computing capabilities of our proprietary GPGPU and enabling their scaled commercial deployment. Following extensive optimization, the platform improved code migration efficiency by more than 80%, supporting smooth operator migration within minutes, and the resulting compiled code delivered industry-leading performance.

At the same time, we established a comprehensive proprietary core acceleration library system covering full-scenario applications, with performance generally improving by more than 20% compared with the previous version. The platform is deeply adapted to advanced large-model application scenarios, significantly enhancing chip execution efficiency, lowering barriers for customer adoption, and strengthening the platform's engineering deployment capabilities. Our software ecosystem has now entered a new stage characterized by deep performance optimization and full-scenario adaptation.

We achieved deep adaptation for dozens of mainstream open-source and commercial large models both domestically and internationally. Leveraging our fully self-developed software stack, we possessed forward-looking adaptation capabilities that enable native Day-0 support for new model architectures and newly released operators, allowing seamless alignment with the rapid iteration cycle of large-model technologies. We have also introduced a dedicated large-model acceleration toolkit incorporating lossless quantization technology. While fully preserving model accuracy, the toolkit significantly enhanced end-to-end performance, improving long-text processing efficiency by more than 50%, increasing system computing utilization by more than 60%, and reducing cluster communication overhead by more than 30%. These capabilities enabled comprehensive support for emerging large-model paradigms while significantly lowering deployment costs. The related technologies have successfully supported production-level cluster deployments for leading large-model developers, with Model FLOPs Utilization ("**MFU**") reaching industry-leading levels.

During the Reporting Period, we achieved significant progress in commercialization efforts across key industries. Large-model applications entered a stage of scaled deployment, with typical AI-generated content ("**AIGC**") use cases such as AI intelligent assistants and text-to-image generation achieving commercial implementation, while core scenarios including multimodal inference and visual recognition completed technical validation for practical deployment.

### AI Computing Solutions

Leveraging our proprietary TG and ZK series, we provided customers with full-stack solutions ranging from single servers to AI computing clusters. We generated revenue of RMB96.1 million, representing 9.3% of our total revenue during the same period. As AI computing solutions are highly customized and project-based in nature, revenue from this business is more susceptible to fluctuations in project delivery cycles and the supply cycles of related equipment. As a result, revenue from this segment decreased by 42.2% year-on-year.

We focused on addressing practical industry challenges through our software capabilities and have achieved deep adaptation and deployment across key industries, including internet, energy, finance and healthcare. We completed rapid migration and optimization of open-source specialized computing libraries for fields such as medical imaging, molecular dynamics and meteorological forecasting, contributing enhancements back to the open-source community. In collaboration with leading enterprises in the genomics industry, we built fully autonomous and controllable core business systems across the full technology stack. We also partnered with top-tier universities to address technical gaps in specialized operators for domestically developed GPGPU platforms, and worked with leading Grade A tertiary hospitals to promote the clinical deployment of AI-assisted medical diagnosis.

We have also developed a proprietary full-stack GPGPU cluster management and computing scheduling system, addressing key challenges in large-scale parallel training. Our self-developed communication library improved cross-node communication efficiency by 30%, enabling stable operation of clusters comprising up to 10,000 GPUs. Our proprietary simulation library provided accurate theoretical support for cluster deployment and optimization.

### BUSINESS OUTLOOK

At present, the AI industry is entering a phase of scaled commercialization. The development of large models is no longer confined to the simple expansion of parameter size, but has transitioned into a new stage driven by efficiency. Balancing model capability with a substantial reduction in training and inference costs has become the central focus of industry competition. This shift has imposed new requirements on computing infrastructure.

From a technological architecture perspective, computing chip design must refocus on the fundamentals of computation and deliver high-quality computing power. Hardware-level optimizations targeting characteristics such as Attention Mechanisms and mixture of experts (“**MoE**”) sparse activation have become essential. At the same time, heterogeneous integration is required to achieve a balance among computing capability, bandwidth and cost. Cluster interconnection technologies have also become a key competitive factor, as the ability to establish low-latency, high-bandwidth interconnection solutions directly affects the effective utilization of clusters comprising tens of thousands of GPUs.

From an application perspective, the layered deployment of AI computing has become increasingly evident. On the one hand, leading internet enterprises and AI companies continue to build large-scale training clusters, maintaining strong demand for complex computing training chips. On the other hand, as AI applications penetrate a broad range of industries, diversified scenarios across cloud-based inference, edge inference and on-device inference are taking shape. Large-model internet applications have entered a stage of scaled commercialization, and typical use cases such as AI intelligent assistants, text-to-image generation and AIGC are highly sensitive to inference throughput, latency and cost. Meanwhile, application scenarios such as industrial inspection, smart retail and embodied intelligence impose stringent requirements on power consumption, real-time responsiveness and reliability at the device level. As a result, a single chip model can no longer address the full spectrum of application needs. Companies that possess a comprehensive product matrix and are capable of delivering full-stack computing solutions from cloud to edge will be better positioned to capture market opportunities.

From a commercial ecosystem perspective, as the progress of self-sufficiency in key technologies continues to deepen, customers are focusing not only on peak chip performance, but also on effective computing power in real business scenarios, migration costs, development experience and ecosystem compatibility. Market positioning depends on the ability to achieve deep optimization and timely adaptation for mainstream AI frameworks and inference engines, to provide a comprehensive toolchain and developer support, and to build an open ecosystem in collaboration with upstream and downstream industry participants. We believe that only enterprises with profound technological capabilities, a comprehensive product matrix and an open ecosystem will be able to sustain industry leadership.

Building on the achievements made during the Reporting Period and our in-depth assessment of industry trends, we will continue to execute our established development strategy and focus on the following key priorities:

- **Advancing Product Iteration to Build a Comprehensive Computing Matrix:** We will continue to adhere to an independent development approach and advance architectural iteration and performance enhancement across our two core product lines, the TG series and the ZK series. In the training domain, the next-generation TG series will continue to be developed in accordance with our development plan, with optimizations in computational density, memory bandwidth and cluster scalability tailored for large-scale training scenarios. In the inference domain, the next-generation ZK series products are under continuous and active development, targeting diversified inference scenarios from edge to cloud, with a focus on cost-performance efficiency, latency and throughput. We will continue to invest in the deep optimization of our proprietary instruction set architecture, computing cores, on-chip interconnect and software stack, ensuring that each generation of products maintains industry-leading effective performance under AI workloads.

- **Strengthening Our Software Ecosystem and Building a Full-Stack Platform Trusted by Developers:** A robust software ecosystem serves as a bridge connecting GPGPU technologies with application scenarios and is critical to unlocking hardware value and establishing core commercialization barriers. As our business scale continues to expand and the number of customers and applications steadily increases, we have continued to invest in core technologies such as prefill decode disaggregation for large model inference, MoE large model training, mixed-precision data quantization and domain-specific language (“**DSL**”) programming languages, enabling customers to maximize the utilization of hardware computing power in real-world scenarios. At the software development kit (“**SDK**”) level, focusing on three key priorities, namely hardware efficiency, deployment stability and ecosystem compatibility, and with the objective of further reducing customers’ migration and adaptation costs as well as lowering barriers to computing power utilization, our AI computing software stack has maintained a rapid iteration cycle and has gained recognition from customers and partners. We will further deepen our collaboration with upstream and downstream partners, including CPU manufacturers, server original equipment manufacturers (“**OEMs**”), industry independent software vendors (“**ISVs**”) and cloud service providers, to jointly build an open, mutually beneficial and innovation-driven computing ecosystem.

In developer relations and software ecosystem development, building on the solid foundation of the DeepSpark open-source community, which has already adapted more than 610 mainstream algorithm models, we will continue to increase investment in the all-round development of its open-source ecosystem and developer framework going forward. First, we will continue to deepen engagement with the DeepSpark open-source community, further expanding the coverage of our model repository and industry application scenarios, while maintaining deep compatibility and timely adaptation with mainstream global AI frameworks and inference engines. Second, we will further develop a comprehensive developer community ecosystem, establishing a full-cycle support system spanning technical training, development support and open-source co-creation, thereby lowering barriers for developers and continuously expanding the influence of the open-source ecosystem. Third, we will actively contribute upstream to globally influential open-source projects in the fields of AI and complex computing, strengthening native integration with the global open-source ecosystem at the underlying code level, further reinforcing the technological foundation for cross-platform adaptation, and enhancing our forward-looking capability to provide native Day-0 support for new model architectures and newly released operators.

- **Deepening Presence in Key Industries to Promote Scaled AI Deployment:** We will continue to deepen cooperation with leading internet enterprises, AI model companies, research institutions and benchmark industry customers, promoting scaled applications of our GPGPU products and AI computing solutions across more critical scenarios. Building on our deployment experience in industries including internet, large AI models, scientific research, finance, healthcare, education and transportation during the Reporting Period, we will further expand into additional verticals such as intelligent driving, industrial manufacturing, broad intelligent terminal applications and smart agriculture. By integrating industry-specific expertise to develop scenario-based solutions, we aim to help customers achieve deep integration between AI technologies and actual business operations. At the same time, we will continue to explore computing demand in frontier fields such as scientific intelligence, biomedical R&D and spatial computing, and collaborate with industry partners to jointly explore new growth opportunities.

We firmly believe that the value of computing power lies not in the accumulation of technical parameters, but in effectively resolving customer challenges and creating tangible business value. As a leading provider of GPGPU products and AI computing solutions in China, we will continue to drive high-quality computing characterized by efficiency, predictability and sustainability through ongoing technological innovation, open ecosystem collaboration and pragmatic customer service. Together with our partners, we aim to promote industrial prosperity in the era of AI and empower an intelligent society.

- **Deepening Edge AI Development to Expand the Intelligent Frontier of the Physical World:** We leveraged our existing GPGPU technological foundation to introduce the TY series (彤央系列) of edge computing products for applications such as robotics and intelligent terminals. This product series extends the multi-computing integration and high-concurrency inference capabilities of cloud-based architecture to the edge application scenarios, integrating CPU and GPU computing resources with various high-speed interfaces. Core indicators in computing capability, latency and bandwidth have reached internationally mainstream standards. Building on the positive initial deployment of the TY series and our accumulated expertise in general-purpose GPU technologies, we will further deepen our edge computing presence in robotics and intelligent terminal applications. As embodied intelligence, autonomous driving and industrial internet applications continue to mature, demand for edge intelligent computing is expected to expand rapidly. By further extending mature cloud-based heterogeneous computing and high-concurrency inference capabilities to the edge, we aim to provide intelligent terminals with high-efficiency, low-power and highly reliable computing support, enabling the scaled development of emerging scenarios such as embodied intelligence, industrial inspection and smart retail.
- **Strengthening Talent Pipeline and Building a Learning Organization for Continuous Innovation:** We firmly believe that talent is the foremost resource for building core technological barriers and driving long-term business growth. Our professional R&D team consisted of more than 530 employees, with more than one-third of our R&D team members having over ten years of industry experience, and over 70% of our R&D personnel held a master's degree or above. Our team included experts in architecture, GPGPU IP and chip design, foundational software, AI algorithms, and hardware-software co-designed product development. Our core R&D personnel brought valuable experience from leading international semiconductor companies, and our principal leaders each with more than 20 years of industry experience. We adhere to a long-term approach to talent development and regard organizational capability building as a core priority in responding to a rapidly evolving market.

We have long been committed to strengthening our talent pipeline, reinforcing our core R&D foundation, refining execution-oriented mechanism for attracting, developing, utilizing and retaining talent, and building a team of versatile technical leaders. We are also dedicated to fostering an agile and efficient learning organization, maintaining sharp insight into cutting-edge technological innovation and human-centered care, strengthening both mission-driven leadership and employee well-being, and supporting our high-quality development through outstanding talent and organizational capabilities.

Looking ahead, we firmly believe that this resilient and dynamic talent and organizational development system will continue to generate powerful cohesion, attracting top industry talent, breaking through challenges with tenacity, and creating long-term, sustainable commercial and social value.

## FINANCIAL REVIEW

### YEAR ENDED DECEMBER 31, 2025 COMPARED TO YEAR ENDED DECEMBER 31, 2024

The following table sets forth the comparative figures for the years ended December 31, 2025 and 2024:

	For the year ended December 31,			
	2025		2024	
	RMB'000	% of revenue	RMB'000	% of revenue
<b>Revenue</b>	<b>1,033,606</b>	<b>100.0</b>	539,511	100.0
Cost of sales	(475,613)	(46.0)	(274,427)	(50.9)
<b>Gross profit</b>	<b>557,993</b>	<b>54.0</b>	265,084	49.1
Other income and gains	97,026	9.4	44,985	8.3
Selling and distribution expenses	(151,550)	(14.7)	(122,358)	(22.7)
Administrative expenses	(481,822)	(46.6)	(257,287)	(47.7)
Research and development costs	(974,155)	(94.2)	(772,779)	(143.2)
Impairment losses on financial assets	(14,037)	(1.4)	(31,855)	(5.9)
Other expenses	(16,514)	(1.6)	(840)	(0.2)
Finance costs	(20,597)	(2.0)	(17,383)	(3.2)
<b>Loss before tax</b>	<b>(1,003,656)</b>	<b>(97.1)</b>	(892,433)	(165.4)
Income tax expense	—	—	—	—
<b>Loss for the year</b>	<b>(1,003,656)</b>	<b>(97.1)</b>	(892,433)	(165.4)
<b>Non-HKFRS Measure</b>				
Loss for the year	(1,003,656)	(97.1)	(892,433)	(165.4)
Add:				
Share-based payment expenses	526,090	50.9	247,765	45.9
Listing expense	39,863	3.9	—	—
<b>Adjusted net loss (non-HKFRS measure)</b>	<b>(437,703)</b>	<b>(42.3)</b>	(644,668)	(119.5)

## Revenue

Our revenue increased by 91.6% from RMB539.5 million in 2024 to RMB1,033.6 million in 2025. The following table sets forth our revenue breakdown by product and service type for the years indicated.

	For the year ended December 31,			
	2025		2024	
	RMB'000	% of revenue	RMB'000	% of revenue
GPGPU products	<b>922,642</b>	<b>89.3</b>	369,635	68.5
— Training series	<b>583,714</b>	<b>56.5</b>	269,414	49.9
— Inference series	<b>338,928</b>	<b>32.8</b>	100,221	18.6
AI computing solutions	<b>96,066</b>	<b>9.3</b>	166,213	30.8
Others <sup>(1)</sup>	<b>14,898</b>	<b>1.4</b>	3,663	0.7
<b>Total</b>	<b>1,033,606</b>	<b>100.0</b>	539,511	100.0

(1) Primarily including technical service income and software license income.

Our revenue from GPGPU products increased significantly from RMB369.6 million in 2024 to RMB922.6 million in 2025, primarily due to the increase in the shipment volume of our GPGPU products, which increased by 168.5% in 2025, as compared to 2024. Such increase was primarily attributable to (i) the strong competitiveness and optimized performance of our products; and (ii) our ongoing efforts in market development and strategic emphasis on acquiring and scaling relationships with key customers.

Our revenue from the TG series increased significantly from RMB269.4 million in 2024 to RMB583.7 million in 2025, primarily due to the increase in shipment volume of our training series products which increased by 131.5% in 2025, as compared to 2024, as a result of (i) the increase in customer demand of our products, especially TG Gen 2, for its enhanced performance; (ii) our enhanced sales efforts for our training series; and (iii) our accelerated sales of TG Gen 1 inventories.

Our revenue from the ZK series increased significantly from RMB100.2 million in 2024 to RMB338.9 million in 2025, primarily due to the increase in shipment volume of our inference series products, which increased by 194.8% in 2025, as compared to 2024, as a result of (i) the increase in market demand for inference products; and (ii) our enhanced sales efforts for our inference series.

Our revenue from AI computing solutions decreased by 42.2% from RMB166.2 million in 2024 to RMB96.1 million in 2025, primarily due to our strategic prioritization of the expansion of our GPGPU business, which resulted in relatively limited resources allocated to AI computing solutions, and the project-based and highly customized nature of such business, which is more susceptible to fluctuations in project delivery schedules and related equipment supply cycles.

## Cost of Sales

Our cost of sales increased by 73.3% from RMB274.4 million in 2024 to RMB475.6 million in 2025, in line with our business and revenue growth.

### Gross Profit and Gross Profit Margin

Our gross profit increased by 110.5% from RMB265.1 million in 2024 to RMB558.0 million in 2025. Our gross profit margin increased from 49.1% in 2024 to 54.0% in 2025. The following table sets forth our gross profit and gross profit margin by product and service type for the years indicated.

	For the year ended December 31,			
	2025		2024	
	Gross Profit (RMB'000)	Gross Profit Margin (%)	Gross Profit (RMB'000)	Gross Profit Margin (%)
GPGPU products	<b>507,661</b>	<b>55.0</b>	209,056	56.6
— Training series	<b>374,849</b>	<b>64.2</b>	162,288	60.2
— Inference series	<b>132,813</b>	<b>39.2</b>	46,769	46.7
AI computing solutions	<b>39,910</b>	<b>41.5</b>	52,699	31.7
Others	<b>10,422</b>	<b>70.0</b>	3,329	90.9
<b>Total</b>	<b>557,993</b>	<b>54.0</b>	265,084	49.1

Our gross profit margin for GPGPU products decreased from 56.6% in 2024 to 55.0% in 2025, primarily due to the increase in revenue contribution from our inference series products, which typically had a lower profit margin. The gross profit margin for our training series products increased from 60.2% in 2024 to 64.2% in 2025, primarily due to higher pricing driven by increasing customer demand for our products. The gross profit margin for our inference series products decreased from 46.7% in 2024 to 39.2% in 2025, primarily due to our lower sales price of our inference series products to capture a larger market share and to accelerate inventory sales.

Our gross profit margin for AI computing solutions increased from 31.7% in 2024 to 41.5% in 2025, primarily due to a decrease in the proportion of third-party procured components used in our solutions, as a result of customer demand favoring configurations that require less reliance on externally sourced components.

### Other Income and Gains

Our other income and gains increased significantly from RMB45.0 million in 2024 to RMB97.0 million in 2025, primarily due to (i) an increase of RMB31.9 million in government grants, driven by the increase in our R&D activities; and (ii) an increase of RMB18.7 million in interest income, as a result of the increase in our bank deposits.

### Selling and Distribution Expenses

Our selling and distribution expenses increased by 23.9% from RMB122.4 million in 2024 to RMB151.6 million in 2025, primarily due to an increase of RMB24.9 million in staff costs, as a result of the increase in the average compensation and share-based compensation to our sales team.

### Administrative Expenses

Our administrative expenses increased by 87.3% from RMB257.3 million in 2024 to RMB481.8 million in 2025, primarily due to (i) an increase of RMB178.8 million in staff costs, as a result of the increase in share-based payments to our administrative personnel; and (ii) an increase of RMB46.8 million in professional service fees, incurred primarily in relation to our Global Offering.

### Research and Development Costs

Our research and development costs increased by 26.1% from RMB772.8 million in 2024 to RMB974.2 million in 2025, primarily due to (i) an increase of RMB175.6 million in staff costs, as a result of the increase in share-based payments to our R&D personnel and the increase in the headcount of our R&D team; (ii) an increase of RMB16.5 million in depreciation and amortization, as a result of the increases in the software, equipment and IP used in our R&D activities; and (iii) an increase of RMB10.5 million in technical service fees, material consumption and take-out expenses, as a result of the increase in the number of R&D projects under development.

### Impairment Losses on Financial Assets

The impairment losses on financial assets decreased by 55.9% from RMB31.9 million in 2024 to RMB14.0 million in 2025, primarily due to the reversal of impairment losses in relation to certain prepayments, other receivables and other assets.

### Other Expenses

Our other expenses increased significantly from RMB0.8 million in 2024 to RMB16.5 million in 2025, primarily due to foreign exchange losses, in relation to certain investment proceeds denominated in U.S. dollars.

### Finance Costs

Our finance costs increased by 18.5% from RMB17.4 million in 2024 to RMB20.6 million in 2025, primarily due to interest from bank borrowings, as a result of the additions of our bank borrowings.

### Income Tax Expenses

We did not incur income tax expenses during the Reporting Period, primarily due to our loss before tax.

### Loss for the Year

As a result of the foregoing, our loss for the year increased by 12.5% from RMB892.4 million in 2024 to RMB1,003.7 million in 2025.

### Share-based Payment Expenses

Our share-based payment expenses increased significantly from RMB247.8 million in 2024 to RMB526.1 million in 2025, primarily due to the increase in share-based payments for our employees to further incentivize and motivate key employees.

### Listing Expense

Our listing expense increased from nil in 2024 to RMB39.9 million in 2025, primarily in relation to our Global Offering.

### Adjusted Net Loss (Non-HKFRS Measure)

Our adjusted net loss (non-HKFRS measure) decreased by 32.1% from RMB644.7 million in 2024 to RMB437.7 million in 2025, primarily due to the increase in our gross profit.

## NON-HKFRS MEASURE

To supplement our consolidated statement of profit or loss which is presented in accordance with HKFRS Accounting Standards, we use adjusted net loss as a non-HKFRS measure, which is not required by, or presented in accordance with HKFRS Accounting Standards. We define adjusted net loss as loss for the periods adjusted by adding back (i) share-based payment expenses, which are non-cash in nature, and (ii) listing expense, which relate to our Hong Kong initial public offering (“IPO”) and Global Offering.

We believe that the non-HKFRS financial measure helps identify underlying trends in our business and enhances the overall understanding of the Company's past performance and future prospects. We also believe that the non-HKFRS financial measure allows for greater visibility with respect to key metrics used by the Company's management in its financial and operational decision-making. The non-HKFRS financial measure is not presented in accordance with HKFRS Accounting Standards and may be different from non-HKFRS methods of accounting and reporting used by other companies. The non-HKFRS financial measure has limitations as analytical tool and when assessing the Company's operating performance, investors should not consider them in isolation, or as a substitute for net loss or other consolidated statement of comprehensive loss data prepared in accordance with HKFRS Accounting Standards. We encourage investors and others to review the Company's financial information in its entirety and not rely on a single financial measure.

### LIQUIDITY AND SOURCE OF FUNDING

In 2025, we funded our cash requirements principally through sales of our products and solutions, capital contributions from our Shareholders and bank borrowings. Our cash and cash equivalents increased significantly from RMB313.6 million as of December 31, 2024 to RMB1,504.7 million as of December 31, 2025.

The Group monitors its exposure to liquidity risk by regularly monitoring short-term and long-term liquidity requirements, as well as compliance with borrowing agreements to ensure that adequate cash reserves and readily realisable liquidity are maintained. The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure.

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

	For the year ended December 31,	
	2025 RMB'000	2024 RMB'000
Net cash used in operating activities	(1,161,581)	(617,980)
Net cash used in investing activities	(132,252)	(165,979)
Net cash generated from financing activities	2,490,885	789,469
Net increase in cash and cash equivalents	1,197,052	5,510
Cash and cash equivalents at the beginning of the year	313,563	308,053
Effects of exchange rate changes on cash and cash equivalents	(5,914)	—
<b>Cash and cash equivalents at the end of the year</b>	<b>1,504,701</b>	<b>313,563</b>

## INDEBTEDNESS

Our indebtedness mainly included interest-bearing bank and other borrowings and lease liabilities as of the dates indicated:

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Interest-bearing bank and other borrowings	1,009,040	608,060
Lease liabilities	10,365	33,135
<b>Total</b>	<b>1,019,405</b>	<b>641,195</b>

We maintain a prudent approach in our treasury management with interest rate exposure maintained principally on a floating rate basis. We did not use any interest rate swap contracts or other financial instruments to hedge against our interest rate risk. We will continue to monitor interest rate risk exposure and will consider hedging significant interest rate risk exposure should the need arise.

## CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to Shareholders and benefits to other stakeholders, by pricing services commensurately with the level of risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to Shareholders, return capital to Shareholders or issue new Shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Reporting Period.

## SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not make or hold any significant investments on a standalone basis as of December 31, 2025 (including any investment in an investee company with a value of 5% or more of the Group's total assets as of December 31, 2025). The Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended December 31, 2025.

## INVESTMENT POLICY AND INVESTMENT PORTFOLIO

### Investment Policy

The Company's investment policy aims to support corporate strategy and core business operations while preserving and growing assets. The primary objective of related investments is to generate long-term value, maintain adequate liquidity to meet operational needs, and promote potential synergies within the Company's core business divisions (including technology research and development) to support sustainable growth in the future.

The currently approved scope of the Company's investments includes, but is not limited to, the following major asset categories: (i) low-risk wealth management products, including principal-protected financial products redeemable on the same day (with a risk rating no higher than R1); and (ii) equity investments, including equity investments in newly established enterprises, mergers, acquisitions, or equity purchases of companies, capital increases for investee enterprises or other entities, subscription to initial public offering shares of listed companies, placing, and convertible bonds, as well as direct investments or participation in setting up private equity funds, industrial investment funds, venture capital funds, securities investment funds, and others. The Company does not engage in speculative investment activities and generally prohibits investment in high-risk or highly leveraged financial products. While the abovementioned asset categories are the main focus of the Company's investment activities, the Company remains flexible in exploring other asset categories, including but not limited to selectively conducting strategic investments and potential acquisitions. Each investment undergoes independent due diligence and shall pass the approval processes described below.

The Company's investment strategy is closely aligned with its corporate strategy of strengthening industry leadership and expanding its domestic and global presence. The Company focuses on assets that complement its core business operations and strategic priorities (including product innovation and ecosystem synergy). By combining long-term investments (e.g., strategic equity investments in entities that can create synergies or enhance the Company's supply chain, product portfolio, or market influence to drive sustainable growth and strategic partnerships) with short-term investments (e.g., principal-protected financial products redeemable on the same day), the Company aims to maintain liquidity and seize immediate market opportunities.

The Company continuously monitors its investment portfolio.

### Investment Portfolio

As of December 31, 2025, the Company's primary investments included low-risk financial products and equity investments, with the financial assets at fair value through profit or loss accounting for less than 2% of the Company's total assets.

### Risk Management, Control Measures, and Follow-up Management

The Company has established comprehensive internal controls and risk management measures through its financial management policies and procedures, such as the adoption of the Equity Investment Policy, which regulates the Company's investment activities. The measures include:

- **Equity Investment Decision Process:** The Group's investment decision-making process primarily involves proposal submission, preliminary project review, project research, and project approval.
- **Approval Processes:** Involves the Investment Decision Committee, Management Committee, Board of Directors, etc.
- **Follow-up Management:** The Strategic Investment Department is responsible for daily follow-up management of equity investment projects.

In addition, the Company has adopted risk-based approval mechanisms for wealth management products. Low-risk products are subject to approval by the chief financial officer, whereas higher-risk products shall be reviewed and approved by the Management Committee.

### PLEDGE OF ASSETS

The Group did not pledge any Group assets as of December 31, 2025.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

As of December 31, 2025, save as disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus, the Group had no future plans for material investments or capital assets.

## **GEARING RATIO**

As of December 31, 2025, our gearing ratio (equals total liabilities divided by total assets, in percentage) was 39.8%, as compared to 59.1% as of December 31, 2024.

## **FOREIGN EXCHANGE RISK EXPOSURE**

During the Reporting Period, most of our revenue and expenditures were denominated in Renminbi, while the net proceeds from the Global Offering were in Hong Kong dollars. We also received certain investment proceeds denominated in U.S. dollars. Fluctuations in the exchange rate between the Renminbi and Hong Kong dollar, as well as U.S. dollars, will affect the relative purchasing power in Renminbi. We seek to limit our exposure to foreign currency risk by minimizing our net foreign currency position. We manage our foreign exchange risk by performing regular reviews of our Group’s net foreign exchange exposures and trying to minimize these exposures through natural hedges, wherever possible.

## **CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as of December 31, 2025.

## **CAPITAL COMMITMENTS**

As of December 31, 2025, our capital commitments were RMB31.3 million, as compared to RMB56.4 million as of December 31, 2024, mainly related to contracted but not provided commitments for purchase of property, plant and equipment and intangible assets.

## **EMPLOYEES AND REMUNERATION**

As of December 31, 2025, the Group had a total of 759 full-time employees (as of December 31, 2024: 697 full-time employees). The total employee remuneration expenses for 2025, including share-based compensation expenses, were RMB1,160.1 million in 2025, as compared to RMB779.3 million in 2024.

We offer competitive salaries, performance-based cash bonuses, and other incentives to our employees. In addition, we have adopted share-based incentive plans for eligible employees to further align individual performance with our long-term success. Our compensation and benefits packages are designed to attract and retain top talent in a highly competitive labor market. Our employees’ remuneration mainly comprises salaries, bonuses, social security contributions and other employee benefits. We participate in housing fund and various employee social security schemes organized by applicable local municipal and provincial governments, including housing, pension, medical, maternity, work-related injury and unemployment benefit plans, under which we make contributions at specified percentages of the salaries of our employees. We also purchase commercial health insurance for our employees.

We maintain high standards in recruitment with strict procedures to ensure the quality of new hires. We also conduct periodic performance reviews for our employees, and their remuneration is performance-based. To support the ongoing professional development of our employees, we provide new employee orientation programs as well as regular on-the-job training and continuing education opportunities. These programs are aimed at enhancing the skills and knowledge of our workforce, fostering a culture of innovation and excellence, and supporting the long-term growth of our business.

# DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS

**Mr. Gai Lujiang (蓋魯江)**, aged 44, is an executive Director, the chief executive officer of our Group and the chairperson of the Board. Mr. Gai joined our Group in July 2020, and was appointed as a Director in October 2020. He was re-designated as an executive Director in May 2025 and is primarily responsible for day-to-day management and overall strategic planning of our Group.

Prior to joining our Group in July 2020, Mr. Gai has approximately 17 years of experience in finance and investment. From September 2003 to December 2004, he served as an accountant of Baker Tilly International Certified Public Accountants Co., Ltd. (天職國際會計師事務所有限公司). From April 2005 to December 2006, he served as a senior accountant of PricewaterhouseCoopers Zhongtian CPA Co., Ltd. (普華永道中天會計師事務所有限公司). From August 2007 to May 2014, he served as a senior manager of Deloitte Touche Tohmatsu CPA Co., Ltd. Beijing Branch (德勤華永會計師事務所有限公司北京分所). He served as an assistant to the chairman in Beijing Titan Source Natural Gas Resources Technology Co., Ltd. (北京泰坦通源天然氣資源技術有限公司) from May 2014 to April 2015. From February 2016 to June 2020, Mr. Gai served as the partner and head of risk control of Beijing Zhongjin Taian Asset Management Co., Ltd. (北京中金泰安資產管理有限公司), an investment company focusing on asset management, investment management and investment consultation.

Mr. Gai obtained his bachelor's degree from Central University of Finance and Economics (中央財經大學) in China in economics in June 2003. Mr. Gai obtained the qualification of Certified Public Accountant in the PRC.

Mr. Gai was appointed as the chairman of the presidium of the AI Committee of the All-China Federation of Industry and Commerce (ACFIC) (中華全國工商聯合會) in November 2024.

**Mr. Sun Yile (孫怡樂)**, aged 46, is an executive Director and a vice president of our Group. He joined our Group in January 2018 as a senior hardware engineer. He was appointed as a vice president in March 2023 and as a Director of the Group in January 2025. He was re-designated as an executive Director in May 2025 and is primarily responsible for chip R&D of our Group.

Prior to joining our Group, Mr. Sun accumulated 14 years of extensive experience in GPU chip design. From April 2004 to March 2006, he worked as an engineer at Macro Synergy Technology (Shanghai) Co., Ltd. (遠弘科技(上海)有限公司). From March 2006 to October 2006, he worked as an engineer at ATI Visual Technology (Shanghai) Co., Ltd. (亞鼎視頻科技(上海)有限公司). From October 2006 to December 2017, he worked as a senior manager at Advanced Micro Devices (Shanghai) Co., Ltd. (超威半導體(上海)有限公司), which is a subsidiary of Advanced Micro Devices, Inc., a company listed on NASDAQ (stock code: AMD).

Mr. Sun obtained his bachelor's degree in microelectronics from Tsinghua University (清華大學) in July 2001 and master's degree in electronic science and technology from Tsinghua University in China in January 2004.

**Mr. Liu Zheng (劉崢)**, aged 51, is an executive Director and the chief operating officer of our Group. Mr. Liu joined our Group in September 2020, and was appointed as a Director of the Group in December 2023. He was re-designated as an executive Director of our Group in May 2025 and is primarily responsible for overall management of marketing, sales and operation of our Group.

With more than 20 years of experience in marketing and sales, Mr. Liu served as a technician in project development of telecommunication operation department in Shanghai Post and Telecommunications Administration, Pudong branch (上海市郵電管理局浦東新區電信運行部) (later merged into Shanghai Telephone Bureau Pudong branch (上海市電話局浦東新區局)) from September 1993 to January 1996. He served as a computer technology engineer of China United Network Communications Group Co., Ltd. Shanghai Branch (中國聯合通信有限公司上海分公司) from January 1996 to February 2000 and served as a customer service engineer of Beijing Bel-Star Electronic Systems Co., Ltd. (Shanghai Office) (北京百星電子系統有限公司(上海辦事處)) from March 2000 to July 2001. He served as a manager of the West Subdistrict Branch, Corporate Customer Department, Marketing Department, and Pudong Branch of China Netcom Corporation Group Co., Ltd. Shanghai Branch (中國網通(集團)有限公司上海市分公司) (currently known as China United Network Communications Group Co., Ltd. (中國聯合網路通信集團有限公司)) from August 2001 to October 2016. Mr. Liu also served as the vice president of China-ASEAN Information Harbor Co., Ltd. (中國一東盟信息港股份有限公司) from November 2016 to September 2017 and as the general manager of China Unicom Innovation and Entrepreneurship Investment (Shanghai) Co., Ltd. (聯通創新創業投資(上海)有限公司) from September 2017 to August 2020.

Mr. Liu Zheng obtained his bachelor's degree in computer network from Fudan University (復旦大學) in China in July 2006. He subsequently obtained his master's degree in software engineering from Fudan University in June 2014. Mr. Liu also obtained his EMBA from the French Ecole de Management de Lyon in France in February 2016.

**Mr. Yang Lei (楊磊)**, aged 41, is an executive Director, vice president, Board secretary and employee representative Director of our Group. Mr. Yang joined our Group in September 2022 and was appointed as Chief financial officer. He was appointed as Board secretary in January 2025 and was appointed as an executive Director and the employee representative Director of our Group in May 2025. He ceased to be the chief financial officer of the Company and was re-designated as a vice president of our Group in February 2026 and is primarily responsible for focusing on investor relations and strategic investment in capital markets as the vice president of the Group. He will continue to serve as an executive Director, the Board secretary and employee representative Director of the Group.

Prior to joining our Group, Mr. Yang has more than 16 years of extensive experience in finance, audit, risk control, and investment banking. From July 2006 to June 2012, Mr. Yang served as an assistant manager at Deloitte Touche Tohmatsu Certified Public Accountants LLP (德勤華永會計師事務所有限公司). From June 2012 to March 2013, he worked at Home Depot Investment Management (Shanghai) Co., Ltd. (家得寶投資管理(上海)有限公司) as an internal audit manager. From May 2013 to May 2021, Mr. Yang served as an audit senior vice general manager of the China Fortune Land Development Co., Ltd. (華夏幸福基業股份有限公司). He worked as an executive director of the investment banking department at Tianfeng Securities Co., Ltd. (天風證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601162) from May 2021 to June 2022.

Mr. Yang obtained his bachelor's degree in finance from the University of International Business and Economics (對外經濟貿易大學) in China in July 2006 and his MBA degree from Tsinghua University in China in June 2020. Mr. Yang obtained qualification of Certified Public Accountant in the PRC in April 2014.

### NON-EXECUTIVE DIRECTOR

**Mr. Wang Chen (王晨)**, aged 42, was appointed as a Director of our Group in October 2023. He was re-designated as a non-executive Director of our Group in May 2025 and is primarily responsible for providing professional opinion and judgment to the Board.

Mr. Wang served as a senior manager of Istithmar World Shanghai Representative Office (迪拜投資股份有限公司上海代表處), a Dubai sovereign fund focusing on investment and merger activities in the Greater China region, from January 2007 to October 2011. He then worked at Shanghai Fosun High Technology (Group) Co., Ltd. (上海復星高科技(集團)有限公司) from November 2011 to June 2013. From December 2015 to November 2018, he served as the deputy director of Shanghai Cedarlake Investment Management Co., Ltd. (上海沅柏投資管理有限公司). Since December 2018, Mr. Wang has been serving as an executive director and a manager of Zhuhai Youbai Private Equity Fund Management Co., Ltd. (珠海佑柏私募基金管理有限公司), a fund focusing on private equity investment. Mr. Wang has been a non-executive director of Axera Semiconductor Co., Ltd. (愛芯元智半導體股份有限公司), a company listed on the Stock Exchange (stock code: 600), since November 2020.

Mr. Wang obtained his bachelor's degree in finance from Shanghai University of Finance and Economics (上海財經大學) in China in June 2006. He obtained his MBA degree from the Johns Hopkins University in the U.S. in May 2015.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr. Teng Yong (滕勇)**, aged 55, has been appointed as an independent non-executive Director of our Group in May 2025. He is primarily responsible for supervising and providing independent advice on the operation and management to the Board.

Dr. Teng served as a consulting principal at A.T. Kearney (Shanghai) Management Consulting Co., Ltd. (科爾尼(上海)企業諮詢有限公司) from February 2008 to June 2014. He then joined HM Clipper Management Ltd. (立匯企業管理諮詢(上海)有限公司) as a director in June 2014. From May 2016 to May 2020, he served as a partner at LEK Consulting Limited (艾意凱諮詢(上海)有限公司). He was a partner at Oliver Wyman (Shanghai) Consulting Co., Ltd. (奧緯企業管理諮詢(上海)有限公司) from July 2020 to August 2021. From September 2021 to February 2025, he returned to A.T. Kearney (Shanghai) Management Consulting Co., Ltd. as a partner and served concurrently as a director of its Hong Kong branch. Since March 2025, Dr. Teng has been serving as a director and the general manager of Shanghai Kedali Technology Consulting Co., Ltd. (上海科達理技術諮詢有限公司).

Dr. Teng obtained his bachelor's degree and master's in aircraft design from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) (formerly known as Nanjing Institute of Aeronautics (南京航空學院)) in July 1992 and April 1995 in China. Dr. Teng obtained his PhD in mechanical and aerospace engineering from the University of Virginia in the U.S. in January 1999 and obtained his MBA degree from Cornell University in the U.S. in May 2004.

**Mr. Ren Jintao (任今濤)**, aged 47, has been appointed as an independent non-executive Director of our Group in May 2025. He is primarily responsible for supervising and providing independent advice on the operation and management to the Board.

Mr. Ren currently serves as the chief financial officer of Cheetah Mobile Inc., a company listed on the New York Stock Exchange (stock code: CMCM) since January 2020. Mr. Ren worked at KPMG Huazhen LLP as a manager in audit department from August 2000 to November 2005. From December 2005 to May 2013, Mr. Ren worked at Renren Inc., a company listed on the New York Stock Exchange (stock code: RENN) as its senior finance director. From September 2014 to September 2015, Mr. Ren served as the chief financial officer at Beijing Chukong Technology Co., Ltd. (北京觸控科技有限公司). From September 2015 to January 2020, he served as the chief financial officer at Renren Inc. (currently known as Moatable, Inc.), a company listed on New York Stock Exchange (stock code: MTBL). From June 2018 to January 2020, Mr. Ren also served as the chief financial officer at Kaixin Auto Holdings, a company listed on NASDAQ (stock code: KXIN) and was a subsidiary of Renren Inc. at the relevant time.

Mr. Ren obtained a bachelor's degree in international accounting from Renmin University of China (中國人民大學) in China in July 2000. Mr. Ren holds multiple qualifications in accounting. He obtained his qualification of Certified Public Accountant in the PRC in March 2006, his qualification for Certified Public Accountant from Washington State Board of Accountancy in the U.S. in October 2013, and his Chartered Professional Accountant qualification from Chartered Professional Accountants of Alberta in Canada in January 2017.

**Dr. Wang Yan (王燕)**, aged 59, has been appointed as an independent non-executive Director of our Group in May 2025. She is primarily responsible for supervising and providing independent advice on the operation and management to the Board.

Dr. Wang is currently a professor at the School of Integrated Circuits in Tsinghua University. She joined Tsinghua University in 1999, and was appointed as a professor in 2004.

Dr. Wang obtained a bachelor's and master's degree in electronic engineering from Xi'an Jiaotong University (西安交通大學) in 1988 and 1991, respectively. She obtained her Ph.D. in semiconductor physics and devices from the Institute of Semiconductors of the Chinese Academy of Sciences (中國科學院半導體研究所) in 1995. She was involved in several national and corporate projects. She won first prize for technological progress by China Simulation Federation (中國仿真學會) in 2018. As an academic and doctoral supervisor, she has published more than 200 academic papers in renowned domestic and international journals and conferences and has guided many students to win best paper awards at top international conferences.

## SENIOR MANAGEMENT

For biographical details of Mr. Gai Lujiang, Mr. Sun Yile, Mr. Liu Zheng and Mr. Yang Lei, see “—Executive Directors” in this section.

**Mr. Wang Peng (汪鵬)**, aged 38, is the chief financial officer of the Group. He is primarily responsible for the oversight of the overall financial, and financing affairs of the Group. Mr. Wang joined the Group in June 2021 and has since held the positions of assistant to the general manager and vice president of the financial management department of the Group.

Prior to joining the Group, Mr. Wang served as the senior auditor at PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)) from September 2008 to June 2012. He served as the manager and senior manager at Ernst & Young (China) Advisory Limited (安永(中國)企業諮詢有限公司) from June 2012 to July 2016 and from July 2018 to July 2019, respectively. Mr. Wang also served as the senior investment manager, assistant to the general manager and chief financial officer of Beijing EverLife Healthcare Hospital Management Company Limited (北京長生眾康醫院管理股份有限公司) (formerly known as Beijing Changsheng Hospital Management Co., Ltd. (北京長生醫院管理股份有限公司)) from August 2016 to June 2018 and from July 2019 to March 2021, respectively.

Mr. Wang obtained his bachelor’s degree in international accounting from Xi’an Jiaotong University (西安交通大學) in China.

**Dr. Lu Chien-Ping (呂堅平)**, aged 63, is a vice president of our Company. He is primarily responsible for the overall management of Iluvatar Research Institute (天數研究院) of our Group. Dr. Lu joined our Group in September 2021 and has since held several key positions including: (i) head of Iluvatar Research Institute since September 2021; and (ii) a Director from July 2022 to October 2023. He served as a senior architect and manager in NVIDIA from July 2002 to June 2011. Dr. Lu served as a senior director in MediaTek USA Inc. from June 2011 to July 2015 and a senior manager in Intel Corporation from July 2015 to January 2016. He served as an engineering vice president in NOVUMIND INC. from January 2016 to September 2017 and a R&D and operating vice president in Samsung Advanced Computing Labs from September 2017 to May 2019. He rejoined NOVUMIND INC. in May 2019 and served as the chief technology officer until April 2021.

Dr. Lu obtained his bachelor’s degree and master’s degree in electrical engineering from National Taiwan University in June 1985 and June 1989, respectively. He obtained his doctor’s degree in computer science from Yale University in the U.S. in May 1996.

**Mr. Liu Yuan (劉圓)**, aged 44, is a vice president of our Company. He is principally responsible for the chip mass production and implementation of our Group. Mr. Liu joined our Group in March 2018 as a senior hardware engineer, and was appointed as a vice president in August 2023. Prior to joining our Group, Mr. Liu worked at Advanced Micro Devices (Shanghai) Co., Ltd., which is a subsidiary of Advanced Micro Devices, Inc., a company listed on NASDAQ (stock code: AMD), from July 2007 to March 2018 as PMTS ASIC/layout design engineer.

Mr. Liu obtained his bachelor’s degree in electronic information science and technology from Fudan University in July 2003 and master’s degree in microelectronics and solid state electronics from Fudan University in July 2007.

**Mr. Shi Jiasheng (石加聖)**, aged 41, is a vice president of our Company. He is primarily responsible for software research and development of our Group. Mr. Shi joined our Group in November 2018 and has since held several key positions within our Group including: (i) senior hardware engineer from November 2018 to September 2020, (ii) senior software engineer from October 2020 to November 2021, (iii) vice president of the software research and development department from November 2021 to August 2023, and (iv) our Group's vice president since August 2023. Prior to joining our Group, Mr. Shi served as a software engineer at Huiguo(Shanghai) Software Technology Co., Ltd. (慧國(上海)軟件科技有限公司) from July 2009 to March 2012. He also served as a senior software engineer at Advanced Micro Devices (Shanghai) Co., Ltd. from March 2012 to February 2016, which is a subsidiary of Advanced Micro Devices, a company listed on NASDAQ (stock code: AMD). From March 2016 to October 2017, he worked at Shanghai Chaiminghuang Information Technology Co., Ltd. (上海拆名晃資訊科技有限公司). And later Mr. Shi worked at Jaunt (Shanghai) Virtual Reality Technology Co., Ltd. (卓拓維(上海)虛擬現實信息科技有限公司) from November 2017 to October 2018 as a senior software engineer.

Mr. Shi obtained his bachelor's degree in microelectronics from Fudan University in July 2006 and his master's degree in electronic engineering from the University of Rochester in the U.S. in March 2008.

**Mr. Zou Xuan (鄒翹)**, aged 44, is a vice president of our Company. He is primarily responsible for product line and supply chain management of our Group. He joined our group in September 2018 as the chip development supervisor and was appointed as a vice president in March 2021. Prior to joining our Group, Mr. Zou worked at the China chip design center of International Business Machines (China) Co., Ltd. (IBM) from October 2006 to June 2015. From July 2015 to September 2018, he worked at Global Foundries Semiconductor Technology (Shanghai) Co., Ltd. (格羅方德半導體科技(上海)有限公司).

Mr. Zou obtained his master's degree in mechanical electronic engineering from Harbin Institute of Technology (哈爾濱工業大學) in China in July 2006.

**Mr. Guo Wei (郭為)**, aged 48, is a vice president of our Company. He is primarily responsible for overseeing solution development and IT support of our Group. He joined our Group in August 2021 as a vice president. Earlier in his career, he worked as an engineer at Putian Information Technology Research Institute (普天信息技術研究院) from April 2003 to April 2004. Mr. Guo held the position of software director at Spreadtrum Communications (Shanghai) Co., Ltd. (展訊通信(上海)有限公司北京分公司) since 2004. Prior to joining our Group, Mr. Guo served as an assistant general manager of mobile phone R&D center at Shenzhen Baoneng Communication Co., Ltd. (深圳市寶能通訊技術有限公司) from March 2021 to August 2021.

Mr. Guo obtained his bachelor's degree in information electronics technology and master's degree in electronic science and technology from Zhejiang University (浙江大學) in China in June 2000 and March 2003, respectively. He was certified as a senior engineer by the Beijing Municipal Human Resources and Social Security Bureau (北京市人力資源和社會保障局) in September 2023.

**Mr. Song Yu (宋煜)**, aged 46, is a vice president of our Company. He is primarily responsible for overseeing customer and technical support department of our Group. Mr. Song joined our Group in January 2022 and has since served as the head of customer and technical support department, focusing on formulating and executing delivery plans to meet customer needs. He was appointed as a vice president in September 2024. Prior to joining our Group, Mr. Song served as a software engineer at Beijing Tongce Technology Co., Ltd. (北京通測科技有限責任公司) from August 2001 to June 2003. He worked at Coolsand Technologies (Beijing) Inc. (互芯集成電路(北京)有限公司) from March 2004 to December 2004. Mr. Song worked at Motorola, Inc., a company listed on New York Stock Exchange (stock code: MOT) from February 2005 to April 2011. From May 2011 to April 2018, he served as a software architect at IBM (China) Investment Company Limited (國際商業機器(中國)投資有限公司). He then served as a product director at Intelligence Qubic (Beijing) Technology Co., Ltd. (探智立方(北京)科技有限公司) from April 2018 to January 2022.

Mr. Song obtained his bachelor's degree in electronic information engineering from China University of Geosciences (中國地質大學) in China in June 2001.

**Mr. Liang Bin (梁斌)**, aged 58, is a vice president of our Company. He is primarily responsible for the technology collaboration and development of our Group. He served as a vice president from June 2018 to May 2021, and later re-joined our Group again in July 2022 as a vice president. He served as principal solutions architect at Oracle Corp. until June 2017. From June 2017 to June 2018, he was a director at Inspyrus, Inc. He later held the position of vice president at Shanghai Biren Technology Co., Ltd. (上海璧仞科技股份有限公司) (formerly known as Shanghai Biren Intelligent Technology Co., Ltd. (上海璧仞智能科技有限公司)), a company listed on the Stock Exchange (stock code: 6082), from July 2021 to July 2022.

Mr. Liang obtained his bachelor's degree in radio technology and information systems from Tsinghua University in China in July 1990 and master's degree in science from Rutgers University in the U.S. in May 1997.

**Ms. Ding Na (丁娜)**, aged 46, is a vice president of our Company. She is primarily responsible for the human resource and administrative affairs of our Group. Ms. Ding joined our Group in April 2023 as a vice president until January 2025. She served as a supervisor of our Group from January 2025 to May 2025, and was re-appointed as a vice president of our Group in May 2025. Prior to joining our Group, she served as an administration trainee of Nestlé (China) Ltd. (雀巢(中國)有限公司) from August 2006 to April 2008. She worked as a human resource specialist of Marsh (Beijing) Insurance Brokers Co., Ltd. (達信(北京)保險經紀有限公司) from April 2008 to May 2010. From June 2010 to November 2016, she served as a human resource partner of International Business Machines (China) Co., Ltd. Beijing Branch (IBM) (國際商業機器(中國)有限公司北京分公司). From November 2016 to April 2020, she served as the human resource director of Beijing Didi Infinity Technology and Development Co., Ltd. (北京滴滴無限科技發展有限公司). From April 2020 to September 2021, Ms. Ding worked as the head of human resource department of MiniCake (Beijing) Technology Co., Ltd. (迷你高(北京)科技有限公司).

Ms. Ding obtained her bachelor's degree in marketing from University of International Business and Economics in July 2003. Ms. Ding obtained her master's degree in management from University of International Business and Economics in June 2006.

**Mr. Wang Ling (汪凌)**, aged 50, is the vice president of the Company. He is primarily responsible for strengthening sales expansion of the Group in key industries. Mr. Wang joined the Group in September 2023 and has since held the position of vice president of the sales and service department of the Group.

Prior to joining the Group, Mr. Wang worked at the financial industry center of China United Network Communications Corporation Limited Shanghai Branch (中國聯合網絡通信有限公司上海市分公司) from July 1996 to October 2020, holding the position of department general manager. He served as the vice president of Shanghai CDXJ Digital Technology Co., Ltd. (上海城地香江數據科技股份有限公司) from October 2020 to August 2021. Mr. Wang also served as the vice president of Shanghai Yovole Networks Inc. (上海有孚網絡股份有限公司) from August 2021 to September 2023.

Mr. Wang obtained his bachelor's degree from Shanghai University (上海大學) in China.

Save as disclosed above, none of our Directors and senior management is related to other Directors and senior management.

### JOINT COMPANY SECRETARIES

**Mr. Yang Lei** has been appointed as our joint company secretary. For biographical details of Mr. Yang Lei, see “— Executive Directors”.

**Ms. Zhang Xiao (張瀟)** has been appointed as our joint company secretary. Ms. Zhang is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited, a professional services provider specializing in corporate services, and has over ten years of experience in the corporate secretarial field. Ms. Zhang has been admitted as an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom in 2019.

Ms. Zhang obtained a bachelor's degree in computer science from The Chinese University of Hong Kong in December 2010, a master's degree in corporate governance from The Open University of Hong Kong (currently known as Hong Kong Metropolitan University) in November 2018 and a master's degree in accountancy from Hong Kong Baptist University in October 2024.

### CHANGES TO DIRECTORS' AND SENIOR MANAGEMENT'S INFORMATION

Save as disclosed in this section, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

# DIRECTORS' REPORT

The Board is pleased to present this report of Directors together with the consolidated financial statements of the Group for the year ended December 31, 2025.

## PRINCIPAL ACTIVITIES

The Company is a fabless semiconductor enterprise. The Group primarily engages in the research, development, design and commercialization of GPGPU products and AI computing solutions, including GPGPU chips, accelerators, GPGPU servers and clusters, and is a key player in China's AI chip industry with strong technical capabilities in software-hardware co-design and ecosystem compatibility.

There have been no significant changes in the nature of the Group's principal business from the Listing Date to the date of this annual report. For details of the principal business of the Company's principal subsidiaries, please refer to Note 1 to the consolidated financial statements.

## BUSINESS REVIEW

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance and an indication of likely future developments in the Group's business is set out in the sections headed "Chairperson's Statement", "Financial Highlights" and "Management Discussion and Analysis" in this annual report. These discussions form part of this annual report. Events affecting the Company that have occurred since the end of the financial year are set out in the section headed "Events after the Reporting Period" in this annual report. The discussion of the Company's key relationships with its employees, suppliers and others that have a significant impact on the Company is set out in the section headed "Relationships with Key Stakeholders" in this annual report.

## PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties faced by the Group, some of which are beyond its control:

- The industry in which we operate is highly competitive. If we fail to compete with our competitors, our business, results of operations and financial condition may be materially and adversely affected;
- If we are unable to develop, commercialize and mass produce new or improved products, our business, results of operations, financial condition and competitive position would be materially and adversely affected;
- If we fail to anticipate and adapt to technical transitions in our industry, our products may become less competitive or obsolete;
- We have been and intend to continue investing significantly in R&D, which may adversely affect our profitability and operating cash flow and may not generate the results we expect to achieve;
- We depend on third-party contract manufacturers, which reduces our ability to control our manufacturing process. Any interruption or shortage or loss of capacity from these contract manufacturers could materially interrupt our business operations and product offerings, which may adversely affect our business, results of operations and financial condition;

- We may face supply chain risks, including interruptions of requisite materials, components, equipment, and services due to reliance on a limited number of suppliers, or failure by suppliers to achieve satisfactory yields or quality standards, which could adversely affect our reputation, customer relationships and business operations;
- We depend on a limited number of customers for a substantial portion of our revenue, and the loss of, or a significant reduction in sales to, one or more of our major customers would adversely affect our business, results of operations and financial condition;
- We are subject to the risks associated with sanctions and export controls laws and regulations, international trade policies, and developing domestic and foreign laws and regulations on AI, semiconductor and related technologies, and our business, financial condition and results of operations could be adversely affected.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

## BOARD OF DIRECTORS

The Board currently comprises four executive Directors, one non-executive Director and three independent non-executive Directors.

The Directors during the year ended December 31, 2025 and up to the date of this annual report are:

### Executive Directors

Mr. Gai Lujiang (蓋魯江) (*Chairperson of the Board and Chief Executive Officer*)

Mr. Sun Yile (孫怡樂)

Mr. Liu Zheng (劉曄)

Mr. Yang Lei (楊磊) (*Employee Representative Director*)

### Non-executive Director

Mr. Wang Chen (王晨)

Ms. Kou Xiaoxiao (寇瀟瀟) (resigned on February 13, 2026)

### Independent Non-executive Directors

Dr. Teng Yong (滕勇)

Mr. Ren Jintao (任今濤)

Dr. Wang Yan (王燕)

Biographical details of our Directors are set out in the section headed "Directors and Senior Management" of this report.

## CHANGES IN DIRECTORS' AND SENIOR MANAGEMENT TEAMS

Save as disclosed in the section headed "Directors and Senior Management — Changes to Directors' and Senior Management's Information" of this report, since the Listing Date and up to the date of this report, there had not been any changes to the Directors' information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

We believe our sustained growth lies in our contribution to the society. Since our inception, we have adopted as our long-term strategic goal to promote environmental sustainability, support and participate in socially responsible projects, and adhere to a high standard of corporate governance.

We are subject to various health, work safety and environmental laws and regulations applicable to our operations as a fabless semiconductor company, including those governing hazardous substance management, waste disposal, and workplace safety in the jurisdictions where we operate. Our operations are regularly inspected by local government authorities (including relevant PRC environmental protection, work safety and health regulatory bodies). During the Reporting Period and up to the date of this report, we had been in compliance with such health, work safety and environmental laws and regulations in all material respects in the jurisdictions where we operate, and had not been subject to any material claims, fines, penalties, administrative sanctions or other regulatory actions due to non-compliance that would materially and adversely affect our business, financial condition or results of operations. We have also established and maintained internal management systems and processes to ensure ongoing compliance with such laws and regulations.

A comprehensive review on the Company's environmental policies and performance during the year of 2025 is provided in the "Environmental, Social and Governance Report" from page 83 to page 87 of this annual report.

## COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of our business. As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. For the year ended December 31, 2025, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group. During the Reporting Period and up to the date of this report, neither the Group nor any of the Directors and senior management of the Company has been subject to investigation or administrative penalty by the China Securities and Regulatory Commission, banned from entering the market, recognized as an unsuitable person, publicly reprimanded by the stock exchange, subject to compulsory measures, referred to the judicial authorities or held criminally liable, nor has it been involved in any other litigation, arbitration or administrative proceeding that would have a material adverse impact on our business, financial condition or results of operations. During the year ended December 31, 2025, the Directors were not aware of any material litigation or claim that was pending or threatened against the Group.

## **EMPLOYEES AND REMUNERATION POLICIES**

As of December 31, 2025, the Group had a total of 759 full-time employees (as of December 31, 2024: 697 full-time employees). The number of employees employed by the Group varies from time to time depending on need. See "Management Discussion and Analysis — Employees and Remuneration" in this annual report for details. The Company has adopted the Employee Incentive Plan to provide incentives for the eligible participants. Please refer to the section headed "Employee Incentive Plan" in this annual report for further details. The employee benefit expense (including Directors' and senior management's remuneration), comprising salaries, bonuses, pension scheme contribution and share-based payment, were approximately RMB1,160.1 million for the year ended December 31, 2025.

For the year ended December 31, 2025, we had not experienced any material labor disputes or work stoppages that may have a material and adverse effect on our business, financial condition or results of operations, or significant difficulties in recruiting or retaining staff for our operations. No collective bargaining agreement has been put in place.

## **MAJOR CUSTOMERS AND SUPPLIERS**

During the Reporting Period, revenue generated from the Group's five largest customers accounted for approximately 43.0% of the Group's total revenue, and revenue generated from the largest customer accounted for approximately 16.1% of the Group's total revenue.

During the Reporting Period, purchases from the Group's five largest suppliers accounted for approximately 57.0% of the Group's total purchases, and purchases from the largest supplier accounted for approximately 32.9% of the Group's total purchases.

To the best knowledge of the Directors, none of the Directors or any of their close associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the issued share capital) has any interest in any of the five largest customers or suppliers during the Reporting Period.

## **RELATIONSHIPS WITH KEY STAKEHOLDERS**

The Group recognizes that various stakeholders including customers, suppliers, employees, Shareholders and other business associates are key to Group's success. The Group strives to achieve and maintain sustainability through engaging, collaborating, and cultivating strong relationships with them.

## Employees

The Company builds its success on employees' dedication and commitment. To support the ongoing professional development of our employees, we provide new employee orientation programs as well as regular on-the-job training and continuing education opportunities. These programs are aimed at enhancing the skills and knowledge of our workforce, fostering a culture of innovation and excellence, and supporting the long-term growth of our business. We aim at cultivating talents in the long run, encouraging employees to realize their full potential and to keep pace with growth of the Company. Details of employees of the Company during the Reporting Period are set out in the "Environmental, Social and Governance Report" from page 89 to page 94 of this annual report.

## Customers and Suppliers

During the Reporting Period, our revenue was primarily derived from sales of our GPGPU products (chips and accelerators for training and inference scenarios) and customized AI computing solutions (GPGPU servers and clusters), and our suppliers primarily consisted of (i) core manufacturing partners including foundries, OSAT partners and PCB assembly partners, and (ii) providers of key components and technical resources such as memory components, IP cores, design software and technical service providers. The key components and services procured for our GPGPU product R&D and production primarily include wafers, memory components, substrates, EDA tools, chip tape-out services and PCB processing services. We have established stable and long-term cooperative relationships with qualified suppliers for core components and manufacturing services, which we believe have sufficient capacity and technical capabilities to meet our production and R&D demands. Nevertheless, we believe that adequate alternative sources for such supplies and services exist, and we have implemented a multi-vendor strategy and backup supplier arrangements for key categories to enhance supply chain resilience. To monitor the quality of supplies and manufacturing services, we implemented a comprehensive quality management system, setting out the stringent procedures and guidelines for supplier selection and evaluation, raw material and component procurement, incoming quality inspection, production process oversight, and finished product testing. During the Reporting Period, we did not experience any material shortage, delays or quality issues in the supply of key components and manufacturing services that had a material adverse impact on our business operations.

The Group values long-standing and mutually beneficial relationships with its customers and suppliers. The Group aims at delivering optimized performance, high-compatibility and adaptable GPGPU products and AI computing solutions to its customers, and developing mutual trust, deepening technical collaboration and enhancing long-term commitment between the Group and its suppliers to maintain the sustainable development of the entire industrial ecosystem and drive joint growth.

## Shareholders

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Company's business performance, technological advantages and strategic development. Apart from transparent and timely disclosure of corporate information in accordance with the Listing Rules and relevant regulatory requirements, the Company has kept effective and multi-channel communication with Shareholders through the Company's official website, WeChat platform, professional investor relations platforms, investor hotlines, and IR mailboxes.

## RESULTS

The results of the Group for the year ended December 31, 2025, are set out in the Group's consolidated financial statements.

## DIVIDENDS

The Board does not recommend the declaration of a final dividend to the Shareholders for the year ended December 31, 2025. The Board is not aware of any Shareholders having waived or agreed to waive any dividend.

## SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in Note 30 to the consolidated financial statements.

## CHARITABLE DONATIONS

For the year ended December 31, 2025, the Group made charitable donations of RMB200,000.

## FINANCIAL SUMMARY

The H Shares were listed on the Stock Exchange on January 8, 2026. A summary of the results, assets, liabilities and equity of the Group for the last four financial years, as extracted from the audited financial information and financial statements, is set out on page 6 of this report.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the relevant laws of the PRC that would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

## TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities. Shareholders should seek expert advice if they are unsure of the tax implications of purchasing, holding, selling, dealing in the Shares, or exercising any of the rights attached to them.

## SUBSIDIARIES

Particulars of the Company's major subsidiaries are set out in Note 1 to the consolidated financial statements.

## **PROPERTY, PLANT AND EQUIPMENT**

Details of the movements in property, plant and equipment of the Group during the year ended December 31, 2025 are set out in Note 13 to the consolidated financial statements.

## **DEBENTURE ISSUED**

The Group did not issue any debenture for the year ended December 31, 2025.

## **EQUITY-LINKED AGREEMENTS**

Save as disclosed in this annual report, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during or subsisted at the end of the year ended December 31, 2025.

## **DISTRIBUTABLE RESERVES**

As of December 31, 2025, the Company did not have any distributable reserves to our Shareholders.

Details of movements in the reserves of the Group and the Company during the year ended December 31, 2025 are set out in the consolidated statements of changes in equity on page 165 and in Note 32 to the consolidated financial statements, respectively.

## **BANK LOANS AND OTHER BORROWINGS**

Details of the bank borrowings of the Group as of December 31, 2025 are set out in Note 26 to the consolidated financial statements.

## **CONVERTIBLE BONDS**

As at the date of this annual report, the Company has not issued any convertible bonds.

## **DIRECTORS' SERVICE CONTRACTS**

Details of Directors' service contracts are set out in "Appointment, Re-election and Removal of Directors" section of the Corporate Governance Report.

Each of the Directors has entered into a service contract or an appointment letter with the Company. Save as disclosed above, the Company has not entered into, and does not propose to enter into, any service contract with any of the Directors in their respective capacities which cannot be terminated by the employer within one year without payment of any compensation, other than statutory compensation.

## **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE**

None of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended December 31, 2025.

## **DIRECTORS' INDEMNITIES**

During the Reporting Period, the Company has in force the permitted indemnity provisions (as defined in the Hong Kong Companies Ordinance) in relation to the directors' and officers' liability insurance.

## **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

During the Reporting Period, none of the Directors had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group and requires disclosure under Rule 8.10 of the Listing Rules.

## **CONFIRMATION OF INDEPENDENCE BY INDEPENDENT NON-EXECUTIVE DIRECTORS**

We have received from each of the independent non-executive Directors a confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company has duly reviewed the confirmation of independence of each of the Directors. In our opinion, all the independent non-executive Directors are independent.

## **CONTRACTS OF SIGNIFICANCE WITH SUBSTANTIAL SHAREHOLDERS**

No contract of significance was entered into or subsisted between the Company or any of its subsidiaries and a substantial Shareholder or any of its subsidiaries during the Reporting Period, and no contract of significance for the provision of services to the Company or any of its subsidiaries by a substantial Shareholder or any of its subsidiaries was entered into, during the Reporting Period.

## **MANAGEMENT CONTRACTS**

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed for the year ended December 31, 2025.

## **PENSION SCHEME**

The employees of the Group in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

During the Reporting Period, the Group did not use forfeited contributions to reduce the current level of contributions, and there were no forfeited contributions that may be used by the Group to reduce the existing level of contribution. Details of the pension scheme of the Group are set out in Note 8 to the consolidated financial statements.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As the Company's H Shares were listed on January 8, 2026, Divisions 7 and 8 of Part XV of the SFO and Section 352 of the SFO were not applicable to the Directors or chief executive of the Company as at December 31, 2025.

As at the date of this annual report, the interests or short positions of the Directors and chief executive in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) to be entered into the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### (a) Interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Name	Position	Nature of interest	Number and class of Shares held	Approximate percentage of shareholding in the Unlisted Shares/H Shares (as appropriate) <sup>(1)</sup>	Approximate percentage of shareholding in the total issued Shares <sup>(1)</sup>
Mr. Gai Lujiang <sup>(2)</sup>	Chairperson of the Board, executive Director and chief executive officer	Interest in controlled corporation	54,034,125 H Shares	22.05%	21.25%

*Notes:*

- (1) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares. The calculation is based on the total number of 9,215,771 Unlisted Shares and 245,101,965 H Shares of the Company as at the date of this annual report.
- (2) Mr. Gai Lujiang is the sole shareholder and sole director of Shanghai Shuqi, which is the general partner of each of the Shareholding Platforms, and is therefore deemed to be interested in the 54,034,125 H Shares held by the Shareholding Platforms under the SFO.
- (3) All the above Shares are held in long position.

As at the date of this annual report, our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As the Company's H Shares were listed on January 8, 2026, Divisions 2 and 3 of Part XV of the SFO and Section 336 of the SFO were not applicable to the substantial Shareholders of the Company as of December 31, 2025.

As at the date of this annual report, the interests of relevant persons (other than a Director or the chief executive of the Company) who had interests or short positions in the Shares or the underlying Shares, which were required to be notified under Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

### Long position in the Shares of the Company

Name of Shareholder	Nature of interest	Number and class of Shares held	Approximate percentage of shareholding in the relevant class of Shares <sup>(1)</sup>	Approximate percentage of shareholding in the total share capital of the Company <sup>(1)</sup>
Shanghai Xishi <sup>(2)</sup>	Beneficial interest	13,718,171 H Shares	5.60%	5.39%
Shanghai Shuqi <sup>(2)</sup>	Interest in controlled corporation	54,034,125 H Shares	22.05%	21.25%
Fujian Centurium Phase I Investment Partnership (Limited Partnership) ("Centurium Phase I Investment Fund") <sup>(3)(4)(6)</sup>	Beneficial interest	18,269,383 H Shares	7.45%	7.18%
Nanjing Youxu Equity Investment Partnership (Limited Partnership) ("Nanjing Youxu") <sup>(4)</sup>	Interest in controlled corporation	25,403,313 H Shares	10.36%	9.99%
Nanjing Youxu Equity Investment Partnership (Limited Partnership) ("Nanjing Youxu") <sup>(4)</sup>	Beneficial interest	16,503,313 H Shares	6.73%	6.49%
Mr. Li Hui <sup>(3)(4)(5)(6)(7)</sup>	Interest in controlled corporation	61,352,943 H Shares	25.03%	24.12%
Mr. Sha Wangyang <sup>(3)(4)(6)(7)</sup>	Interest in controlled corporation	49,626,458 H Shares	20.25%	19.51%
Industrial and Commercial Bank of China Limited ("ICBC") <sup>(3)(4)(6)</sup>	Interest in controlled corporation	43,672,696 H Shares	17.82%	17.17%
Hainan Shuxin Investment Partnership (Limited Partnership) ("Hainan Shuxin") <sup>(8)</sup>	Interest in controlled corporation	17,194,091 H Shares	7.02%	6.76%

Name of Shareholder	Nature of interest	Number and class of Shares held	Approximate percentage of shareholding in the relevant class of Shares <sup>(1)</sup>	Approximate percentage of shareholding in the total share capital of the Company <sup>(1)</sup>
Mr. Zhu Xiangkai <sup>(8)</sup>	Interest in controlled corporation	17,194,091 H Shares	7.02%	6.76%
Mr. Li Ronghui <sup>(8)</sup> <sup>(9)</sup>	Interest in controlled corporation	22,619,091 H Shares	9.23%	8.89%
Beijing Ruifeng Equity Investment Fund (Limited Partnership) (" <b>Beijing Ruifeng</b> ") <sup>(10)</sup>	Beneficial interest	2,504,153 H Shares	1.02%	0.98%
		2,504,153 Unlisted Shares	27.17%	0.98%
Beijing Financial Street Capital Operation Group Co., Ltd. (" <b>Beijing Financial Street Capital</b> ") <sup>(10)</sup>	Interest in controlled corporation	2,801,403 H Shares	1.02%	1.10%
		2,504,153 Unlisted Shares	27.17%	0.98%
Mr. Xu Junming <sup>(10)</sup>	Interest in controlled corporation	2,801,403 H Shares	1.02%	1.10%
		2,504,153 Unlisted Shares	27.17%	0.98%
Mr. Zhang Dongpei <sup>(10)</sup>	Interest in controlled corporation	2,801,403 H Shares	1.02%	1.10%
		2,504,153 Unlisted Shares	27.17%	0.98%
Shanghai Linke Zhixin Private Equity Investment Fund Partnership (Limited Partnership) (" <b>Linke Zhixin</b> ") <sup>(11)</sup>	Beneficial interest	3,083,654 H Shares	1.26%	1.21%
		2,055,769 Unlisted Shares	22.31%	0.81%
Ms. Wu Wei <sup>(11)</sup>	Interest in controlled corporation	3,083,654 H Shares	1.26%	1.21%
		2,055,769 Unlisted Shares	22.31%	0.81%
Shanghai Guosheng Capital Management Co., Ltd. (" <b>Shanghai Guosheng Capital</b> ") <sup>(11)</sup>	Interest in controlled corporation	3,083,654 H Shares	1.26%	1.21%
		2,055,769 Unlisted Shares	22.31%	0.81%
Shanghai Dalinghao Bay Investment Development (Group) Co., Ltd. (" <b>Shanghai Dalinghao Bay Investment</b> ") <sup>(11)(12)</sup>	Interest in controlled corporation	3,897,993 H Shares	1.59%	1.53%
		2,055,769 Unlisted Shares	22.31%	0.81%

Name of Shareholder	Nature of interest	Number and class of Shares held	Approximate percentage of shareholding in the relevant class of Shares <sup>(1)</sup>	Approximate percentage of shareholding in the total share capital of the Company <sup>(1)</sup>
Shanghai Guosheng (Group) Co., Ltd. (" <b>Shanghai Guosheng Group</b> ") <sup>(11)</sup>	Interest in controlled corporation	3,083,654 H Shares	1.26%	1.21%
		2,055,769 Unlisted Shares	22.31%	0.81%
Sichuan Regional Collaborative Development Investment Guidance Fund Partnership (Limited Partnership) (" <b>Sichuan Regional Collaborative Fund</b> ") <sup>(13)</sup>	Beneficial interest	488,604 Unlisted Shares	5.30%	0.19%
Mianyang Gaochuang Equity Investment Fund Partnership (Limited Partnership) (" <b>Mianyang Gaochuang</b> ") <sup>(13)</sup>	Beneficial interest	732,905 Unlisted Shares	7.95%	0.29%
Sichuan Industrial Revitalization Fund Investment Group Co., Ltd. (" <b>Sichuan Industrial Revitalization</b> ") <sup>(13)</sup>	Interest in controlled corporation	1,221,509 Unlisted Shares	13.25%	0.48%
Mianyang Yuancheng Integration Development Group Co., Ltd. (" <b>Mianyang Yuancheng</b> ") <sup>(13)</sup>	Interest in controlled corporation	732,905 Unlisted Shares	7.95%	0.29%
Zhuhai Yueteng Ruiwen Equity Investment Partnership (Limited Partnership) (" <b>Zhuhai Yueteng</b> ") <sup>(14)</sup>	Beneficial interest	3,418,543 Unlisted Shares	37.09%	1.34%
Mr. Huang Yiming <sup>(14)</sup>	Interest in controlled corporation	3,418,543 Unlisted Shares	37.09%	1.34%
Mr. Bao Jialong <sup>(14)</sup>	Interest in controlled corporation	3,418,543 Unlisted Shares	37.09%	1.34%
Qingdao Licang District State-owned Enterprise Service Center (" <b>Qingdao Licang</b> ") <sup>(14)</sup>	Interest in controlled corporation	3,418,543 Unlisted Shares	37.09%	1.34%

## Notes:

- (1) The calculation is based on the total number of 9,215,771 Unlisted Shares and 245,101,965 H Shares of the Company as at the date of this annual report.
- (2) The general partner of Shanghai Xishi is Shanghai Shuqi. Accordingly, Shanghai Shuqi is deemed to be interested in the Shares held by Shanghai Xishi under the SFO.

In addition, the general partner of each of Shanghai Yishi, Shanghai Qiongyu, Shanghai Sushi, Shanghai Yuanshi, Shanghai Nashi and Shanghai Yueshi is also Shanghai Shuqi. Accordingly, Shanghai Shuqi is deemed to be interested in the 12,340,003 H Shares, 8,900,000 H Shares, 7,118,886 H Shares, 5,515,250 H Shares, 3,615,000 H Shares and 2,826,815 H Shares held by Shanghai Yishi, Shanghai Qiongyu, Shanghai Sushi, Shanghai Yuanshi, Shanghai Nashi and Shanghai Yueshi, respectively under the SFO.

Mr. Gai Lujiang is the sole shareholder and sole director of Shanghai Shuqi, and is therefore deemed to be interested in the H Shares held by each of the Shareholding Platforms under the SFO. For details, see "History, Development and Corporate Structure — Single Largest Group of Shareholders" in the Prospectus.

- (3) The general partner of Centurium Phase I Investment Fund is Hainan Centurium Equity Investment Fund Center (Limited Partnership) ("**Hainan Centurium**"), the general partner of which is Xiamen Centurium Private Equity Fund Management Co., Ltd. ("**Xiamen Centurium**"), which in turn is wholly owned by Khorgos Centurium Business Service Co., Ltd. ("**Khorgos Centurium**"). Khorgos Centurium is a wholly owned subsidiary of Beijing Centurium Management Advisory Co., Ltd. ("**Beijing Centurium**"), which in turn is wholly owned by Centurium Capital Management (HK) Ltd ("**Centurium HK**") and in turn wholly owned by Centurium Capital Management Ltd ("**CCML**"), which in turn is wholly owned by Centurium Holdings Ltd. ("**Centurium Holdings**"), which in turn is wholly owned by Centurium Holdings (BVI) Ltd. ("**Centurium BVI**") and in turn is wholly owned by Mr. Li Hui. The limited partner of Hainan Centurium is Pingxiang Zhengqin Information Technology Partnership (Limited Partnership) ("**Pingxiang Zhengqin**") holding 90.1% interest, which in turn is owned as to 50% by each of Xiamen Zhengyou Enterprise Management Partnership (Limited Partnership) ("**Xiamen Zhengyou**") and Xiamen Zhengchuang Equity Investment Partnership (Limited Partnership) ("**Xiamen Zhengchuang**"). The limited partner of Xiamen Zhengyou holding 99.95% interest is Xiamen Zhengchuang, and the general partner of each of Xiamen Zhengyou and Xiamen Zhengchuang is Mr. Sha Wangyang who holds 2.5% interest in Xiamen Zhengchuang.

ICBC Credit Suisse Investment Management Co., Ltd. ("**ICBC Credit Suisse Investment**") holds a 46.1% limited partnership interest in Centurium Phase I Investment Fund. ICBC Credit Suisse Investment is wholly owned by ICBC Credit Suisse Fund Management Co., Ltd. ("**ICBC Credit Suisse Fund Management**"), which in turn is controlled by ICBC, a company listed on the Stock Exchange (stock code: 1398) and the Shanghai Stock Exchange (stock code: 601398).

Accordingly, each of Hainan Centurium, Xiamen Centurium, Khorgos Centurium, Beijing Centurium, Centurium HK, CCML, Centurium Holdings, Centurium BVI, Mr. Li Hui, Pingxiang Zhengqin, Xiamen Zhengyou, Xiamen Zhengchuang, Mr. Sha Wangyang, ICBC Credit Suisse Investment, ICBC Credit Suisse Fund Management and ICBC are deemed to be interested in the H Shares held by Centurium Phase I Investment Fund under the SFO.

- (4) The general partner of Nanjing Youxu is Beijing Zhenglang Business Service Co., Ltd. ("**Beijing Zhenglang**"), which in turn is wholly owned by Beijing Zhengjia Business Service Co., Ltd. ("**Beijing Zhengjia**"), a company wholly owned by Beijing Centurium. The limited partner of Nanjing Youxu is Centurium Phase I Investment Fund holding 99.9975% interest. Accordingly, each of Beijing Zhenglang, Beijing Zhengjia, Hainan Centurium, Xiamen Centurium, Khorgos Centurium, Beijing Centurium, Centurium HK, CCML, Centurium Holdings, Centurium BVI, Mr. Li Hui, Pingxiang Zhengqin, Hainan Zhengyou, Hainan Zhengchuang, Mr. Sha Wangyang, ICBC Credit Suisse Investment, ICBC Credit Suisse Fund Management and ICBC are deemed to be interested in the H Shares held by Nanjing Youxu under the SFO.
- (5) Masterwork Holdings Limited ("**Masterwork Holdings**") held 11,726,485 H Shares. Masterwork Holdings is wholly owned by Centurium Capital Partners II, L.P. ("**Centurium Capital Fund II**"), the general partner of which is Centurium Capital Partner II GP Ltd. ("**Centurium Capital Fund II GP**"), which in turn is wholly owned by Centurium Holdings and in turn wholly owned by Centurium BVI, a company wholly owned by Mr. Li Hui. Accordingly, each of Centurium Capital Fund II, Centurium Capital Fund II GP, Centurium Holdings, Centurium BVI and Mr. Li Hui are deemed to be interested in the H Shares held by Masterwork Holdings under the SFO.
- (6) Centurium Phase I Investment Fund holds 71.45% interest in Shanghai Qiongyu. Accordingly, each of Centurium Phase I Investment Fund, Hainan Centurium, Xiamen Centurium, Khorgos Centurium, Beijing Centurium, Centurium HK, CCML, Centurium Holdings, Centurium BVI, Mr. Li Hui, Pingxiang Zhengqin, Hainan Zhengyou, Hainan Zhengchuang, Mr. Sha Wangyang, ICBC Credit Suisse Investment, ICBC Credit Suisse Fund Management and ICBC are deemed to be interested in the 8,900,000 H Shares held by Shanghai Qiongyu under the SFO.

- (7) Xiamen Zhengmei Enterprise Management Partnership (Limited Partnership) ("**Xiamen Zhengmei**") held 5,953,762 H Shares. The general partner of Xiamen Zhengmei is Beijing Zhengguan Business Service Co., Ltd. ("**Beijing Zhengguan**"), which is wholly owned by Beijing Zhengjia.

Xiamen Centurium Phase II Investment Fund Partnership (Limited Partnership) ("**Centurium Phase II Investment Fund**") is a limited partner of Xiamen Zhengmei holding 99.997% interest. The general partner of Centurium Phase II Investment Fund is Xiamen Centurium Enterprise Management Partnership (Limited Partnership) ("**Xiamen Centurium Enterprise Management**"), (i) the general partner of which is Xiamen Centurium, and (ii) the limited partner holding 99.9% interest of which is Pingxiang Zhengping Information Technology Partnership (Limited Partnership) ("**Pingxiang Zhengping**"), respectively. The general partner of Pingxiang Zhengping is Xiamen Zhenghua Investment Partnership (Limited Partnership) ("**Xiamen Zhenghua**") and the limited partner of Pingxiang Zhengping holding 99.8% interest of which is Xiamen Yuzheng Enterprise Management Partnership (Limited Partnership) ("**Xiamen Yuzheng**"). The limited partner of Xiamen Zhenghua holding 90.9% of which is Xiamen Yuzheng. The general partner of each of Xiamen Zhenghua and Xiamen Yuzheng is Mr. Sha Wangyang who holds 99.7% interest in Hainan Zhengyu.

Nanjing Jiangbei New Area Centurium Phase II Venture Capital Partnership (Limited Partnership) ("**Nanjing Centurium Phase II VC**") is a limited partner of Centurium Phase II Investment Fund holding 63.9% interest. The general partner of Nanjing Centurium Phase II VC is Nanjing Zhengguan Equity Investment Partnership (Limited Partnership) ("**Nanjing Zhengguan**"), the general partner of which is Xiamen Centurium and the limited partner holding 99.9% interest of which is Xiamen Centurium Enterprise Management.

Accordingly, each of Beijing Zhengguan, Beijing Zhengjia, Beijing Centurium, Centurium HK, CCML, Centurium Holdings, Centurium BVI, Mr. Li Hui, Centurium Phase II Investment Fund, Xiamen Centurium Enterprise Management, Xiamen Centurium, Khorgos Centurium, Pingxiang Zhengping, Hainan Zhenghua, Hainan Zhengyu, Mr. Sha Wangyang, Nanjing Centurium Phase II VC and Nanjing Zhengguan are deemed to be interested in the H Shares held by Xiamen Zhengmei under the SFO.

- (8) Rizhao Tianxin Information Technology Partnership (Limited Partnership) ("**Rizhao Tianxin**") and Rizhao Peiqin Information Technology Partnership (Limited Partnership) ("**Rizhao Peiqin**") held 9,143,732 H Shares and 8,050,359 H Shares respectively.

The general partner of each of Rizhao Tianxin and Rizhao Peiqin is Hainan Shuxin Investment Partnership (Limited Partnership) ("**Hainan Shuxin**") which holds 99.8% and 81.6% interest in Rizhao Tianxin and Rizhao Peiqin respectively. Hainan Shuxin is owned as to 50% each by Mr. Zhu Xiangkai and Mr. Li Ronghui with Mr. Li Ronghui as the general partner.

Accordingly, each of Hainan Shuxin, Mr. Zhu Xiangkai and Mr. Li Ronghui are deemed to be interested in the H Shares held by Rizhao Tianxin and Rizhao Peiqin under the SFO.

- (9) The general partner of Shanghai Huiyue Business Consulting Partnership (Limited Partnership) ("**Shanghai Huiyue**") is Mr. Li Ronghui holding 25.7% interest. Accordingly, Mr. Li Ronghui is deemed to be interested in the 5,425,000 H Shares held by Shanghai Huiyue under the SFO.

- (10) The general partner of Beijing Ruifeng is Xicheng Zhiyuan Private Equity Fund Management (Beijing) Co., Ltd. ("**Xicheng Zhiyuan**"), which in turn is owned as to (i) 40% by Beijing Xicheng Jinchi Investment Management Co., Ltd. ("**Beijing Xicheng Jinchi**"), which in turn is wholly owned by Beijing Xicheng Capital Holdings Co., Ltd. ("**Beijing Xicheng Capital**"), which in turn is wholly owned by Beijing Financial Street Capital, which in turn is wholly owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing, and (ii) 35% by Tianjin Qihang Chuangfu Enterprise Management Partnership (Limited Partnership) ("**Tianjin Qihang Partnership**"), the general partner of which is Tianjin Qihang Chuangfu Consulting Co., Ltd. ("**Tianjin Qihang Consulting**") (a company wholly owned by Mr. Xu Junming) and the limited partner of which is Mr. Zhang Dongpei holding 99.9% interest. The limited partner of Beijing Ruifeng is Beijing Financial Street Capital holding 99.9% interest. Accordingly, each of Xicheng Zhiyuan, Beijing Xicheng Jinchi, Beijing Xicheng Capital, Beijing Financial Street Capital, Tianjin Qihang Partnership, Tianjin Qihang Consulting, Mr. Xu Junming and Mr. Zhang Dongpei are deemed to be interested in the H Shares and Unlisted Shares held by Beijing Ruifeng under the SFO.

Xicheng Zhiyuan Digital Power Selection (Beijing) Investment Center (Limited Partnership) ("**Xicheng Zhiyuan PE Fund**") held 297,250 H Shares. The general partner of Xicheng Zhiyuan PE Fund is Xicheng Zhiyuan. Accordingly, each of Xicheng Zhiyuan, Beijing Xicheng Jinchi, Beijing Xicheng Capital, Beijing Financial Street Capital, Tianjin Qihang Partnership, Tianjin Qihang Consulting, Mr. Xu Junming and Mr. Zhang Dongpei are deemed to be interested in the H Shares held by Xicheng Zhiyuan PE Fund under the SFO.

- (11) The general partner of Linke Zhixin is Shanghai Lingang Kechuang Investment Management Co., Ltd. ("**Shanghai Lingang**"), which in turn is owned as to 55% by Shanghai Lingzhi Enterprise Management Center (Limited Partnership) ("**Shanghai Lingzhi**"), the general partner of which is Lingsheng (Shanghai) Business Consulting Co., Ltd. ("**Lingsheng Shanghai**"), a company wholly owned by Ms. Wu Wei, who is also the limited partner of Shanghai Lingzhi holding 97.06% interest. Shanghai Shengmin Yaoxin Private Equity Investment Fund Partnership (Limited Partnership) ("**Shanghai Shengmin**") is a limited partner of Linke Zhixin holding 66.66% interest, the general partner of which is Shanghai Guosheng Capital. The limited partners of Shanghai Shengmin are (i) Shanghai Minhang Financial Investment Development Co., Ltd. ("**Shanghai Minhang Financial**") holding 49.88% interest, which is wholly owned by State-owned Assets Supervision and Administration Commission of Minhang District of Shanghai, and (ii) Shanghai Guosheng Group holding 49.88% interest, which is wholly owned by State-owned Assets Supervision and Administration Commission of Shanghai. Accordingly, each of Shanghai Lingang, Shanghai Lingzhi, Lingsheng Shanghai, Ms. Wu Wei, Shanghai Shengmin, Shanghai Guosheng Capital, Shanghai Minhang Financial, Shanghai Dalinghao Bay Investment and Shanghai Guosheng Group are deemed to be interested in the H Shares and the Unlisted Shares held by Linke Zhixin under the SFO.
- (12) Shanghai Dalinghao Bay Ceyuan No.2 Venture Capital Partnership (Limited Partnership) ("**Shanghai Dalinghao Bay Ceyuan**") held 814,339 H Shares. The general partner of Shanghai Dalinghao Bay Ceyuan is Shanghai Dalinghao Bay Private Equity Fund Management Co., Ltd. ("**Shanghai Dalinghao Bay PE Fund**"), which is wholly owned by Shanghai Dalinghao Bay Investment. Accordingly, each of Shanghai Dalinghao Bay PE Fund and Shanghai Dalinghao Bay Investment are deemed to be interested in the H Shares held by Shanghai Dalinghao Bay Ceyuan under the SFO.
- (13) The general partner of Sichuan Regional Collaborative Fund is Sichuan Xingchuan Key Project Equity Investment Fund Management Co., Ltd. ("**Sichuan Xingchuan**"), which is wholly owned by Sichuan Industrial Revitalization, which is owned as to 83% by Sichuan Department of Finance. The general partner of Mianyang Gaochuang is Sichuan Xingchuan. Accordingly, each of Sichuan Xingchuan and Sichuan Industrial Revitalization are deemed to be interested in the Unlisted Shares held by Sichuan Regional Collaborative Fund and Mianyang Gaochuang under the SFO.
- The limited partner of Mianyang Gaochuang is Mianyang Yuancheng holding 99.955% interest, which in turn is wholly owned by Youxian High-tech Industrial Park Management Committee. Accordingly, Mianyang Yuancheng is deemed to be interested in the Unlisted Shares held by Mianyang Gaochuang under the SFO.
- (14) The general partner of Zhuhai Yueteng is Hainan Longtu Private Equity Fund Management Co., Ltd. ("**Hainan Longtu**"), which is owned as to 60% and 40% by Mr. Huang Yiming and Mr. Bao Jialong, respectively. The limited partner of Zhuhai Yueteng is Qingdao Yaoye Medical Technology Co., Ltd. ("**Qingdao Yaoye**") holding 99.9% interest, which is wholly owned by Qingdao Ronghai State-owned Capital Investment and Operation Co., Ltd. ("**Qingdao Ronghai**"), which in turn is wholly owned by Qingdao Licang. Accordingly, each of Hainan Longtu, Mr. Huang Yiming, Mr. Bao Jialong, Qingdao Yaoye, Qingdao Ronghai and Qingdao Licang are deemed to be interested in the Unlisted Shares held by Zhuhai Yueteng under the SFO.
- (15) All the above Shares are held in long position.

Save as disclosed above, as at the date of this annual report, so far as the Directors are aware, no other person (not being a Director or chief executive of the Company) had or was deemed to have any interest or short position in any Shares or underlying Shares of the Company which was required to be notified under Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## EMPLOYEE INCENTIVE PLAN

We have approved and adopted an employee incentive plan (“**Employee Incentive Plan**”) for the purpose of motivating, retaining and rewarding talents for their contribution to the development of our Group and linking the interests of the participants under the Employee Incentive Plan with those of our Company and our Shareholders. Shanghai Xishi, Shanghai Yishi and Shanghai Sushi (collectively, the “**Direct Employee Shareholding Platforms**”) are our direct employee shareholding platforms and Shanghai Shugai Yousi Enterprise Management Consulting Partnership (Limited Partnership) (上海數垓又肆企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Shugai Yousi**”, together with the Direct Employee Shareholding Platforms, the “**Employee Shareholding Platforms**”), being direct limited partners of Shanghai Yuanshi, is our indirect employee shareholding platform as at the date of this annual report.

The general partner of each of the Employee Shareholding Platforms and the indirect shareholding platforms of the Direct Employee Shareholding Platforms is Shanghai Shuqi. The above arrangement of the Employee Incentive Plan could offer incentives to the participants through granting them indirect interest in our Shares while allowing our core management team to retain control on the voting rights of the incentive shareholding platforms in respect of our Shares.

Given that the terms of the Employee Incentive Plan do not involve the issue of new Shares or the grant of options to subscribe for new Shares upon Listing, there will not be any dilution effect to the issued Shares after Listing and the Employee Incentive Plan is not subject to the provisions of Chapter 17 of the Listing Rules. As at the date of this annual report, the total number of Shares available for issue under the Employee Incentive Plan is nil.

The general principal terms of the Employee Incentive Plan are summarized below.

### (a) Purpose

The Employee Incentive Plan was established for the purpose of motivating, retaining and rewarding talents for their contribution to the development of our Group and linking the interests of the participants under the Employee Incentive Plan with those of our Company and our Shareholders.

### (b) Participants

Participants include employees and former employees of the Group, and other persons as authorized by the general partner of the Employee Shareholding Platforms.

### (c) Grant of Awards

The participants (the “**Grantees**”) may be granted partnership interests (the “**Awards**”) in the direct or indirect level of the Employee Shareholding Platforms at a consideration specified under the grant letters, and each becomes a partner of the direct or indirect level of the Employee Shareholding Platforms upon grant of the Awards and the execution of the grant documents. The participants may be required to pay a nominal capital contribution for the acceptance of the Awards and for registering them as a partner of the Employee Shareholding Platforms, and the Grantees are entitled to receive the economic interest based on the equivalent units of Shares as stipulated in their respective award letter, rather than their respective registered partnership interest in the Employee Shareholding Platforms. The capital contribution made by the Grantees to the Employee Shareholding Platforms shall be sourced from their own funds. There is no restriction on the maximum entitlement of each participant under the plan.

**(d) Vesting period of Awards**

Subject to the payment of the subscription price (where applicable), the Awards granted to the Grantees are typically subject to vesting conditions, which are either (i) to be vested equally over a period of four years from the grant date, (ii) 50% of which are to be vested on the secondary anniversary from the grant date, and 25% each on the third and fourth anniversary from the grant date, or (iii) to be vested in full upon a certain date. In the event that any Grantee fails to meet the vesting condition of his/her respective Awards for certain situations (including the resignation of Grantee), the general partner has the right (the "**Repurchase Right**") to repurchase the partnership interest in accordance with the Employee Incentive Plan.

**(e) Lock-up period**

The Shares held by the Employee Shareholding Platforms are subject to statutory 12-month lock-up period from the Listing Date pursuant to the PRC Company Law.

**(f) Details of Awards**

All the awards have been granted prior to the Listing Date, which shall be subject to the Repurchase Right of the general partner.

As at the date of this annual report, (i) there were in aggregate 512 Grantees holding partnership interest in the direct or indirect level of the Employee Shareholding Platforms, which were entitled to receive the economic interest corresponding to approximately 33,675,471 Shares; (ii) the Shares underlying the Awards held by Shanghai Shugai Yousi were granted to Mr. Yang Lei (our executive Director, vice president, Board Secretary and employee representative Director), and (iii) none of the other Grantees held more than 30% or more economic interest in the Direct Employee Shareholding Platforms.

**DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed in this annual report, at no time for the year ended December 31, 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

**EMOLUMENT POLICY AND REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT**

In compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, the Company has established the Remuneration Committee to formulate remuneration policies. The Remuneration Committee has three members, namely Dr. Wang Yan, Mr. Gai Lujiang and Mr. Ren Jintao. The remuneration of the Directors and senior management is based on their management scope, duties, importance of positions, individual performance, the Company's operating and financial objectives, as well as the remuneration levels of comparable positions in relevant enterprises and the group's employment conditions. The Directors and senior management are eligible participants of the applicable share incentive plans.

The Company has adopted the Employee Incentive Plan to provide incentives for certain employees. Please refer to the section headed "Employee Incentive Plan" in this annual report for further details.

Details of the remuneration of the Directors, senior management and the five highest paid individuals are set out in Note 8 and Note 9 to the consolidated financial statements, respectively.

During the Reporting Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of our Company or any of our subsidiaries.

During the Reporting Period, none of our Directors waived any remuneration. Save as disclosed above, during the Reporting Period, no other amounts shall be paid or payable by us or any of our subsidiaries to our Directors or the five highest paid individuals.

### **RELATED-PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS**

Details of the Group's related-party transactions during the Reporting Period are set out in Note 35 to the consolidated financial statements.

None of the related-party transactions constitute a connected transaction or continuing connected transaction which is subject to the Shareholders approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules. Since the Listing Date and up to the date of this annual report, there was no connected transaction nor continuing connected transaction of the Group which has to be disclosed in accordance with the Chapter 14A of the Listing Rules during the Reporting Period.

### **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

As the Company's H Shares were not listed on the Stock Exchange as of December 31, 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares (as defined under the Listing Rules)) during the year ended December 31, 2025. As of December 31, 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

### **MATERIAL LITIGATION**

The Company was not involved in any material litigation or arbitration during the year ended December 31, 2025 which could have a material and adverse effect on our financial condition or results of operations.

### **CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES**

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

### **CORPORATE GOVERNANCE**

Particulars of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" of this annual report.

### **USE OF PROCEEDS FROM THE GLOBAL OFFERING**

The Company was listed on the Stock Exchange on January 8, 2026 with a total of 25,431,800 H Shares. The net proceeds received from the Global Offering, after deducting the underwriting fees and commissions and expenses payable by the Company in connection with the Global Offering, amounted to approximately HK\$3,509.3 million at the offer price of HK\$144.60 per H Share.

There has been no change in the intended use of the net proceeds as set out in the Prospectus under the section headed "Future Plans and Use of Proceeds". Since the Listing Date and up to March 30, 2026, the Company has utilized an aggregate amount of HK\$510.9 million of the net proceeds, equivalent to 14.6% of the total net proceeds. The net proceeds has been and will be utilized in the same manner, proportion and expected timeframe as set out in the Prospectus.

Details of the use of proceeds and the expected timeline for utilization of the unutilized net proceeds are set out below:

	Approximate percentage of the total net proceeds	Net proceeds from the Global Offering (HK\$ million)	Utilized net proceeds from the Listing Date up to March 30, 2026 <sup>(1)</sup> (HK\$ million)	Net proceeds unutilized as of March 30, 2026 <sup>(1)</sup> (HK\$ million)	Expected time to utilize the remaining net proceeds in full <sup>(2)</sup>
Research and development of our products and solutions	80.0%	2,807.4	403.2	2,404.3	By the end of 2028
Sales and marketing	10.0%	350.9	34.5	316.4	By the end of 2028
Working capital and general corporate purposes	10.0%	350.9	73.3	277.7	By the end of 2027
<b>Total</b>	<b>100.0%</b>	<b>3,509.3</b>	<b>510.9</b>	<b>2,998.4</b>	

Note:

- (1) The sum of the data may not add up to the total due to rounding.
- (2) The expected timeline to use the remaining proceeds is prepared based on the best estimate made by the Group, which is subject to change according to the current and future development of the market condition.

## PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the minimum prescribed percentage (12.24%) of public float under Rule 19A.28B(1) of the Listing Rules.

## AUDITOR

The financial statements for the year ended December 31, 2025 have been audited by Ernst & Young, which will retire at the conclusion of the AGM and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Ernst & Young as the auditor of the Company is to be proposed at the AGM.

There has been no change in the auditor of the Company since the Listing Date.

## REVIEW OF FINANCIAL STATEMENTS BY AUDIT COMMITTEE

The Audit Committee has, together with the management and auditor of the Company, considered and reviewed this annual report of the Group for the year ended December 31, 2025, the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control, risk management, and financial reporting with the management. The Audit Committee considers that this annual report of the Group for the year ended December 31, 2025 is in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

## EVENTS AFTER THE REPORTING PERIOD

On January 8, 2026, the Company's H Shares were listed on the Main Board of the Stock Exchange, where 25,431,800 H Shares were issued and subscribed at an offer price of HK\$144.60 per H Share by way of initial public offering to Hong Kong and overseas investors. Net proceeds from these issues amounted to approximately HK\$3,509.3 million.

Due to adjustment of work arrangements, Ms. Kou Xiaoxiao tendered her resignation as a non-executive Director with effect from February 13, 2026. Due to personal work arrangements, Mr. Yang Lei ceased to be the chief financial officer of the Company and has been repositioned as the vice president of the Company with effect from February 13, 2026. Mr. Wang Peng was appointed as the chief financial officer of the Company with effect from February 13, 2026, and Mr. Wang Ling was appointed as the vice president of the Company with effect from February 13, 2026.

Save as otherwise disclosed above and in this report, there were no other significant events that may affect the Group since the end of the Reporting Period and up to the date of this annual report.

## AGM

It is proposed that the AGM will be held on Monday, June 29, 2026. The record date for the purpose of ascertaining the eligibility of the holders of H Shares to attend and vote at the AGM is on Monday, June 29, 2026, and the register of members of the Company will be closed from Wednesday, June 24, 2026 to Monday, June 29, 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the forthcoming AGM, holders of H Shares must lodge all completed transfer documents accompanied by the relevant share certificates with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong on or before 4:30 p.m. on Tuesday, June 23, 2026. The notice of the AGM will be dispatched to the Shareholders in the manner in which the Shareholders have selected to receive corporate communications and made available at the Company's and the Stock Exchange's websites in due course.

By order of the Board

**Shanghai Iluvatar CoreX Semiconductor Co., Ltd.**

上海天數智芯半導體股份有限公司

**Mr. Gai Lujiang**

*Chairperson of the Board*

Hong Kong, March 30, 2026

# CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report contained in the Company's annual report for the year ended December 31, 2025.

## CORPORATE GOVERNANCE CULTURE AND VALUE

Our Mission : To Become A Powerful Enabler For The Intelligent Society

Our Vision : To Become A Computing Power Engine And Create World-Class Excellence

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives and sustainable development, it is imperative to act with probity, transparency and accountability. Guided by a long-term vision of sustainable development, the Company actively promotes responsible supply chain management, employee well-being and sound corporate governance. By upholding such principles, the Company believes that Shareholder value will be maximized in the long term and that its employees, business partners and the communities in which it operates will all benefit.

The Company is committed to embedding a culture of integrity and compliance throughout the organization, and to building a comprehensive, full-process compliance management system that supports long-term business resilience and excellence in corporate governance. Compliance is the bedrock of the Group's sustainable growth and high-quality development. The Group has embedded a compliance-first culture across all levels of the organization, integrating ethical standards and regulatory requirements into day-to-day operations, corporate governance and strategic decision-making.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

The Board considers that the corporate culture and the mission, vision, values and strategy of the Group are aligned.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of the Shareholders. The principles of the Company's corporate governance are to promote effective internal control measures, to enhance transparency of the work of the Board, and to strengthen accountability to all the Shareholders. The Company has adopted the Corporate Governance Code as its own code of corporate governance.

As the Company's H Shares had not been listed on the Stock Exchange as of December 31, 2025, the Corporate Governance Code was not applicable to the Company during the Reporting Period but has been applied to the Company since the Listing Date. The Board is of the view that the Company has complied with all code provisions as set out in Part 2 of the Corporate Governance Code from the Listing Date to the date of this annual report, except for deviation from the code provision C.2.1 of the Corporate Governance Code concerning the separation of the roles of chairperson and chief executive officer as disclosed in the section headed "Chairperson and Chief Executive Officer" below.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the Corporate Governance Code.

The Board is responsible for performing the functions set out in code provision A.2.1 of the Corporate Governance Code, and in this regard, during the period from the Listing Date up to the date of this annual report, the Board has developed and reviewed the Company's policies and practices on corporate governance, reviewed and monitored the training and continuous professional development of the Directors and senior management of the Company, reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements, as well as reviewed the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as its own code of conduct regarding the transactions of securities of the Company by its Directors and the relevant employees who would likely possess inside information of the Company.

As the Company's H Shares had not been listed on the Stock Exchange as of December 31, 2025, the Model Code was not applicable to the Company during the Reporting Period. However, specific enquiry has been made to all Directors and all of them have confirmed that they have complied with the Model Code from the Listing Date and up to the date of this annual report. During the above-mentioned period, the Company was not aware of any case of non-compliance with the Model Code by the relevant employees.

## **BOARD OF DIRECTORS**

The Company is headed by an effective Board which assumes responsibility for its leadership and control and is collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company and whether the Director is spending sufficient time performing them that are

commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive Directors, non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

The Directors have agreed to disclose to the Company in a timely manner for any changes of the number and nature of offices held in public companies or organizations and other significant commitments, as well as the identity of such public companies or organizations and an indication of the time involved, as required by the code provision under the Corporate Governance Code.

### Board Composition

Since the Listing Date and at the date of this annual report, the Board comprises the following Directors:

#### Executive Directors

Mr. Gai Lujiang (蓋魯江) (*Chairperson of the Board and Chief Executive Officer*)

Mr. Sun Yile (孫怡樂)

Mr. Liu Zheng (劉崢)

Mr. Yang Lei (楊磊) (*Employee Representative Director*)

#### Non-executive Director

Mr. Wang Chen (王晨)

Ms. Kou Xiaoxiao (寇瀟瀟) (resigned on February 13, 2026)

#### Independent Non-executive Directors

Dr. Teng Yong (滕勇)

Mr. Ren Jintao (任今濤)

Dr. Wang Yan (王燕)

Each of our Directors has confirmed that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on May 30, 2025, and (ii) understood his or her obligations as a director of a listed issuer under the Listing Rules.

The biographical details of the Directors are set out in the section headed “Director and Senior Management” in this annual report. Save as disclosed above, there were no relationships (including financial, business, family or other material or relevant relationships) among the Directors or members of the senior management of the Company.

### Board Meetings and Directors’ Attendance Records

Board meetings should be held at least four times a year, roughly once a quarter, involving active participation, either in person or through electronic means of communication, of a majority of Directors. Notices of not less than 14 days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for regular Board meetings.

For other Board meetings, reasonable notice has to be given generally. For other committee meetings, a notice shall be given as prescribed in the terms of reference prior to the meeting. Minutes of meetings are kept by the company secretary of the Company with copies circulated to all Directors for information and records.

As the Company's H Shares were listed on the Stock Exchange on January 8, 2026, the code provisions in relation to the number of Board meetings and Board committees meetings held during the Reporting Period set out in the Corporate Governance Code were not applicable to the Company during the year ended December 31, 2025. During the period from the Listing Date and up to the date of this annual report, the Board convened four Board meetings. The attendance of the individual Directors at Board meetings of the Company is set out below:

<b>Name of Directors</b>	<b>Number of attendance/ meeting(s) held Board meeting(s)</b>
<b><i>Executive Directors</i></b>	
Mr. Gai Lujiang	4/4
Mr. Sun Yile	4/4
Mr. Liu Zheng	4/4
Mr. Yang Lei	4/4
<b><i>Non-executive Directors</i></b>	
Mr. Wang Chen	4/4
Ms. Kou Xiaoxiao (寇瀟瀟) (resigned on February 13, 2026)	2/2
<b><i>Independent Non-executive Directors</i></b>	
Dr. Teng Yong	4/4
Mr. Ren Jintao	4/4
Dr. Wang Yan	4/4

During the period from the Listing Date up to the date of this annual report, the chairperson of the Board had also held one meeting with the independent non-executive Directors without the presence of other Directors.

### **Responsibilities, Accountabilities and Contributions of the Board and Management**

The Board is responsible for and has been granted general powers for the management and conduct of the Group's business, and is collectively responsible for the direction and oversight of the Group's affairs.

The Board, directly and indirectly through its established Board committees (the Audit Committee, Remuneration Committee and Nomination Committee), provides leadership and strategic direction to the senior management by formulating the Group's overall strategic planning and overseeing the implementation of such strategies, monitors the Group's operational and financial performance, and ensures the establishment and effective operation of the Group's sound financial reporting process, internal control system and risk management mechanisms are in place.

All Directors, including the independent non-executive Directors, have brought a diverse and valuable spectrum of professional experience, knowledge and expertise to the Board, underpinning the efficient and effective functioning of the Board. The independent non-executive Directors are responsible for supervising the Group's operation and management, providing independent professional advice and judgement to the Board, ensuring a high standard of corporate governance and regulatory compliance of the Group, and balancing the Board's decision-making by exercising effective independent judgement on the Group's corporate actions and operational matters.

All Directors have full and timely access to all relevant information of the Group in connection with the discharge of their duties. Where appropriate and necessary for the performance of their fiduciary duties to the Group, Directors may, upon request, seek independent professional advice at the Group's expense for discharging their duties to the Company.

The Directors are required to disclose to the Group details of all other positions and directorships held by them, including interests in other companies that may compete with the Group's business and directorships in listed companies within the three years prior to the date of this annual report.

The Board is responsible for and holds general powers for the Group's business management and operation, including determining the Group's overall business strategies and investment and financing plans, implementing resolutions passed at the general meeting of the Group, and exercising such other powers, functions and duties as are conferred by the Group's Articles of Association. The Board is also responsible for exercising all other powers, functions and duties pursuant to the Group's Articles of Association and all applicable laws, regulations and the Listing Rules. The Board has delegated the powers and responsibilities in respect of the Group's day-to-day management and operation to the Group's senior management, who assume accountability to the Board for the Group's day-to-day operational performance. The scope and terms of such delegated functions and responsibilities are periodically reviewed by the Board. The senior management must obtain the Board's approval prior to entering into any significant transactions on behalf of the Group.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

### **Chairperson and Chief Executive Officer**

Code provision C.2.1 of the CG Code states that the roles of chairperson and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairperson and chief executive officer should be clearly established and set out in writing.

Mr. Gai Lujiang is currently serving as the chairperson of the Board as well as the chief executive officer of our Group. He has been primarily involved in developing overall corporate and business strategies of our Group and making significant business and operational decisions of our Group. Our Directors consider that vesting the roles of both the chairperson of the Board and the chief executive officer of our Group in Mr. Gai Lujiang is beneficial to the business prospects of our Group by ensuring consistent leadership to our Group as well as prompt and effective decision making and implementation. In addition, our Directors believe that this structure will not impair the balance of power and authority between the Board and the management of our Group, given that: (i) decision to be made by our Board requires approval by at least a majority of our Directors; (ii) Mr. Gai Lujiang and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Company accordingly; (iii) the balance of power and authority is ensured by the operations of the Board, which consists of four executive Directors (including Mr. Gai Lujiang), one non-executive Director and three independent non-executive Directors, and has a fairly strong independence element; and (iv) the overall strategic and other key business, financial, and operational policies of our Company are made collectively after thorough discussion at both the Board, and senior management levels.

The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether the separation of the roles of chairperson and chief executive officer is necessary.

### **Independent Non-executive Directors**

During the period from the Listing Date up to the date of this annual report, the Board has met the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one possessing appropriate professional qualifications or accounting or related financial management expertise. The Company has also complied with Rule 3.10A of the Listing Rules, which relates to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

### Board Independence Evaluation

The Board has implemented mechanism to ensure independent views and input are available to the Board. The implementation and effectiveness of such mechanism was reviewed on an annual basis. The Board considers that such mechanism has been implemented properly and effectively from the Listing Date to the date of this annual report. The mechanism is summarized as below:

#### Composition

The Board ensures the appointment of at least three independent non-executive Directors and at least one-third of its members being independent non-executive Directors (or such higher threshold as may be required by the Listing Rules from time to time), with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. Further, independent non-executive Directors will be appointed to the Board committees as required under the Listing Rules and as far as practicable to ensure independent views are available.

#### Independent Assessment in Nomination Practices

The Company has nomination policy for election of Directors. Such policy, devising the criteria and procedures of selection and performance evaluation, provides guidance to the Board on nomination and appointment of Directors (including the independent non-executive Directors) of the Company. The Nomination Committee strictly adheres to the nomination policy with regard to the nomination and appointment of independent non-executive Directors, and is mandated to assess annually the independence of independent non-executive Directors to ensure they can continually exercise independent judgment. Also, when proposing an independent non-executive director for election, the Board must explain why the candidate is considered independent. The Board believes that the defined selection process is good for corporate governance in serving the Board continuity and appropriate leadership at Board level, enhancing Board effectiveness and diversity, and ensuring independent views and input are available to the Board.

#### Board Decision Making

The Directors (including independent non-executive Directors), upon reasonable request, may seek independent professional advice at the Company's expense, to assist the performance of their duties. A Director who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

Please see further details on the Board diversity analysis in the section headed "Board and Employee Diversity Policy" below.

### **Appointment, Re-election and Removal of Directors**

Under the Articles of Association, Directors are elected or replaced at shareholders' meeting in accordance with the laws and may be removed from office by the shareholders' meeting before the expiration of the term (while this shall not affect any claims that may be made under any contract). The term of office for Director is three years, and they may be re-elected for consecutive terms, unless otherwise provided by applicable laws, regulations, the Articles of Association, or the securities regulatory rules of the place where the Company's shares are listed.

The term of office of a Director shall commence from the date of taking the position until the expiration of the term of office of the current session of the Board. Where a re-election fails to be carried out in a timely manner upon the expiration of the term of office of a Director, such Director shall continue to perform his/her duties as a Director in accordance with laws, administrative regulations, departmental rules, the Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association until the newly elected director assumes the office.

Directors may resign before the expiration of their term. Resignation of a director shall be submitted to the Board of Directors in writing. The resignation shall take effect on the date the Company receives the resignation letter. The Company shall disclose the relevant circumstances within two days. If the resignation of a director causes the number of directors on the board to fall below the statutory minimum, the outgoing director shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, Listing Rules and the company's Articles of Association until the newly elected director takes office.

Each of the Directors has entered into a service contract or an appointment letter with the Company. Save as disclosed above, the Company has not entered, and does not propose to enter, into any service contracts or appointment letters with any of the Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

### **Continuous Professional Development of Directors**

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that they remain informed and relevant for their contribution to the Board. The Company has updated all Directors on any material changes in the Listing Rules and corporate governance practices from time to time.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

From the Listing Date and up to the date of this annual report, all Directors attended training sessions on the respective obligations of the Directors and senior management. In addition, relevant reading materials including legal and regulatory update have been provided to the Directors for their reference and studying. The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors from the Listing Date and up to the date of this annual report is summarized as follows:

<b>Name of Directors</b>	<b>Participated in continuous professional development<sup>(1)</sup></b>
<b><i>Executive Directors</i></b>	
Mr. Gai Lujiang	✓
Mr. Sun Yile	✓
Mr. Liu Zheng	✓
Mr. Yang Lei	✓
<b><i>Non-executive Director</i></b>	
Mr. Wang Chen	✓
<b><i>Independent Non-executive Directors</i></b>	
Dr. Teng Yong	✓
Mr. Ren Jintao	✓
Dr. Wang Yan	✓

Notes:

(1) attended training/seminar/conference arranged by the Company or other external parties or read relevant materials.

## BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

## Audit Committee

We have established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and the CG Code.

The primary duties and authorities of the Audit Committee are as follows: (i) reviewing the Company's quarterly, half-yearly and annual financial results; (ii) reviewing and assessing the effectiveness of the internal audit function; (iii) reviewing the Company's risk management and internal control systems where not handled by a separate risk committee or the Board; (iv) performing relevant duties under the Corporate Governance Code; (v) reporting on the performance of the above duties in compliance with disclosure requirements.

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Ren Jintao, Dr. Teng Yong and Dr. Wang Yan. Mr. Ren Jintao is the chairperson of the Audit Committee. He holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

As the Company's H Shares had not been listed on the Stock Exchange as of December 31, 2025, no meetings of the Audit Committee were held during the Reporting Period. During the period from the Listing Date and up to the date of this annual report, the Audit Committee held one meeting to, amongst others:

- review the annual results of the Group for the year ended December 31, 2025; and
- review the Group's financial reporting, operational and compliance controls, risk management and internal control systems, the effectiveness of the Company's internal audit function, the appointment of the external auditor and arrangements to enable employees to raise concerns about possible irregularities.

During the period from the Listing Date and up to the date of this annual report, the Audit Committee also met once with the independent auditor in the absence of the executive Directors.

The Audit Committee has reviewed the audited financial results of the Group for the year ended December 31, 2025, and has discussed with the management the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

During the period from the Listing Date and up to the date of this annual report, the attendance records for the Audit Committee meeting are set out below:

<b>Name of members of the Audit Committee</b>	<b>Number of attendance/ meeting(s) held</b>
Mr. Ren Jintao ( <i>Chairperson</i> )	1/1
Dr. Teng Yong	1/1
Dr. Wang Yan	1/1

### Remuneration Committee

We have established a Remuneration Committee in compliance with Rule 3.25 of the Listing Rules and the CG Code. The primary duties of the Remuneration Committee are (i) making recommendations to the Board of Directors on the remuneration plans or packages for Directors and senior management and on the establishment of a formal and transparent procedure for developing such remuneration policy; (ii) reviewing, evaluating and approving the management's remuneration proposals with reference to the board of Directors' corporate goals and objectives; (iii) making recommendations on or determining the remuneration packages of individual executive Directors and senior management, and making recommendations on the remuneration of non-executive Directors; (iv) reviewing the performance of Directors and senior management and conducting their annual performance appraisals; (v) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee comprises one executive Director and two independent non-executive Directors, namely, Dr. Wang Yan, Mr. Gai Lujiang and Mr. Ren Jintao. Dr. Wang Yan is the chairperson of the Remuneration Committee.

As the Company's H Shares had not been listed on the Stock Exchange as of December 31, 2025, no meetings of the Remuneration Committee were held during the Reporting Period. During the period from the Listing Date and up to the date of this annual report, the Remuneration Committee held one meeting to, amongst others:

- approve the following two resolutions: (1) the Comprehensive Remuneration Management System for senior management; (2) the Draft H SHARE AWARD SCHEME.

During the period from the Listing Date and up to the date of this annual report, the attendance records for the Remuneration Committee meeting are set out below:

<b>Name of members of the Remuneration Committee</b>	<b>Number of attendance/ meeting(s) held</b>
Dr. Wang Yan ( <i>Chairperson</i> )	1/1
Mr. Gai Lujiang	1/1
Mr. Ren Jintao	1/1

Details of the remuneration of the Directors and five highest paid individuals of the Group are set out in Note 8 and Note 9 to the consolidated financial statements of this annual report. The remuneration for members of senior management (excluding Directors) by band for the year ended December 31, 2025 is set out below:

<b>Remuneration band (HK\$)</b>	<b>Number of senior management</b>
Nil to 2,500,000	2
6,000,000 to 6,500,000	1
7,000,000 to 7,500,000	1
7,500,000 to 8,000,000	1
12,000,000 to 12,500,000	1
15,000,000 to 15,500,000	1
15,500,000 to 16,000,000	1
46,500,001 to 47,000,000	1

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of executive Directors are also determined with reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each Director. The Directors and senior management members who receive remuneration from the Company are paid in forms of salaries, bonuses, pension scheme contributions and share-based payments. The remuneration of the Directors and senior management is based on their management scope, duties, importance of positions, individual performance, the Company's operating and financial objectives, as well as the remuneration levels of comparable positions in relevant enterprises and the group's employment conditions. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of our Company, the Shareholders' meetings and the Board take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, our Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of our Company, including medical insurance, work-related injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

### Nomination Committee

We have established a Nomination Committee in compliance with Rule 3.27A of the Listing Rules and the CG Code. The primary duties and authorities of the Nomination Committee are as follows: (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board of Directors at least annually based on the Company's business activities, asset scale and shareholding structure, and making recommendations on any proposed changes to the Board of Directors to complement the Company's corporate strategy; (ii) studying the selection standards and procedures for Directors and senior management, and making recommendations to the Board of Directors; (iii) widely searching for qualified candidates for Directors and senior management, establishing a relevant talent pool, and selecting or making recommendations to the Board of Directors on the selection of individuals nominated for directorships; (iv) reviewing and making recommendations on the candidates for Directors and senior management; (v) assessing the independence of independent non-executive Directors.

The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely, Dr. Teng Yong, Mr. Gai Lujiang and Dr. Wang Yan. Dr. Teng Yong is the chairperson of the Nomination Committee.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board diversity policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director nomination policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

As the Company's H Shares had not been listed on the Stock Exchange as of December 31, 2025, no meetings of the Nomination Committee were held during the Reporting Period. During the period from the Listing Date and up to the date of this annual report, the Nomination Committee held one meeting to, amongst others:

- discuss the independence of independent non-executive Directors;
- review the structure, size, composition, diversity and time commitment of the Board.

During the period from the Listing Date and up to the date of this annual report, the attendance records for the Nomination Committee meeting are set out below:

<b>Name of members of the Nomination Committee</b>	<b>Number of attendance/ meeting(s) held</b>
Dr. Teng Yong ( <i>Chairperson</i> )	1/1
Mr. Gai Lujiang	1/1
Dr. Wang Yan	1/1

## **Board and Employee Diversity Policy**

### **Board Diversity**

Our Board has adopted a Board diversity policy (the “**Board Diversity Policy**”) which sets out the approach to achieve diversity on our Board, which will enhance the effectiveness of our Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of our Company’s strategic objectives and sustainable development. We will select potential Board candidates based on merit and their potential contribution to our Board while taking into consideration our own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

Our Directors have a balanced mix of knowledge and skills, including but not limited to semiconductor, overall business management, finance and accounting. They obtained degrees in diversified majors including computer science, software engineering, electronic engineering, business administration, accountancy, finance and mechanical and aerospace engineering. The Board is of the view that our Board satisfies the Board Diversity Policy. In addition, our Board has a wide range of age, ranging from 41 years old to 59 years old. Taking into account our business model and specific needs as well as the presence of one female Director, we consider that the composition of our Board satisfies our Board Diversity Policy. While we recognize that the gender diversity at our Board level can be improved given the majority of our Directors are male, we will continue to apply the appointment criteria based on competence and with reference to the overall diversity policy. Our Board will also ensure that appropriate balance of gender diversity is achieved with reference to investors’ expectation, and international and local recommended best practices. Taking into account our business model and specific needs as well as the presence of one female Director out of a total of eight Board members, we consider that the composition of our Board satisfies our Board Diversity Policy.

The current Board composition is analyzed as follows based on the measurable objectives:

**Gender**

Male: 7 Directors  
Female: 1 Director

**Age group**

41–45: 3 Directors  
46–50: 2 Directors  
51–55: 2 Directors  
56–60: 1 Director

**Position**

Executive Directors: 4 Directors  
Non-executive Directors: 1 Director  
Independent Non-executive Directors: 3 Directors

**Business experience**

Experience relevant to the Company's business:  
4 Directors  
Finance and business: 3 Directors  
Management: 1 Director

We recognize the particular importance of gender diversity on our Board. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. Our Board Diversity Policy provides that our Board shall take opportunities when selecting and making recommendations on suitable candidates for Board appointments with the aim of increasing the proportion of female members over time. In particular, taking into account the business needs of our Group and changing circumstances that may affect our business plans, we will actively identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be periodically reviewed by our Nomination Committee in order to develop a pipeline of potential successors to our Board and promote gender diversity. Additionally, female representatives of our investors are also considered as potential candidates for Board appointments. We will also ensure that there is gender diversity when recruiting staff at the mid— to senior— levels so that we have a pipeline of female senior management and potential successors to our Board going forward. We plan to offer well-rounded trainings to female employees whom we consider have the requisite experience, skills and knowledge of our operation and business, on topics including but not limited to business operation, management, accounting and finance, and legal compliance. We are of the view that such strategies will provide our Board with ample opportunities to identify capable female employees to be nominated as Directors in the future, fulfilling our aim to develop a pipeline of female candidates to achieve greater gender diversity in our Board in the long run. We believe that such a merit-based selection process with reference to our diversity policy and the nature of our business will be in the best interests of our Company and our Shareholders as a whole. It is our objective to maintain an appropriate balance of gender diversity with reference to the stakeholders' expectations and international and local recommended best practices. Taking into account the Group's actual business operations and circumstances, the Company considers that its current gender ratio complies with its internal gender diversity requirements.

Our Nomination Committee is responsible for reviewing the diversity of the Board. Our Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee also includes in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

### Employee Diversity

The Company has also adopted Employees Diversity Policy (the “**Employees Diversity Policy**”), which sets out the approach to achieve diversity in the workforce of the Company. The Company believes that a diverse workforce enriches the organization with varied perspectives and experiences, which are vital assets in driving innovation, strengthening business performance, and enhancing long-term shareholder value. The Company values gender diversity across all levels of the Group.

The following table sets out the gender ratio in the workforce of the Group, including the Board and the senior management as of December 31, 2025:

	Female	Male
Board	12.5% (1)	87.5% (7)
Senior management (excluding executive Directors)	10% (1)	90% (9)
Overall workforce	24.1%/(183)	75.9%/(576)

As of December 31, 2025, the gender ratio in the workforce (including senior management) was approximately 576 males to 183 female. The Board considers that the current gender ratio reflects a gender balance in our employee structure. During the Reporting Period, there were no unfavorable factors or circumstances that made it more challenging or impractical to achieve gender diversity in the workforce, including the Board, senior management and other employees. To ensure gender diversity at the employee level, the Company welcomes people of any gender and is committed to providing equal opportunities in recruitment, training and development, job promotion, compensation, and benefits to employees of all genders. Going forward, the Company will continue to monitor and evaluate the diversity policy and adopt measurable objectives from time to time to ensure continued effectiveness and the Company’s diversity policy and the gender balance in our employee structure.

### Director Nomination Policy

The Nomination Committee of the Board of Directors is a specialized working organization of the Board, mainly responsible for the nomination and election of the Company's Directors and senior management, formulating the selection standards and procedures for Directors and senior management, and making professional recommendations to the Board of Directors. The Company has formulated Director nomination policy (the "**Director Nomination Policy**"), which sets out the selection criteria, nomination process and Board succession planning for the nomination and appointment of the Company's Directors and senior management, and aims to optimize the Board's composition, improve the corporate governance structure, and ensure that the Board has a rational structure, scale and composition matching the Company's business activities, asset scale and shareholding structure, with a balanced allocation of skills, knowledge and experience.

The nomination process stipulated in the Nomination Policy is as follows:

- (i) the Nomination Committee shall actively communicate with the relevant departments of the Company, study the Company's demand for new Directors and senior management, and form written materials thereon;
- (ii) the Nomination Committee may widely search for candidates for Directors and senior management within the Company, holding (participation) enterprises and talent exchange markets, etc.;
- (iii) the Nomination Committee shall gather information on the occupation, academic qualifications, titles, detailed work experience and other conditions of the preliminary candidates, and form written materials thereon;
- (iv) a nominee shall not be deemed as a candidate for Director or senior management unless his/her consent for nomination is obtained;
- (v) the Nomination Committee shall convene a committee meeting to conduct a qualification review on the candidates in accordance with the qualifications for Directors and senior management;
- (vi) the Nomination Committee shall provide relevant recommendations and personnel materials to the Board of Directors one to two months before the election of new Directors and the appointment of new senior management; and
- (vii) the Nomination Committee shall carry out other follow-up work according to the feedback of the Board of Directors.

Where the Board of Directors proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting shall set out the identification process of the candidate, the reasons for the election and independence confirmation, the time guarantee for holding multiple listed company directorships (if applicable), the perspectives, skills and experience the candidate can bring to the Board, and the contribution to the diversity of the Board in accordance with the Listing Rules. The controlling shareholder shall fully respect the recommendations of the Nomination Committee in the absence of sufficient reasons or reliable evidence and shall not propose alternative candidates for Directors and senior management arbitrarily. The Nomination Committee shall review the structure, size and composition of the Board at least annually to ensure the effectiveness of the nomination system and the rationality of the Board's construction and adjust and improve the relevant nomination arrangements in accordance with the Company's development strategy and actual operation.

### **Corporate Governance Function**

The Board is responsible for determining the corporate governance policy of the Company performing the functions set out in code provision A.2.1 of Part 2 of the Corporate Governance Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the Company's compliance with the Corporate Governance Code, the Company's code of conduct applicable to its employees, Directors, and disclosure in its Corporate Governance Report during the Reporting Period.

### **RISK MANAGEMENT AND INTERNAL CONTROL**

The Company's risk management and internal control systems have been developed with the following principles, features and processes:

#### **Risk Management**

We recognize that risk management is critical to the success of our business operations. The key operational risks we face include, among others, changes in the general market conditions and the evolving regulatory environment of the PRC and global semiconductor and GPGPU markets (including export controls, economic sanctions and outbound investment rules), our ability to R&D, mass produce and commercialize GPGPU products amid rapid technological iteration and industry cyclicality, heavy reliance on third-party contract manufacturers and a limited pool of key suppliers for critical components, EDA software and IP cores, and intense competition with established and emerging industry players. We also face material risks from significant customer concentration, challenges in attracting and retaining highly skilled technical and management talent, supply chain disruptions, inadequate inventory management and prolonged cash conversion cycles, as well as product liability claims and limited product commercialization track record. We encounter diverse financial and market risks in the ordinary course of business, including interest rate, foreign currency exchange, credit and liquidity risks, sustained net losses and negative operating cash flows, potential inability to secure additional capital on favorable terms, and shareholding dilution from share-based payments. Additionally, we face intellectual property risks such as infringement claims, trade secret protection challenges and open-source software compliance issues, as well as risks associated with PRC operations including macroeconomic fluctuations, changes in government policies and preferential tax treatments, and foreign exchange and regulatory uncertainties.

To address these challenges, we have implemented a comprehensive set of risk management policies that establish a framework to identify, assess, evaluate, and continuously monitor the key risks associated with our strategic objectives. Risks identified by our management will be analyzed based on likelihood and impact, and will then be properly followed up, mitigated, and rectified by our Group after reported to our Board. Our Directors oversee the implementation of these risk management policies.

To monitor the ongoing implementation of risk management policies and corporate governance measures, we have adopted, among other things, the following risk management measures.

- Our Board will continue to ensure that we maintain sound and effective internal controls and risk management systems to safeguard our shareholders' investment and our assets. The objectives of our risk management system are to: (i) identify potential events that may impact us, ensuring relevant risks are controlled within acceptable and appropriate levels relative to our objectives; (ii) facilitate accurate and reliable communication of information to both internal and external stakeholders of our Company; (iii) ensure compliance with our business operations; (iv) enhance the efficiency and effectiveness of our business activities, thereby reducing uncertainties in achieving operational goals; and (v) establish crisis management plans for significant risks to protect our Company from substantial losses due to catastrophic risks or human errors.
- Our audit committee will review the regulations and primary objectives related to risk management, submit an annual comprehensive risk management report to the Board, review risk management strategies and solutions for significant risks, and address other matters related to comprehensive risk management as authorized by the Board. Our internal audit department will implement our risk management policies and systems, and will provide supervision to other departments and business units in their risk management activities.
- Our internal audit department is responsible for implementing our risk management policies and systems, and for conducting routine supervision and inspection of risk management activities across our business departments and units. We continuously identify, assess and monitor risks that may affect our strategic and operational objectives, and regularly review the adequacy and effectiveness of our risk management policies and internal control measures. Through this process, we seek to promptly identify control weaknesses, strengthen risk response capabilities and maintain a dynamic and long-term risk prevention and control mechanism. Our risk management system is designed to keep risks within an acceptable level, ensure accurate and reliable communication of information, support compliant and efficient operations, and enhance preparedness for significant risks and emergencies. In this way, we aim to safeguard shareholders' interests, protect business continuity and support the Company's long-term, high-quality development.

The typical operating procedures of our risk management work include the following: (i) collecting information related to risk management, including historical data and future forecasts. Specifically, in terms of strategic risk, we extensively gather cases where domestic and international companies have suffered losses due to uncontrolled strategic risks; in financial risk, we collect cases of financial crises caused by uncontrolled financial risks; in market risk, we gather cases where companies have suffered losses due to neglecting market risks and lacking response measures; in operational risk, we collect information relevant to our Company and industry; and in legal risk, we gather cases where companies have suffered losses due to neglecting legal and regulatory risks and lacking response measures; (ii) assessing the significance and likelihood (or frequency and probability) of risks; (iii) senior management assists the Board in determining a unified risk appetite and tolerance based on business characteristics, and establishes risk warning lines and corresponding countermeasures; (iv) senior management formulates risk management solutions for significant risks based on risk management strategies; and (v) senior management supervises the implementation of risk management, making timely improvements based on changes and any deficiencies.

### Internal Control

Our Board is responsible for establishing our internal control system and reviewing its effectiveness. During the year ended December 31, 2025, we regularly reviewed and enhanced our internal control system. Below is a summary of the internal control policies, measures and procedures we have implemented.

- We have implemented a range of measures and procedures covering various aspects of our business operations, including related party transactions, risk management, intellectual property protection, environmental protection, and occupational health and safety. As part of our employee training program, we regularly provide training on these measures and procedures to our staff.
- Our Directors, who are responsible for overseeing the corporate governance of our Group, will, with assistance from our legal advisers, periodically review our compliance status with all relevant laws and regulations.
- We have established an Audit Committee which (i) makes recommendations to our Directors on the appointment and removal of external auditors; and (ii) reviews the financial statements and renders advice in respect of financial reporting as well as oversees internal control procedures of our Group.
- We have engaged Maxa Capital Limited as our compliance adviser to provide advice to our Directors and management team from the Listing Date to the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date. Our compliance adviser is expected to ensure our use of funding complies with the section headed "Use of Proceeds from the Global Offering" in this annual report, as well as to provide support and advice regarding requirements of relevant regulatory authorities in a timely fashion.

The Board acknowledges its responsibility for the risk management and internal control systems and for reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control mechanisms.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company is required to disclose to the public any inside information as soon as reasonably practicable after it becomes aware of it or is likely to create a false market. From the Listing Date and up to the date of this annual report, the Company has disclosed information in strict compliance with the requirements of the laws and regulations including the Listing Rules without any false statements, misleading statements or material omissions, to ensure investors will be able to receive the disclosed information fairly, timely and effectively.

All divisions/departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects, including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management has reported to the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended December 31, 2025.

The internal audit department is responsible for performing independent reviews of the adequacy and effectiveness of the risk management and internal control systems. The internal audit department examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee. For the year ended December 31, 2025 and up to the date of this annual report, the Board was not aware of any material defect in the internal control of the Group.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, conducted an annual review of the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended December 31, 2025, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

The Company has in place a whistleblowing policy and system for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

To uphold our business reputation and ethical standards, we have incorporated anti-corruption and anti-bribery requirements into our internal policies and systems. These requirements are designed to prevent and prohibit any form of corruption or bribery, ensuring that our employees adhere to high standards of integrity and transparency in all business activities. We maintain a zero-tolerance approach to corruption and bribery and strictly enforce internal controls to enhance employees' legal awareness and ethical principles. Our relevant internal policies include provisions that strictly prohibit employees from engaging in any form of bribery or corruptive conduct, including giving or receiving bribes, kickbacks, or other improper benefits in connection with government relations and commercial activities. We have established secure and confidential effective reporting channels to encourage employees and business partners to report or file complaints about any suspected corruption or bribery.

## DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements with the support of the accounting and finance team.

The Directors have prepared the financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements of the Company are prepared on a going concern basis, the Directors are of the view that they give a true and fair view of the financial position, performance and cash flow of the Group for the year ended December 31, 2025, and the disclosure of other financial information and report therein complies with relevant legal requirements.

A statement from the external auditors of the Company about their reporting responsibilities for the financial statements is set forth in the Independent Auditor's Report in this annual report.

## AUDITOR'S REMUNERATION

An analysis of the remuneration paid/payable to the external auditor of the Company, Ernst & Young in respect of audit services and non-audit services for the year ended December 31, 2025 is set out below:

<b>Service category</b>	<b>Fees paid/ payable RMB'000</b>
Audit services	2,200
Non-audit services	—
<b>Total</b>	<b>2,200</b>

## JOINT COMPANY SECRETARIES

Mr. Yang Lei has been appointed as our joint company secretary with effect from December 19, 2025. For biographical details of Mr. Yang Lei, see “Directors and Senior Management — Executive Directors” of this annual report.

The Company has also appointed, externally, Ms. Zhang Xiao (張瀟) as the joint company secretary with effect from December 19, 2025. For details of Ms. Zhang Xiao’s biography, please see the section headed “Directors and Senior Management” of this annual report. Ms. Zhang Xiao’s primary contact with the Company is Mr. Yang Lei, the joint company secretary of the Company.

The Company was not listed on the Stock Exchange for the year ended December 31, 2025. The joint company secretaries of the Company will receive no less than 15 hours of relevant professional training annually pursuant to the requirements of Rule 3.29 of the Listing Rules.

All Directors may have access to the advice and services of the joint company secretaries on corporate governance and routine Board matters.

## SHAREHOLDERS’ RIGHTS

### Convening an Extraordinary General Meeting

In accordance with the Articles of Association, Article 45(3) and Article 50 stipulate that Shareholders who individually or jointly hold 10% or more of the Company’s shares shall have the right to request the Board of Directors to convene an extraordinary general meeting and shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association, provide a written response to the relevant Shareholders within 10 days of receipt, indicating whether it agrees or disagrees to convene the extraordinary general meeting.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within 5 days after making the board resolution, and any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders.

If the Board of Directors disagrees to convene an extraordinary general meeting or fails to provide feedback within 10 days of receipt, Shareholders who individually or jointly hold 10% or more of the Company’s shares shall have the right to propose to the Audit Committee to convene the extraordinary general meeting — as Article 131 clarifies the Audit Committee exercises the functions of the board of supervisors stipulated in the Company Law — and shall submit their request in writing to the Audit Committee. If the Audit Committee agrees to convene the extraordinary general meeting, it shall issue a notice to convene the meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the Audit Committee fails to issue the notice of the general meeting within the prescribed period, it shall be deemed that the Audit Committee will not convene and preside over the general meeting, and Shareholders who individually or jointly hold 10% or more of the Company’s shares for a continuous period of 90 days or more may convene and preside over the meeting on their own initiative. Article 51 requires that prior to the public announcement of the resolutions of the general meeting, the total shareholding percentage of the Shareholders convening the meeting shall not be less than 10%.

### **Putting Forward Proposals at General Meetings**

Pursuant to Article 55 of the Articles of Association, Shareholders individually or jointly holding 1% or more of the Company's shares may submit temporary proposals in writing to the convener 10 days prior to the holding of the shareholders' meeting. The convener shall, within 2 days of receiving such proposal, issue a supplementary notice of the shareholders' meeting, announce the content of the temporary proposal in accordance with the security's regulatory rules of the place where the Company's shares are listed have special provisions, such provisions shall prevail without violating the Company Law and the Securities Law, and submit the temporary proposal to the general meeting for deliberation. However, temporary proposals that violate the provisions of laws, administrative regulations or the Articles of Association, or do not fall within the scope of authority of the shareholders' meeting, shall be excluded.

### **Putting Forward Enquiries to the Board**

For putting forward any enquiries to the Board, Shareholders may submit written enquiries to the Company in accordance with the Articles of Association. The Company shall respond to shareholders' reasonable enquiries regarding the Company's operations, and shareholders shall comply with the provisions of the Company Law, the Securities Law, the Listing Rules and relevant laws and administrative regulations when requesting to make enquiries or obtain relevant materials of the Company. The Company will not normally entertain verbal or anonymous enquiries.

### **Contact Details**

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Room 101, Building 3, No. 2168 Chenhang Road, Minhang District, Shanghai  
Email: IR@iluvatar.com

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

## **COMMUNICATION WITH SHAREHOLDERS AND INVESTORS**

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To safeguard Shareholder interests and rights, separate resolutions should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

### Shareholders' Communication Policy

The Company adopts a Shareholders' communication policy (the "**Shareholders' Communication Policy**") to ensure that the Shareholders and, where appropriate, the general investing public, have timely access to comprehensive, identical and understandable information about the Company (including its financial performance, strategic objectives and plans, significant developments, governance and risk profile), so that Shareholders can exercise their rights in an informed manner on the one hand, and to enhance communication between Shareholders, investing public and the Company on the other.

The Company maintains a policy of open communication and communicates information to Shareholders and investors through a variety of channels. These include (i) the publication of interim and annual reports and/or dispatching circulars, notices, and other announcements; (ii) the annual general meeting or extraordinary general meeting providing a forum for Shareholders to raise comments and exchange views with the Board; (iii) updated and key information of the Group available on the Company's website ([www.iluvatar.com](http://www.iluvatar.com)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)); and (iv) the Company's website offering communication channel between the Company and its stakeholders, which provides designated contact person, email address and enquiry telephone number for Shareholders to raise enquiries relating to the Company. Besides, the Company recognizes the importance of Shareholder privacy and will not disclose Shareholder data without their consent unless required by applicable laws.

Shareholders may at any time direct enquiries and requests for the Company's information to the extent such information is publicly available, and provide comments and suggestions to the office of the Board. Such questions, requests and comments may be sent by mail to the Company's principal place of business in Hong Kong (Attention: Company Secretary, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong). In order to facilitate timely and effective communication and exchange, Shareholders are encouraged to provide their contact details, in particular email addresses, to the Company's H Share Registrar.

The Board is responsible for maintaining ongoing communication with Shareholders and regularly reviewing the Shareholders' Communication Policy to ensure its effectiveness. Having considered the implementation and outcome of the Shareholder communication channels of the Group and the practices of other listed companies, the Company confirmed its effectiveness during the period from the Listing Date and up to the date of this annual report.

### Amendments to Constitutional Documents

The Company has not made any amendments to its Articles of Association since the Listing Date. The latest version of the Articles of Association is posted on the websites of the Company and the Stock Exchange.

### **Dividend Policy**

The declaration and payment of any dividends in the future will be determined by our Shareholders and subject to our Articles of Association and the PRC Company Law, and will depend on a number of factors, including our earnings as well as capital requirements, overall financial condition and contractual restrictions. Any future net profit that we generate will be applied to account for our accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our accumulated losses have been accounted for; and (ii) we have allocated sufficient profit to our statutory common reserve fund as described above.

In light of our accumulated losses as disclosed in this annual report, it is unlikely that we will be eligible to pay a dividend out of our profits in the foreseeable future. In addition, any future determination to pay dividends will be made by our Board at their discretion and subject to Shareholders' approval, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and contractual restrictions, and other factors that our Board deems to be appropriate. Apart from the general principles for profit distribution set out in our Articles of Association, we have not adopted any specific dividend policy. As at the date of this annual report, we had not established a specified dividend payout ratio.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT

This report is the first Environmental, Social and Governance (“ESG”) report published by Shanghai Iluvatar CoreX Semiconductor Co., Ltd. It focuses on disclosing the ESG management initiatives, practical highlights, and achievements of the Company and its subsidiaries.

## Reporting Period

This report is an annual report covering the period from January 1, 2025 to December 31, 2025. In adherence to the principle of information consistency, certain contents have been traced back to previous years or extended where appropriate.

## Reporting Scope

The information and data in this report cover Shanghai Iluvatar CoreX Semiconductor Co., Ltd. and its subsidiaries.

## Basis of Preparation and Reporting Principles

This report has been prepared with reference to the Environmental, Social and Governance Reporting Guide as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, taking into account the reporting principles of materiality, quantitative, balance, and consistency.

## Sources of Information

The data and information contained in this report are primarily derived from the official internal documents, internal statistical data, and public information of the Company. Unless otherwise specified, all monetary amounts involved in this report are denominated in Renminbi (RMB).

## References

For the convenience of expression, “Iluvatar CoreX”, the “Company”, and “we” in this report all refer to Shanghai Iluvatar CoreX Semiconductor Co., Ltd.

## Access to the Report

This report is published in an electronic format. You may view and download this report at the following websites:

- Official website of Iluvatar CoreX: <https://www.iluvatar.com/>
- Website of the Hong Kong Stock Exchange: <https://www.hkexnews.hk>

## Contact Us

Should you have any enquiries or feedback regarding this report and its contents, please feel free to contact us through the following channels:

- Email: [ir@iluvatar.com](mailto:ir@iluvatar.com)
- Address: Room 101, Building 3, No. 2168 Chenhang Road, Minhang District, Shanghai

## BOARD STATEMENT

Iluvatar CoreX profoundly recognises that sustainable development is not only a corporate responsibility but also a strategic imperative for the future. We are committed to deeply integrating ESG concepts into corporate decision-making and daily operations, collaborating with all partners to create sustainable shared value.

As the highest governing and decision-making body for ESG affairs, the board of directors of the Company (the “Board”) assumes full responsibility for the Company’s ESG-related matters and reporting. The Board continuously monitors changes in the external macroeconomic environment, the Company’s development strategies, and ESG trends. It comprehensively reviews ESG targets, strategies, and management policies; identifies, evaluates, and oversees material ESG issues; reviews the annual material ESG issues and the ESG report; and examines the progress of ESG initiatives through relevant meetings, thereby continuously driving the integration of ESG into the Company’s business operations.

This report comprehensively discloses the progress and achievements of Iluvatar CoreX’s ESG initiatives in 2025, the contents of which have been reviewed and approved by the Board. There are no false representations, misleading statements, or material omissions in this report, and the Board assumes corresponding responsibilities for the truthfulness, accuracy, and completeness of the contents herein.

## 1. GOVERNANCE

The Company is committed to enhancing its governance standards, upholding the principles of compliant operation and integrity-based development. It considers the enhancement of its governance system and risk control as crucial pillars for sustainable development. By strengthening compliance frameworks and integrity education, actively establishing communication mechanisms, and fostering a deep integration of governance practices with business development, the Company aims to ensure stable and robust operations.

### 1.1 Corporate Governance

Iluvatar CoreX consistently regards compliance as the bedrock of its corporate development, strictly adhering to laws and regulations such as the *Company Law of the People’s Republic of China* and the *Securities Law of the People’s Republic of China*, and benchmarked against high-standard regulatory requirements including the *Code of Corporate Governance for Listed Companies* and the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*. In accordance with the Corporate Governance Code, Iluvatar CoreX has established three dedicated Board Committees, namely the Audit Committee, the Remuneration Committee, and the Nomination Committee. The Company leverages the efficient operation of its specialised committees to further strengthen the management and oversight of the performance of directors and senior management, thereby ensuring the transparency, fairness, and independence of its corporate governance. The Board comprises executive directors, non-executive directors, and independent non-executive directors, which effectively ensures the scientific and impartial nature of decision-making. Adhering to the governance principles of compliance, independence, professionalism, and diversity, the Company continuously improves its governance structure and comprehensively enhances its corporate governance capabilities.

### 1.1.1 Board Diversity

Iluvatar CoreX's Board comprises eight members, including four executive directors, one non-executive director, and three independent non-executive directors. To enhance effectiveness of the Board and maintain robust corporate governance, Iluvatar CoreX has adopted a Board Diversity Policy. This policy sets out the criteria for director candidates, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service. The final selection is based on the candidate's merits and their contributions to the Board.

Currently, our directors possess a balanced combination of knowledge and skills, encompassing diverse fields such as semiconductors, overall business management, finance, and accounting. They hold degrees in various disciplines, including computer science, software engineering, electrical engineering, business administration, accounting, finance, as well as mechanical and aerospace engineering. Furthermore, the age range of our Board members spans from 41 to 59 years old, and includes one female director. While we acknowledge that there remains room for improvement in gender diversity at the Board level, we remain committed to a competency-based approach and will refer to the overall diversity policy when implementing appointment standards, striving to ensure an appropriate balance of gender diversity.

### 1.1.2 Information Disclosure

To establish standardised guidelines for information disclosure and ensure the authenticity, accuracy, completeness, and timeliness of such disclosure, Iluvatar CoreX has formulated and implemented the *Information Disclosure Management System*. This system is based on relevant business rules, such as the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, and is tailored to the Company's actual circumstances. It clarifies the scope, standards, procedures, and division of responsibilities for information disclosure, establishes a rigorous information transmission and review mechanism, and standardises the preparation and disclosure procedures for periodic reports and interim announcements. The Company ensures that all shareholders and stakeholders can access information equally and conveniently, effectively safeguarding the legitimate rights and interests of investors, and providing a solid institutional guarantee for the Company's stable operation in the capital market.

## 1.2 ESG Management

Iluvatar CoreX consistently views sustainable development from a strategic perspective, regarding Environmental, Social, and Governance (ESG) as the core philosophy and cornerstone of the Company's long-term stability. We are committed to building a resilient ecosystem that integrates employee growth, mutual success with partners, and customer satisfaction, leading the industry's development through comprehensive responsibility. As the highest decision-making and oversight body for ESG matters, the Board provides overall coordination for the formulation of ESG policies and strategies, exercises in-depth supervision over the implementation of key issues, and ensures the continuous enhancement of ESG governance effectiveness by establishing regular review and optimisation mechanisms.

To further solidify the governance foundation for sustainable development, enhance the scientific nature of decision-making, and drive a leapfrog improvement in ESG performance, the Company plans to establish an ESG Committee to serve as a vital engine for promoting green transformation and value creation. This committee will bring together senior management, heads of various functional departments, and professional backbones with cutting-edge ESG perspectives to build a collaborative and efficient professional governance structure. The committee will report directly to the Board, ensuring that ESG concepts permeate from the strategic level to the execution level, providing a solid organisational guarantee and intellectual support for the Company to achieve its vision of high-quality and sustainable development.

The responsibilities of the ESG Committee include:

- Formulating and implementing an ESG framework, policies, and measures consistent with the Company's long-term business strategy, and regularly reviewing and adjusting them as necessary;
- Ensuring compliance with the latest ESG-related laws and regulations, and updating ESG policies in a timely manner according to regulatory changes;
- Regularly identifying, evaluating, and managing material ESG-related risks, and taking timely measures to mitigate potential impacts;
- Engaging external ESG experts where necessary to provide professional advice and support for the Company to achieve its ESG objectives;
- Reviewing and monitoring the effectiveness of stakeholder communication channels and collecting their feedback to optimise the Company's ESG strategy;
- Arranging continuous ESG training for directors and senior management to ensure they stay abreast of the latest trends and compliance requirements in ESG matters;
- Preparing annual ESG reports and reports on the assessment of ESG-related risks and opportunities for the Board's approval;
- Monitoring and evaluating the Company's performance and progress in achieving ESG objectives, and reporting regularly to the Board.

To better identify the ESG risks and opportunities facing the Company, we conducted an assessment of material ESG issues in 2025. In accordance with regulatory requirements for ESG disclosure, and taking into account national policy dynamics, industry development trends, peer benchmarking analysis, as well as the Company's own business development and strategic layout, we determined a list of material ESG issues. By soliciting suggestions from internal and external stakeholders, including government/regulatory authorities, shareholders/investors, customers, employees, the general public in communities, and suppliers/partners, we ranked the material issues based on two dimensions: "Importance to Iluvatar CoreX's Development" and "Importance to Stakeholders". This ultimately formed Iluvatar CoreX's ESG materiality matrix, which was reviewed and confirmed by the Board of the Company.

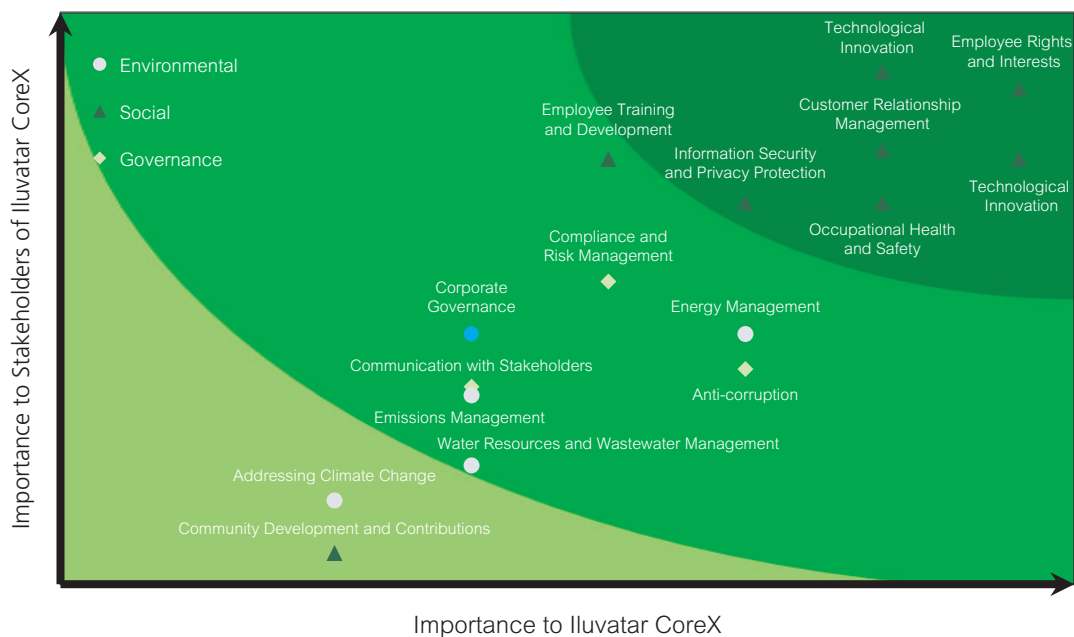
**Materiality Analysis Process**

**Issue Identification:** By analysing domestic and international ESG-related standards and national regulatory policy requirements, conducting industry benchmarking analysis, and taking into consideration the Company’s actual circumstances and business layout, we screened and identified 17 material issues.

**Issue Survey:** We conducted a questionnaire survey among internal and external stakeholders, including government/regulatory authorities, shareholders/investors, customers, employees, the general public in communities, and suppliers/partners.

**Issue Prioritisation:** Based on the results of the questionnaire survey, the issues were prioritised according to two dimensions, namely “Importance to the Company’s Development” and “Importance to Stakeholders”, thereby forming Iluvatar CoreX’s materiality matrix.

**Issue Review:** The Company’s internal management and external experts reviewed the issue selection results and ultimately determined the highly material issues, which will be highlighted for disclosure in the report.



**Iluvatar CoreX 2025 ESG Materiality Matrix**

### 1.3 Risk Management and Compliance

Iluvatar CoreX strictly abides by relevant regulations such as the *Audit Law of the People's Republic of China*, the *Basic Standard for Enterprise Internal Control*, and the *Articles of Association*. The Company continuously improves its internal risk management system, fully leverages the effectiveness of internal audits to promote compliant corporate development, and actively responds to the diversified risk challenges encountered during its operations. The Company has formulated and implemented the *Internal Control Management Policy*, the *Internal Audit Policy*, and the *Conflict of Interest Declaration Management Policy*. Centred on establishing and perfecting compliance management as well as risk prevention and control mechanisms, the Company is committed to constructing a governance structure characterised by legally defined rights and responsibilities, coordinated operations, and effective checks and balances.

The Company has established a sound risk management organisational structure, with the Board serving as the highest decision-making body for risk management to provide overall leadership and direction for the Group's risk control and compliance. The Audit Committee performs core supervisory functions. It is primarily responsible for reviewing risk management-related regulations and objectives, submitting annual comprehensive risk management reports to the Board, evaluating mitigation strategies and solutions for significant risks, and handling other relevant matters authorised by the Board. The internal audit department, acting as the implementing body, is responsible for executing risk management policies and systems, while conducting routine supervision and inspection of risk management activities across various business departments and units.

We have established dynamic and long-term risk management mechanisms to continuously identify internal control weaknesses and optimise controls. Meanwhile, we regularly conduct comprehensive reviews and evaluations of risk management policies and internal control measures to verify their suitability and effectiveness. We ensure that our internal control system remains highly effective and sufficient at all times, guaranteeing that the Company's operations strictly comply with industry standards and regulatory requirements.

### 1.4 Anti-corruption

We firmly adhere to a "zero-tolerance" stance on integrity, strictly abide by the bottom line of business ethics, and resolutely resist and combat all forms of corruption, striving to create a transparent and efficient operating environment.

#### 1.4.1 Anti-corruption Management

Iluvatar CoreX builds a solid foundation for the rule of law throughout its business development, strictly complying with the regulatory requirements of laws and regulations such as the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and the *Prevention of Bribery Ordinance* of Hong Kong. To further strengthen the rigid constraints of our systems, the Company has formulated the *Anti-Commercial Bribery Management Measures* and the *Trade Secret Management Measures*, integrating integrity risk prevention and control into every stage of corporate operations to lay a solid foundation of integrity for sustainable development. The Legal and Internal Control Department serves as the executive body for anti-commercial bribery efforts, taking overall responsibility for implementing anti-commercial bribery work across the Company and its subsidiaries. Its primary responsibilities include accepting and registering reports of commercial bribery and leading case investigations.

The Company has established a rigorous anti-bribery and anti-corruption compliance management system to ensure our operations align with applicable anti-bribery and anti-corruption regulations in the jurisdictions where we operate. We maintain a “zero-tolerance” attitude toward any form of illegal transfer of benefits and strictly prohibit all improper payment practices, including but not limited to commercial bribery, kickbacks, gifts or gratuities exceeding normal business etiquette, and any transfer of benefits aimed at obtaining an unfair competitive advantage. We regularly conduct special anti-bribery and anti-corruption training for all staff to deepen their compliance awareness and bottom-line thinking, internalising integrity and self-discipline as core corporate values to ensure all policies and measures take root and remain effective.

#### 1.4.2 Whistleblowing Management and Protection

To encourage employees and informed members of the public to actively report various acts of commercial bribery, the Company has established diversified channels such as a dedicated whistleblowing email, while implementing strict confidentiality for whistleblower information and resolutely prohibiting any discrimination or retaliation. Simultaneously, the Company has established a whistleblowing reward mechanism to encourage employees to exercise their supervisory rights. Where reports are verified to be true upon investigation, the Company will grant corresponding rewards to the whistleblower.

- **Whistleblowing and Complaint Methods**

Whistleblowing Email: [compliance@iluvatar.com](mailto:compliance@iluvatar.com)

Whistleblowing Address: Legal and Internal Control Department, 6th Floor,  
Building 3, No. 2168 Chenhang Road, Minhang District, Shanghai

Throughout the process of report acceptance and investigation, the Company will implement strict confidentiality regarding the whistleblower’s name, department, and unit name, strictly prohibiting any disclosure to the reported party or their unit to effectively protect the whistleblower’s legitimate rights and interests. The Company resolutely prohibits any form of discrimination or retaliation and strictly forbids any obstruction, interference, or hostile measures against personnel participating in investigations. For individuals who disclose whistleblowing information in violation of regulations or engage in retaliation against whistleblowers, the Company will impose sanctions such as demerits or dismissal depending on the severity of the circumstances, up to and including the termination of employment contracts; if laws are violated, the Company will transfer the case to relevant government authorities or judicial organs in accordance with the law.

### 1.4.3 Supplier Integrity

The Company consistently regards integrity and honesty as the core philosophy of supply chain management, insisting on risk prevention at the source. When engaging in business cooperation with suppliers, we strictly implement the “Integrity Agreement” system, mandating the inclusion of anti-corruption clauses in all contracts to clearly define the red lines of integrity and establish the foundation for compliant operations. Should a supplier violate relevant regulations, the Company will exercise its right to unilaterally terminate the contract based on the facts and severity of the breach, reserve the right to partially or fully terminate cooperation, seek liability for breach of contract, and collect liquidated damages to safeguard the Company’s legitimate rights and interests. Suppliers found in violation will be placed on a “Blacklist” and subject to permanent debarment.

### 1.4.4 Integrity Training

The Company attaches great importance to the source construction of a compliance culture and reinforces integrity education during new employee orientation. In 2025, the Company organized a total of four induction training sessions for new employees, during which “Anti-Commercial Bribery” was established as a core module of the compliance-themed training throughout the orientation process.

Indicator Name	Unit	2025 Data
Number of concluded legal cases regarding corrupt practices	Cases	0
Total hours of anti-corruption training for employees	Hours	93
Number of employees participating in anti-corruption training	Person-times	93

## 1.5 Communication with Stakeholders

Iluvatar CoreX highly values communication and interaction with stakeholders, and is committed to guiding the direction of its ESG work by listening to diverse voices. Taking full account of its business nature, operating conditions, and industry development trends, the Company has identified key stakeholders, including shareholders/investors, employees, governments/regulatory authorities, customers, suppliers, and communities. It has also established diversified communication channels such as regular meetings, questionnaire surveys, and public consultations to ensure the timely receipt of and response to the expectations of all parties. We are deeply aware that corporate sustainable development is closely intertwined with every stakeholder. Through continuous listening and interaction, we are committed to driving the realisation of our ESG goals and creating long-term shared value. The Company strengthens communication with investors through diversified channels such as its official website, WeChat official account, investor hotline, general meetings, promotional materials, and media interviews, thereby effectively safeguarding investors’ rights.

## 2. ENVIRONMENT

The Company has always taken providing practical and feasible solutions and promoting social sustainable development as its fundamental commitment, prioritises the adoption of environmentally friendly practices, and integrates the concept of sustainable development throughout the entire process of its business operations. On this basis, we actively adopt effective management measures to strictly control and continuously reduce pollutant emissions and energy consumption, with a view to exerting a positive and far-reaching impact on the ecological environment and our cooperative communities.

### 2.1 Addressing Climate Change

#### 2.1.1 Climate governance

The Board and the management of the Company pay close attention to climate change-related issues, recognize the potential impacts that climate change may have on the R&D, operations, and supply chain of the semiconductor industry, and incorporate climate change-related risks and opportunities into the Company's overall risk consideration scope. In its subsequent operations, the Company plans to gradually establish and perfect a climate-related governance structure, clarify the responsibilities of the Board and the management in climate change management, strengthen the building of relevant professional capabilities, and promote the deep integration of climate change management with the Company's overall strategies and operational management, so as to ensure that climate-related risks are effectively identified and controlled, and relevant opportunities are reasonably explored and utilized.

#### 2.1.2 Climate strategies

Taking into consideration the development trends of the semiconductor industry and the core business characteristics of the Company's GPU chip R&D, the impacts of climate change-related risks and opportunities on the Company are at an initial manifestation stage and have not yet caused any material substantive impact.

- Climate-related risks:** The Company's R&D and office activities mainly consume electricity resources. Influenced by factors such as the global energy structure transition, regional energy policy adjustments, and extreme weather events, the Company may face potential transition risks and physical risks such as power supply instability and energy cost fluctuations; meanwhile, with the gradual tightening of global and regional climate-related regulatory policies, it may face stricter carbon emission control requirements in the future, which may exert a certain impact on the Company's R&D and production processes, supply chain management, and other aspects.
- Climate-related opportunities:** Driven by the global "Dual Carbon" goals, the semiconductor industry is showing an obvious development trend towards low power consumption and energy conservation. As core components, GPU chips have broad application prospects in fields such as green computing and energy-saving data centres. The Company can leverage its core technological advantages to gradually explore the R&D direction of low-power chips and unearth business development opportunities against the backdrop of climate change; meanwhile, with the widespread application of green energy, the Company can optimize its energy usage structure to reduce operating costs and enhance its corporate sustainable development capabilities.

To effectively manage energy usage and reduce greenhouse gas emissions, the Company has formulated and implemented relevant management measures and carried out several environmental protection actions, including initiatives such as optimizing temperature control in office areas. Moving forward, the Company also plans to introduce highly energy-efficient lighting equipment and, through sustainable development-related training and advocacy activities, to encourage employees' active participation to jointly cultivate a responsible culture of green and low carbon. In the future, the Company will gradually clarify its climate-related strategic directions based on industry development trends, regulatory requirements, and the reality of the Company's business development, and plans to conduct climate scenario analyses to assess the potential impacts of climate-related risks and opportunities on the Company's financial position and operating results, thereby formulating reasonable response strategies and implementation pathways.

### **2.1.3 Climate risk management**

In response to potential climate-related risks, the Company conducts preliminary prevention and control through daily operational management, such as optimizing the usage efficiency of office and R&D equipment to reduce unnecessary energy consumption; and keeping abreast of industry climate-related policy dynamics and peers' risk management experiences to accumulate experience for the subsequent construction of a risk management system. The Company will gradually build a climate-related risk management framework, clarify the processes and methods for risk identification, assessment, response, and monitoring. In conjunction with the relevant requirements of the ESG Reporting Guide of the Hong Kong Stock Exchange, we conduct normalized climate risk assessments, and based on the risk assessment results, formulate targeted response measures to mitigate the potential impacts of climate-related risks on the Company's operations and enhance its climate risk resilience.

### **2.1.4 Metrics and targets**

To fulfill the Company's commitment to sustainable development, we have set greenhouse gas (GHG) emission reduction targets covering Scope 2 and Scope 3 emissions. Our own operations do not generate direct Scope 1 GHG emissions. For Scope 2, our target is to reduce the carbon emission intensity of purchased electricity by 10% by the end of 2026 compared to the 2024 baseline. To achieve this target, we plan to sign renewable energy power purchase agreements to make green electricity account for 20% of our total electricity consumption, and to implement an energy management system in our office buildings to reduce overall electricity consumption by 10%. Regarding Scope 3 emissions, which primarily arise from procurement, supply chain transportation, and business travel, we will accord priority to cooperating with low-carbon logistics suppliers and optimize transportation routes via digital platforms to reduce the empty load rate by 10%. We will also promote a "no non-essential travel" policy, replacing 20% of domestic business flights with video conferences, and encourage employees to use public transportation and carpool through subsidies and incentive schemes. We will regularly monitor the progress of these targets and continue exploring new opportunities to further reduce GHG emissions across our operations and value chain.

As of the end of 2025, our total GHG emissions and intensity were as follows:

Indicator Name	Unit	2025 Data
Total GHG emissions	Tonnes of CO <sub>2</sub> e	<b>843.65</b>
GHG emission intensity	Tonnes of CO <sub>2</sub> e/ RMB100 million of revenue	<b>81.62</b>
Indirect (Scope 2) GHG emissions <sup>1</sup>	Tonnes of CO <sub>2</sub> e	<b>843.65</b>
Indirect (Scope 2) GHG emission intensity	Tonnes of CO <sub>2</sub> e/ RMB100 million of revenue	<b>81.62</b>

## 2.2 Waste Management

As a provider of chips and AI computing power solutions, the Company's daily production and operations do not generate emissions such as exhaust gas or wastewater. The environmental pollutants generated are mainly non-hazardous wastes such as office paper and domestic garbage, as well as hazardous wastes such as toner cartridges. We are fully committed to sustainable waste management practices, ensuring that all wastes are handled in the most prudent and efficient manner. All hazardous and non-hazardous wastes are carefully collected and stored, and processed by licensed third parties. We have set a management target of "100% legal disposal of hazardous wastes", and actively encourage the recycling and sorting of non-hazardous wastes within the Company. We regularly monitor the amount of waste generated and the waste recycling rate to minimize environmental impacts and strengthen our sustainable development endeavours throughout our operations.

Indicator Name	Unit	2025 Data
Volume of hazardous waste discharged	Tonnes	<b>0.04</b>
Hazardous waste discharge intensity	Tonnes/RMB100 million of revenue	<b>0.004</b>
Volume of non-hazardous waste discharged	Tonnes	<b>5.50</b>
Non-hazardous waste discharge intensity	Tonnes/RMB100 million of revenue	<b>0.53</b>

<sup>1</sup> Indirect greenhouse gas emissions are calculated using the national average electricity carbon dioxide emission factor of 0.5306 kg CO<sub>2</sub>/kWh, as set out in the *Announcement on the Release of the 2023 Electricity Carbon Dioxide Emission Factor* issued by the Ministry of Ecology and Environment.

## 2.3 Energy and Resource Management

Our daily energy consumption is primarily derived from purchased electricity. To manage energy consumption, we have implemented relevant policies and carried out a series of activities. We have included "Rational Electricity Usage Management" into our annual list of *QEH Targets and Management Measures*, tracking electricity usage records and related reports on a monthly basis to ensure reasonable electricity consumption. Moreover, we save electricity by controlling the temperature in office areas. We will also consider adopting highly energy-efficient lighting systems and engage employees through sustainable development training and advocacy programmes to cultivate a culture of environmental responsibility.

We are committed to enhancing energy usage efficiency during our operations, leading and empowering low-carbon computing with green computing power. Through continuous technological innovation, we promote energy efficiency improvements in the R&D processes and green computing on the product application side, thereby achieving a balance of "computing power growth with energy consumption reduction" to support low-carbon development.

### **Architecture-level power reduction**

Introducing refined power management technologies during the chip design phase to significantly reduce the static and dynamic power consumption of products under different loads via dynamic voltage and frequency scaling (DVFS).

### **Hardware and software co-optimization**

The R&D team continuously optimizes the underlying software stack architecture to indirectly reduce the power consumption of customers' data centres under the same computing power requirements by enhancing operator parallelism and data throughput efficiency.

### **Liquid cooling technology adaptation**

Our product designs are fully compatible with liquid cooling solutions, helping data centres reduce their Power Usage Effectiveness (PUE) and supporting the establishment demands of national green computing centres.

In terms of water resource utilization, the water used in the Company's operations is exclusively from the municipal water supply. We closely monitor the water consumption in our production facilities and offices and have implemented various water-saving policies and measures. These measures include the timely repair of dripping faucets to reduce water wastage, and the posting of reminder stickers in restrooms to raise employees' water-saving awareness. Through these efforts, we aim to further promote water-saving practices and reduce our overall water consumption.

The Company utilizes cardboard boxes as the primary packaging material for its products and actively practices green and environmentally friendly concepts throughout the entire packaging process. We continuously reduce the potential environmental impacts of the packaging processes by persistently optimizing packaging structure designs, reasonably controlling the usage of packaging materials, and improving packaging utilization rates. Meanwhile, the Company prioritizes the selection of compliant and eco-friendly paper-based packaging raw materials, establishes mechanisms for packaging management and continuous improvement, and promotes the reduction and rationalized use of packaging materials, contributing to the efficient utilization of resources and sustainable development.

Indicator Name	Unit	2025 Data
Energy consumption <sup>2</sup>	Tonnes of standard coal	<b>195.41</b>
Energy consumption intensity	Tonnes of standard coal/ RMB100 million of revenue	<b>18.90</b>
Electricity consumption	10,000 kWh	<b>159</b>
Electricity consumption intensity	10,000 kWh/RMB100 million of revenue	<b>15.38</b>
Water consumption	Cubic metres	<b>1,135</b>
Water consumption intensity	Cubic metres/RMB100 million of revenue	<b>109.81</b>
Volume of packaging materials used	Tonnes	<b>13.75</b>
Packaging material consumption intensity	Tonnes/RMB100 million of revenue	<b>1.33</b>

### 3. SOCIAL

The Company adheres to the philosophy of responsible development, attaches great importance to the cultivation and practice of social values, and is always committed to balancing the rights and interests of all parties and conveying positive values during its business development. We emphasize technological innovation and humanistic care, strengthen our sense of responsibility, actively give back to society, and continuously drive the synergetic advancement of corporate development and social progress to fulfill our commitment to sustainable development.

#### 3.1 R&D and Technological Innovation

Iluvatar CoreX attaches great importance to innovative R&D and quality management, regarding innovation as the foundation of its development. We continuously construct and refine our innovation management and quality management systems and regulations. Relying on a professional, efficient, and high-quality R&D and technical talent echelon, we constantly strengthen our capabilities in technological innovation and quality assurance, providing solid support for the long-term stable development and sustainable operation of the enterprise. In 2025, the Company's R&D investment amounted to RMB974.155 million.

<sup>2</sup> Energy conversion factors are determined by reference to the *General Rules for Calculation of the Comprehensive Energy Consumption* (GB/T 2589-2020).

### 3.1.1 R&D Management

The Company always attaches great importance to R&D innovation and technological iteration, taking technological breakthroughs as the core support for development. We continuously standardize our R&D management processes, having formulated systems such as the *Iluvatar CoreX Product Management Process* and the *Iluvatar CoreX R&D Project Management Policy* to construct full-lifecycle R&D management. By establishing the Product Management Team (PMT) and the Product Development Team (PDT), we integrate ESG considerations from the Concept stage through to the Archive stage, ensuring that every product achieves commercial success while fulfilling social responsibilities.

In accordance with the *Iluvatar CoreX R&D Project Management Policy*, we have established stringent Decision Check Points (DCP) across the four major stages of R&D preparation, development, verification, and release. We incorporate ESG-related requirements, such as environmental compliance, information security, and reliability, into the R&D review process. In 2025, the pass rate of product lines in the R&D review process reached 100%.

We continuously promote the building of our R&D team, taking talent development as a core strategy to create a competitive talent pool. As of the end of 2025, the Company had a total of 538 R&D personnel, accounting for 70.88% of the total headcount, with over 70% holding a master's degree or above. The R&D team is well-structured and comprehensively skilled, providing solid support for the Company's technological innovation and product development.

In 2025, Iluvatar CoreX was listed among the "Shanghai Hardcore Technology TOP100" and the "R&D Intensity TOP50" lists, and was honoured with awards including the "Future Intelligence Group Award" at the Global "Future Industry Star" competition, and the Distinguished Contribution Award at the World Internet Conference.

### 3.1.2 Intellectual Property Protection

Iluvatar CoreX strictly complies with the *Copyright Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and other relevant laws and regulations. While safeguarding its own intellectual property rights, the Company fully respects those of others. The Company has formulated and implemented the *Iluvatar CoreX Intellectual Property Management Measures* to establish a regulated and comprehensive intellectual property management system, providing unified governance over the protection, application, utilization, management, and risk prevention of intellectual property. The management measures clearly specify reward and penalty mechanisms related to intellectual property, offering corresponding incentives to inventors and designers of patents and software copyrights, thereby encouraging employees to actively engage in technological innovation and continuously stimulating the Company's innovation vitality and core competitiveness.

As of the end of 2025, Iluvatar CoreX had accumulated 74 authorized domestic patents, including 65 invention patents and 9 utility model patents; in addition, the Company has obtained 3 authorized foreign patents and 124 software copyrights. Furthermore, to mitigate intellectual property infringement risks, the Company has registered 215 core trademarks, including the "Iluvatar CoreX" brand and logo, with 212 registered in Mainland China and 3 in Hong Kong, China, thereby constructing a robust intellectual property protection system.

## 3.2 Employee Rights and Interests

### 3.2.1 Employment and Diversification

Iluvatar CoreX strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other relevant laws and regulations. Internally, it continuously refines and strictly adheres to policies such as the *Iluvatar CoreX Social Recruitment System*, establishing sound labor protection and employment management systems. During talent acquisition, the Company strictly implements standardized and streamlined recruitment procedures, including explicit demand management, diversified talent sourcing, precise interview selection, efficient hiring decisions, and meticulous onboarding management. The Company strictly prohibits any form of child labor or forced labor. Any violations would be addressed by the Human Resources Department in accordance with relevant laws, regulations, and internal management policies; as of the reporting period, the Company had no instances of child labor or forced labor.

Iluvatar CoreX adheres to national labor regulations, providing employees with competitive compensation and contributing to social insurance and housing provident funds in full and in accordance with the law, thereby striving to attract, motivate, and retain top talent. We continuously refine our mechanisms for talent introduction, training, incentives, and development, offering a market-competitive compensation and benefits system alongside clear career advancement pathways. We consistently build systematic training platforms to help employees achieve alignment between personal value and corporate goals.

The Company continues to build a talent pool of key personnel needed for future development through diversified sourcing channels, proactively maintains long-term connections with external talent, and precisely identifies outstanding individuals whose values and competencies align with those of the Company. Recruitment strictly adheres to the laws and regulations of the countries or regions where we operate, ensuring equal treatment for all candidates, respect for personal privacy, and the strict elimination of any discrimination based on age, gender, physical disability, marital status, etc., to guarantee fairness and impartiality. Furthermore, the Company enforces a disclosure system for material rewards granted through employee referrals to ensure process transparency and compliance. In employment, the Company does not discriminate against female employees regarding recruitment, promotion, transfer, or dismissal based on gender. We strictly implement the principle of equal pay for equal work, ensuring that female employees enjoy the same benefits and welfare as their male counterparts.

### 3.2.2 Employee Welfare and Care

The Company maintains a comprehensive framework for employee welfare and corporate culture development, placing strong emphasis on employee physical and mental well-being, team cohesion, and family support. We organize a diverse range of daily recreational activities, including regular badminton, football, and basketball sessions, providing a stable platform for employee exercise and social interaction. Additionally, we organize quarterly birthday celebrations and host various cultural and entertainment events, such as celebrations for the Lantern Festival, Family Day, and International Women's Day, to continuously enhance employees' sense of belonging and well-being.

At the same time, the Company consistently places employee care in a vital position within corporate development. We are committed to constructing an open and efficient internal information communication mechanism, establishing a "zero-distance dialogue platform" within the Company and across teams, and continuously upholding a philosophy of sincere communication. Employees can provide feedback, offer suggestions, and seek problem resolutions through the Company's public and formal communication platforms and channels. Furthermore, we have organized five sessions of the "Open-Core Roundtable  $\pi$ " communication activity, involving over 170 employees, promoting information sharing, encouraging diversified discussions, and consolidating team wisdom through a relaxed and free-flowing conversational format.

Indicator Name		Unit	2025 Data
Total Number of Employees	Person		<b>759</b>
Number of Employees by Employee Type	Senior Management	Person	<b>13</b>
	Middle Management	Person	<b>64</b>
	General Employees	Person	<b>682</b>
Number of Employees by Gender	Male Employees	Person	<b>576</b>
	Female Employees	Person	<b>183</b>
Number of Employees by Age Group	Aged 30 and below	Person	<b>235</b>
	Aged 31–40	Person	<b>371</b>
	Aged 41–50	Person	<b>144</b>
	Aged over 50	Person	<b>9</b>
Number of Employees by Geographical Region	Employees in Mainland China	Person	<b>759</b>
	Overseas Employees	Person	<b>0</b>
	Employees in Hong Kong, Macau and Taiwan	Person	<b>0</b>
Employee Turnover Rate	%		<b>6.19</b>
Employee Turnover Rate by Gender	Male Employee Turnover Rate	%	<b>4.17</b>
	Female Employee Turnover Rate	%	<b>2.02</b>
Employee Turnover Rate by Age Group	Aged 30 and below	%	<b>2.14</b>
	Aged 31–40	%	<b>3.45</b>
	Aged 41–50	%	<b>0.6</b>
	Aged over 50	%	<b>0</b>
Employee Turnover Rate by Geographical Region	Employee Turnover Rate in Mainland China	%	<b>6.19</b>
	Overseas Employee Turnover Rate	%	<b>0</b>
	Employee Turnover Rate in Hong Kong, Macau and Taiwan	%	<b>0</b>

### 3.2.3 Occupational Health and Safety

Iluvatar CoreX has long prioritized employee health and safety, strictly complying with laws, regulations, and standards such as the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and the *Work Safety Law of the People's Republic of China*, and is dedicated to providing a safe and healthy working environment and facilities for its employees. The Company has obtained the ISO 45001 occupational health and safety management system certification and continues to provide healthy and safe working conditions to prevent work-related injuries and health impairments. Furthermore, the Company regularly organizes systematic and comprehensive occupational health and safety training, adhering to the policy of "safety first, prevention-oriented, and comprehensive management," while placing employee occupational health and production safety as its top priority. In 2025, the Company recorded zero work-related fatalities.

To further safeguard the physical and mental well-being and life safety of employees in all aspects, and to continuously strengthen the enterprise's safety production defense line, the Company strictly implements a regular, standardized, and regulated safety audit system. It has developed the *Environmental Factor Identification and Evaluation Form and Important Environmental Factors* and regularly organizes various functional departments to conduct hazard identification and risk assessment work, forming the *Hazard Identification and Risk Evaluation Form*. This process identifies hazards in different workplaces, clarifies risk classifications, and formulates risk control measures to ensure employee occupational health and safety.

The Company systematically reviews potential safety risks in production processes, working environments, equipment and facilities, and management links, establishing a dynamic risk ledger, and formulating targeted prevention and control measures. It strictly implements comprehensive process control requirements for the classification, collection, storage, transportation, and harmless disposal of hazardous waste, ensuring that all work complies with national laws, regulations, and industry standards. The Company promotes problem rectification through closed-loop management and strengthens the implementation of responsibilities through regular supervision, continuously enhancing the level of intrinsic safety and effectively protecting employee health and the stable development of the enterprise.

Indicator Name	Unit	2025 Data
Work-related fatalities (three-year data)	Person	0
Lost workdays due to work-related injuries	Day	102

### 3.2.4 Employee Training and Development

Iluvatar CoreX has consistently attached great importance to talent pipeline development, establishing diversified and multi-layered career development paths for employees. Adhering to principles of fairness and transparency in employment, the Company constructs a growth trajectory that values both management and professional expertise, providing every employee with a broad development platform and upward mobility.

To precisely support the implementation of strategies and business development needs, and to promote continuous improvement of organizational capabilities, Iluvatar CoreX further optimized its talent development system in 2025. This involved building a comprehensive value chain system encompassing talent acquisition, retention, and cultivation, deeply integrating the Company's strategy, business deployment, and talent development. It established a fair, efficient, standardized, and orderly talent management mechanism, complemented by robust incentive and guarantee mechanisms, thereby providing solid support for talent selection, cultivation, utilization, and retention.

#### **Introduction of High-Caliber Talents**

The Company has built a top-tier technical team, with over 100 core chip team members possessing more than 20 years of industry experience and multiple successful chip tape-out experiences. Software team members are with over a decade of deep involvement in GPGPU ecosystem software development, covering all critical aspects of core technologies.

#### **Dual-Track Talent Reserve**

A career development system with parallel management and professional tracks has been established. The professional track is subdivided into 3 major sequences and 20 sub-sequences. Job level standards matching job characteristics are formulated for both tracks, applied across all stages of employee grading and promotion, thereby constructing a standardized talent pipeline.

#### **Systematic Layered Cultivation**

An annual specialized training plan has been developed, focusing on five key objectives including strategic consensus and management upgrading, offering various specialized training programs for middle-to-senior managers and new employees. Cross-departmental technical sharing sessions are organized for all employees to foster collaborative technological innovation, alongside annual refresher training for safety and compliance courses, achieving layered and categorized capability enhancement.

#### **Multi-Dimensional Mechanisms for Development Assurance**

The Company has established a comprehensive talent support and care system, streamlining communication channels throughout the entire employee journey from onboarding to career progression. It has refined dual incentive mechanisms (material and spiritual), assigned dedicated HRBPs for human resource support, and built an integrated care system covering welfare benefits and cultural activities to enhance employees' sense of belonging and stability.

The Company consistently conducts the identification and evaluation of core and reserve talents, and has formulated the *Iluvatar CoreX Employee Rank Management Measures* to refine promotion processes. By combining talent characteristics with development potential, it accurately matches training resources and development opportunities, aiding employees in rapid growth and success, continually strengthening the talent base, and enhancing overall team capabilities. Simultaneously, the Company regularly conducts career development assessments and promotion reviews, continuously opening up growth pathways for employees, promoting the resonant and deeply integrated development of employee careers and business operations, thereby truly achieving a positive situation of mutual growth and success for both employees and the enterprise.

In 2025, the Company held two offline executive meetings for all middle-to-senior managers, totaling 48 hours, to facilitate strategic decoding and business breakthroughs. Seven offline training sessions were conducted for middle managers, accumulating 116 hours, achieving 100% coverage of all 64 middle management positions. Four quarterly new employee orientation meetings were held, covering a total of 93 individuals throughout the year, achieving 100% coverage for employees who joined in the preceding three months.

Indicator Name		Unit	2025 Data
Percentage of employees trained by gender	Male employees	%	<b>74.59</b>
	Female employees	%	<b>25.41</b>
Percentage of employees trained by employee category	Senior management	%	<b>1.79</b>
	Middle management	%	<b>8.79</b>
	General employees	%	<b>89.42</b>
Average training hours by gender	Male employees	Hours	<b>0.25</b>
	Female employees	Hours	<b>0.29</b>
Average training hours by employee category	Senior management	Hours	<b>3.85</b>
	Middle management	Hours	<b>1.85</b>
	General employees	Hours	<b>0.05</b>

### 3.3 Product Responsibility

#### 3.3.1 Product Quality

Iluvatar CoreX strictly complies with quality-related laws and regulations such as the *Product Quality Law of the People's Republic of China*. The Company has formulated and strictly implements internal systems including the *Quality Management Manual, Document and Record Management Procedures*, and the *Non-conforming Product Management Procedures*. Highly valuing product quality control, the Company is committed to providing customers with high-quality products and services. In 2025, the number of products recalled by the Company for safety and health reasons was zero.

The Company adheres to the quality management policy of “full participation, continuous improvement, and consistently meeting customer needs.” It has established standardized quality control plans and standard operating procedures (SOPs), and implements key process control and quality inspection systems. In 2025, the Company obtained the ISO 9001:2015 quality management system certification and achieved outstanding results, with a first-time handover pass rate for its products exceeding 98.5%.

To enhance the stability and competitiveness of product quality, the Company utilizes fully automated production equipment. Supported by ERP and MES systems as well as process quality control methods (such as Statistical Process Control, or SPC), the Company comprehensively records all production-related data, enabling entirely traceable management of quality records throughout the production process. Concurrently, building upon general ex-factory inspection standards, customized inspection items are added according to customer requirements, strictly prohibiting any uninspected or non-conforming products from leaving the factory. Furthermore, the Company attaches great importance to product safety and quality and the protection of consumer rights and interests. It has established a robust product recovery and recall management system, adhering to the principles of “rapid response, controllable risks, legal compliance, and fulfillment of responsibilities” to ensure that product quality issues are handled promptly and effectively.

Indicator Name	Unit	2025 Data
Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0

### 3.3.2 Customer Relationship Management

To safeguard consumer rights and interests, the Company continuously refines internal systems such as the *Sales Management Procedures* and the *Rules and Regulations on Customer Service and Customer Satisfaction*. It has established a sound mechanism for customer complaint reception and closed-loop processing, and relies on the online Mantis system to achieve full-process tracking and efficient resolution of customer work orders. Adopting the Customer Journey methodology, we have comprehensively reviewed our after-sales service operations from a full life-cycle perspective — from the customer’s initial contact with the Company through to service completion. Centered around four core modules — hardware warranty, customer support, after-sales delivery, and technical training — we have systematically advanced and constructed pertinent processes and business specifications for a service process system that spans the entire customer life cycle. This has yielded substantial progress in service standardization, delivery professionalization, and customer empowerment, providing a solid safeguard for the Company’s customer service experience and after-sales services. In 2025, the Company performed well across various after-sales metrics, achieving a comprehensive customer satisfaction rate of 98.4%, and received zero customer complaints regarding its products and services throughout the year.

### 3.3.3 Information Security and Privacy Protection

The Company consistently attaches great importance to the information security of stakeholders and the protection of customer privacy, strictly complying with relevant national laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. Through continuously improving our information security management system and formulating and implementing internal regulations such as the *Data Security Management Policy*, we comprehensively safeguard the security of customers' intellectual property rights, commercial secrets, technical data, and critical operational data, providing customers with a reliable, trustworthy, and sustainable information security guarantee.

To enhance privacy protection mechanisms, the Company leverages online platforms such as OA and ITSM to establish standardized safety management processes covering aspects including permission management, network access, and data usage. This ensures the entire process is open to application, subject to approval, and fully traceable, and we have obtained the ISO 27001 Information Security Management System certification. To strengthen data management, the Company has designated a full-time Database Administrator (DBA) responsible for database security management, access control, and data protection. Meanwhile, the Company regularly conducts data security and confidentiality training to strengthen employees' safety awareness and operational standards. In 2025, the Company did not experience any security incidents involving the infringement of customer privacy, nor were there any related violations or penalties.

## 3.4 Responsible Supply Chain

Iluvatar CoreX adheres to the development philosophy of win-win cooperation and open collaboration, taking fairness and transparency as basic principles to build a standardized, efficient, stable, reliable, and sustainable supply chain system. A highly synergistic supply chain stands as one of the Company's core competitive advantages.

In supply chain operations management, the Company has established standardized admission and onboarding, performance evaluation, and tiered management mechanisms with its supplier partners. Relying on standardized control throughout the entire process, we drive suppliers to continuously optimize their overall performance, jointly solidifying the foundation of industrial chain cooperation. Provided there are no significant differences in product quality, we prioritize selecting suppliers with superior environmental performance, thereby incentivizing suppliers to improve their green production efficiency and facilitating the effective implementation of our green procurement strategy.

The Company has established an objective and quantifiable Supplier Management Procedure, organizing relevant departments such as the Supply Chain Management Department, the Operations Management Department, and the IT Department to jointly participate in the comprehensive assessment of procurement categories including production equipment, production raw materials, plant facilities, and professional services, thereby strictly controlling compliance risks in the supply chain. The Company has constructed a relatively mature and scientific supplier admission evaluation mechanism, conducting comprehensive reviews from sustainable development dimensions such as product quality, service level, environmental protection, occupational health and safety, and business ethics. This continuously elevates supply chain management capabilities and ensures the stability and sustainability of the supply chain.

Simultaneously, the Company has established a well-rounded annual comprehensive evaluation mechanism for suppliers, carrying out full assessments around core dimensions such as material quality, delivery timeframes, and service levels, combined with dynamic management of adding or deducting points based on daily anomaly registrations and key events. According to the final evaluation results, suppliers are classified into three levels: A, B, and C for tiered management. Differentiated management measures — such as prioritizing cooperation, maintaining procurement while supervising improvements, demanding rectification within a prescribed time limit, and appropriately adjusting the procurement scale — are correspondingly adopted. This continuously drives the enhancement of supplier capabilities and guarantees a stable and efficient supply chain.

<b>Evaluation Score</b>	<b>Application of Results</b>	<b>Supplier Level</b>
Above 80 points	Consider increasing procurement volume and prioritize in new cooperation projects	A
60~80 points	Maintain normal procurement volume and provide improvement suggestions to help suppliers enhance performance	B
< 60 points	Require provision of rectification reports, and potentially reduce or suspend procurement	C

<b>Indicator Name</b>	<b>Unit</b>	<b>2025 Data</b>
Total number of suppliers	Number	<b>180</b>
Number of suppliers by geographical region	Number of suppliers in Mainland China	<b>171</b>
	Number of suppliers in Hong Kong, Macao, Taiwan and overseas regions	<b>9</b>

### 3.5 Community Development and Contribution

The Company consistently stays true to its original aspirations and mission, attaching great importance to the fulfillment of corporate social responsibilities. It actively promotes the spirit of public welfare and proactively engages in public welfare undertakings such as ecological and environmental protection as well as social care. Conveying positive values through various forms including charitable donations and green practices, the Company has cumulatively invested RMB200,000 in charitable donations. Looking ahead, the Company will continue to deepen its footprint in public welfare, focus closely on key areas, continuously perfect its social responsibility implementation mechanisms, and build diverse participation platforms. By pooling the strength of all employees to act on its original commitment to public welfare, the Company strives to fully demonstrate its corporate accountability and contribute to the harmonious and high-quality development of society.

Indicator Name	Unit	2025 Data
Amount of charitable donations	RMB0'000	20

# INDEPENDENT AUDITOR'S REPORT



**To the shareholders of Shanghai Iluvatar CoreX Semiconductor Co., Ltd.**

*(Registered in the People's Republic of China with limited liability)*

## OPINION

We have audited the consolidated financial statements of Shanghai Iluvatar CoreX Semiconductor Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 99 to 180, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

## KEY AUDIT MATTERS (CONTINUED)

### Key audit matters

Key audit matter	How our audit addressed the key audit matter
<b><i>Revenue recognition from contracts with customers</i></b>	
<p>The Group's revenue primarily comprises sales of GPGPU products and AI computing solutions, which is recognized at point in time when control of products is transferred to the customer, generally on the acceptance by customer. The Group recognised revenue from sales of GPGPU and AI computing solution of RMB1,034 million for the year ended 31 December 2025.</p> <p>Because revenue is one of the Group's key performance indicators and inappropriate revenue recognition could have material effect on the financial statements, we identify revenue recognition as a key audit matter.</p> <p>Relevant disclosures are included in note 2.4 Material accounting policies and note 5 Revenue, to the consolidated financial statements.</p>	<p>Our audit procedures to address this matter included the following:</p> <ul style="list-style-type: none"> <li>Understood and evaluated the Group's key process and internal controls in relation to revenue recognition;</li> <li>Obtained key sales contracts, checked the key contractual terms, and evaluated the revenue recognition policy;</li> <li>Tested the sales transactions, on a sample basis, by examining relevant supporting documents including sales contracts and customers' acceptance reports, etc.;</li> <li>Tested sales transactions recorded near the balance sheet date, on a sample basis, by examining sales contracts and tracing to the respective customers' acceptance reports;</li> <li>Conducted analytical review procedures by comparing revenues and gross profit margins with prior years and analysed the fluctuations;</li> <li>Performed the confirmation procedure, on a sample basis, on the outstanding balances and sales transactions; and</li> <li>Checked the adequacy of the disclosures of revenue included in the notes to the consolidated financial statements.</li> </ul>

## **OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT**

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. The Group's 2025 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## **RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Shun Lung Wai (practising certificate number: P06860).

### **Ernst & Young**

*Certified Public Accountants*

Hong Kong  
30 March 2026

# CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>REVENUE</b>	5	<b>1,033,606</b>	539,511
Cost of sales		<b>(475,613)</b>	(274,427)
Gross profit		<b>557,993</b>	265,084
Other income and gains	5	<b>97,026</b>	44,985
Selling and distribution expenses		<b>(151,550)</b>	(122,358)
Administrative expenses		<b>(481,822)</b>	(257,287)
Research and development costs		<b>(974,155)</b>	(772,779)
Impairment losses on financial assets		<b>(14,037)</b>	(31,855)
Other expenses		<b>(16,514)</b>	(840)
Finance costs	7	<b>(20,597)</b>	(17,383)
<b>LOSS BEFORE TAX</b>	6	<b>(1,003,656)</b>	(892,433)
Income tax expense	10	—	—
<b>LOSS FOR THE YEAR</b>		<b>(1,003,656)</b>	(892,433)
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>			
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:			
Equity investment designated at fair value through other comprehensive (loss)/income:			
Changes in fair value		<b>(99)</b>	230
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>		<b>(99)</b>	230
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(1,003,755)</b>	(892,203)
Loss attributable to:			
Owners of the parent	12	<b>(1,003,656)</b>	(892,433)
Total comprehensive loss attributable to:			
Owners of the parent		<b>(1,003,755)</b>	(892,203)
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	12		
Basic and diluted			
— For loss for the year (RMB)		<b>(5.31)</b>	(5.45)

# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13	187,656	127,995
Right-of-use assets	14	10,315	40,658
Intangible assets	15	189,837	140,667
Financial assets at fair value through profit or loss	20	76,200	96,539
Equity investment designated at fair value through other comprehensive income	16	729	828
Prepayments, other receivables and other assets	19	15,220	16,141
Total non-current assets		479,957	422,828
<b>CURRENT ASSETS</b>			
Inventories	17	709,765	342,643
Trade and bills receivables	18	576,575	377,176
Long-term trade receivables due within one year		10,887	26,053
Prepayments, other receivables and other assets	19	630,107	202,851
Restricted cash	21	—	61
Cash and cash equivalents	21	1,504,701	313,563
Total current assets		3,432,035	1,262,347
<b>CURRENT LIABILITIES</b>			
Trade payables	23	31,129	45,645
Other payables and accruals	24	259,832	187,651
Contract liabilities	25	126,908	28,756
Deferred government grants	28	3,603	2,272
Lease liabilities	14	6,773	17,979
Long-term payables due within one year	29	40,555	31,592
Interest-bearing bank loans	26	643,623	566,060
Total current liabilities		1,112,423	879,955
<b>NET CURRENT ASSETS</b>		2,319,612	382,392
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,799,569	805,220

Consolidated Statements of Financial Position  
31 December 2025

	<i>Notes</i>	<b>2025</b> RMB'000	2024 RMB'000
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank loans	26	<b>365,417</b>	42,000
Deferred government grants	28	<b>66,735</b>	45,106
Lease liabilities	14	<b>3,592</b>	15,156
Long-term payables	29	<b>10,729</b>	14,289
Total non-current liabilities		<b>446,473</b>	116,551
Net assets		<b>2,353,096</b>	688,669
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Paid-in capital/Share capital	30	<b>228,886</b>	193,814
Treasury shares	30	<b>(37,927)</b>	(40,846)
Reserves	32	<b>2,162,137</b>	535,701
Total equity		<b>2,353,096</b>	688,669

*Director:* **Mr. Gai Lujiang**

*Director:* **Mr. Yang Lei**

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2025

## Year ended 31 December 2025

	Notes	Attributable to owners of the parent						Total equity RMB'000
		Paid-in share capital RMB'000 <i>Note 30</i>	Treasury shares RMB'000 <i>Note 30</i>	Capital reserve RMB'000 <i>Note 39</i>	Share-based payment reserve RMB'000 <i>Note 31</i>	Fair value reserve of financial assets at fair value through other comprehensive (loss)/income RMB'000 <i>Note 39</i>	Accumulated losses RMB'000	
At 1 January 2025		193,814	(40,846)	3,472,591	805,914	228	(3,743,032)	688,669
Loss for the year		—	—	—	—	—	(1,003,656)	(1,003,656)
Other comprehensive loss for the year:								
Changes in fair value of equity investment at fair value through other comprehensive loss, net of tax	39	—	—	—	—	(99)	—	(99)
Total comprehensive loss for the year		—	—	—	—	(99)	(1,003,656)	(1,003,755)
Issuance of shares	30	35,072	—	2,114,037	—	—	—	2,149,109
Share issue expenses	39	—	—	(5,794)	—	—	—	(5,794)
Conversion into a joint-stock company	39	—	—	(2,555,069)	(507,458)	—	3,062,527	—
Share-based payment expenses	31	—	—	—	526,090	—	—	526,090
Restricted shares vested during the year	30	—	4,142	(4,142)	—	—	—	—
Shares repurchased	30	—	(1,223)	—	—	—	—	(1,223)
At 31 December 2025		228,886	(37,927)	3,021,623*	824,546*	129*	(1,684,161)*	2,353,096

Consolidated Statements of Changes in Equity  
Year ended 31 December 2025

**Year ended 31 December 2024**

	Attributable to owners of the parent									
	Notes	Paid-in capital RMB'000 Note 30	Treasury shares RMB'000 Note 30	Capital reserve RMB'000 Note 39	Share-based payment reserve RMB'000 Note 31	Fair value reserve of financial assets at fair value through other	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
						(loss)/income				
						RMB'000 Note 39				
At 1 January 2024		186,216	(28,616)	3,057,589	558,149	(2)	(2,850,599)	922,737	(44,399)	878,338
Loss for the year		—	—	—	—	—	(892,433)	(892,433)	—	(892,433)
Other comprehensive income for the year:										
Changes in fair value of equity investment at fair value through other comprehensive income, net of tax	39	—	—	—	—	230	—	230	—	230
Total comprehensive loss for the year		—	—	—	—	230	(892,433)	(892,203)	—	(892,203)
Capital injection	30	7,598	—	465,610	—	—	—	473,208	—	473,208
Expense in relation to capital injection	39	—	—	(3,622)	—	—	—	(3,622)	—	(3,622)
Share-based payment expenses	31	—	—	—	247,765	—	—	247,765	—	247,765
Restricted shares vested during the year	30	—	2,587	(2,587)	—	—	—	—	—	—
Shares repurchased	30	—	(14,817)	—	—	—	—	(14,817)	—	(14,817)
Acquisition of non-controlling interests	39	—	—	(44,399)	—	—	—	(44,399)	44,399	—
At 31 December 2024		193,814	(40,846)	3,472,591*	805,914*	228*	(3,743,032)*	688,669	—	688,669

\* These reserve accounts comprise the consolidated reserves of RMB2,162,137,000 (2024: RMB535,701,000) in the consolidated statement of financial position as of 31 December 2025.

# CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		<b>(1,003,656)</b>	(892,433)
Adjustments for:			
Finance costs	7	<b>20,597</b>	17,383
Interest income	5	<b>(22,792)</b>	(4,125)
Gain on disposal of structured deposits	5	<b>(930)</b>	—
Loss on disposal of items of property, plant and equipment	13	<b>200</b>	1,263
Depreciation of items of property, plant and equipment	13	<b>79,296</b>	70,653
Depreciation of right-of-use assets	14	<b>17,665</b>	14,946
Amortisation of intangible assets	15	<b>76,259</b>	69,374
Amortisation of deferred government grants	5	<b>(14,635)</b>	(10,094)
Provision for trade and bills receivables, net	18	<b>19,934</b>	18,165
(Reversal)/provision for prepayments, other receivables and other assets, net	19	<b>(5,699)</b>	13,800
Reversal of provision for long-term trade receivables, net	22	<b>(198)</b>	(121)
Impairment of inventories	6	<b>1,979</b>	4,792
Fair value gains/(loss) on financial assets at fair value through profit or loss		<b>339</b>	(844)
Share-based payment expenses	31	<b>526,090</b>	247,765
		<b>(305,551)</b>	(449,476)
Increase in trade and bills receivables		<b>(219,333)</b>	(194,905)
(Increase)/decrease in prepayments, other receivables and other assets		<b>(414,518)</b>	14,357
Decrease in amounts due from related parties		<b>—</b>	30,600
Increase in inventories		<b>(393,534)</b>	(114,831)
(Decrease)/increase in trade payables		<b>(14,516)</b>	27,488
Decrease in long-term trade receivables		<b>15,854</b>	13,110
Increase in other payables and accruals		<b>58,568</b>	53,206
Increase in contract liabilities		<b>98,152</b>	15,228
Decrease in deferred government grants		<b>(9,066)</b>	(15,922)
Decrease in restricted cash		<b>61</b>	—
Cash used in operating activities		<b>(1,183,883)</b>	(621,145)
Interest received		<b>22,302</b>	3,165
<b>Net cash flows used in operating activities</b>		<b>(1,161,581)</b>	(617,980)

Consolidated Statements of Cash Flows  
Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		(102,527)	(84,835)
Purchase of intangible assets		(97,316)	(92,583)
Receipt of government grants for property, plant and equipment		46,661	12,339
Placement of structured deposits		(305,000)	—
Proceeds from withdrawal of structured deposits		305,930	—
Purchase of private fund investments		(10,000)	(5,000)
Proceeds from disposal of unlisted equity investment		30,000	—
Decrease in amounts due from related parties		—	4,100
<b>Net cash flows used in investing activities</b>		<b>(132,252)</b>	<b>(165,979)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from shareholders		2,149,109	728,408
Expense in relation to capital injection		—	(3,622)
Share issue expense		(5,794)	—
Purchase of treasury shares		(1,223)	(14,817)
New bank loans		1,069,917	730,000
Repayment of bank loans		(669,200)	(614,500)
Interest paid		(18,506)	(16,517)
Payment of listing expenses		(2,388)	—
Principal portion of lease payments		(31,030)	(19,483)
<b>Net cash flows generated from financing activities</b>		<b>2,490,885</b>	<b>789,469</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		313,563	308,053
Effect of foreign exchange rate changes, net		(5,914)	—
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	21	<b>1,504,701</b>	<b>313,563</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

## 1. CORPORATE AND GROUP INFORMATION

Shanghai Iluvatar CoreX Semiconductor Co., Ltd. (the “Company”, formerly known as “上海天數智芯半導體有限公司”) was established as a limited liability company in the People’s Republic of China (the “PRC”) on 29 December 2015. Upon approval at the shareholders’ general meeting held on 13 January 2025, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and was renamed as Shanghai Iluvatar CoreX Semiconductor Co., Ltd. (“上海天數智芯半導體股份有限公司”). The registered office of the Company is located at Room 101, Building 3, No. 2168 Chenhang Road, Minhang District, Shanghai.

During the year, the Company and its subsidiaries (together, the “Group”) were principally engaged in offering advanced general-purpose graphics processing unit (“GPGPU”) products and computing solutions optimised for AI applications across diverse industries.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 January 2026.

### Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name*	Place and date of establishment	Registered paid-in capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Beijing Iluvatar CoreX Semiconductor Technology Co., Ltd.* (“北京天數智芯半導體科技有限公司”) (“Beijing Iluvatar”)	Beijing 8 September 2021	RMB10,000,000	100%	—	Sale and development of and the provision of GPGPU products computing solutions for AI applications
Shanghai Iluvatar Suanli Electronic Technology Co., Ltd.* (“上海天數算力電子科技有限公司”) (“Shanghai Iluvatar Suanli”)	Shanghai 9 June 2021	RMB90,000,000	100%	—	Sale and development of GPGPU products
Iluvatar CoreX Inc. Shanghai* (“上海芷銳電子科技有限公司”) (“Iluvatar Shanghai”)	Shanghai 2 January 2018	RMB20,000,000	100%	—	Sale and development of GPGPU products

\* Limited liability companies established in the PRC.

\* The English names of these companies represent the best effort made by the directors of the Company to translate the Chinese names as these companies have not been registered with any official English names.

## 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

### Information about subsidiaries (Continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

## 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for structured deposits, unlisted equity investments and private fund investments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## 2.1 BASIS OF PREPARATION (CONTINUED)

### Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

## 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> <sup>2</sup>
<i>Annual Improvements to HKFRS Accounting Standards — Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

## 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (CONTINUED)

The Group is in the process of making an assessment of the impact of these new and revised HKFRS Accounting Standards upon initial application. HKFRS 18 introduces new requirements for presentation within profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. The new requirements are expected to impact the Group's presentation of profit or loss and disclosures of the Group's financial performance. So far, the Group considers that other new and amended standards listed above are unlikely to have a significant impact on the Group's results of operations and financial position.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION

### Fair value measurement

The Group measures its unlisted equity investments and private fund investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of the reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

### Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Related parties (Continued)

A party is considered to be related to the Group if: (Continued)

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

### Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Electronic equipment	33.00% to 47.50%
Furniture and others	9.50% to 25.00%
Leasehold improvements	33.33% to 44.44%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Property, plant and equipment and depreciation (Continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

### Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

### Licensed IP

Purchased licensed IP is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 years.

### Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 years.

### Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Leases (Continued)

#### Group as a lessee (Continued)

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 4 years
Equipment	3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) *Short-term leases*

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Investments and other financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Investments and other financial assets (Continued)

#### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

#### *Financial assets at amortised cost (debt instruments)*

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### *Financial assets at fair value through other comprehensive income (debt instruments)*

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

#### *Financial assets designated at fair value through other comprehensive income (equity investment)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investment as equity investment designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investment designated at fair value through other comprehensive income are not subject to impairment assessment.

#### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Impairment of financial assets (Continued)

#### General approach (Continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. The Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs, except for trade and bills receivables which apply the simplified approach as detailed below:

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

For trade receivables that contain a significant financing component, the Group chooses as its accounting policy to adopt the general approach in calculating ECLs with policies as described above.

#### Simplified approach

For trade and bills receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Classification as equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity's own equity instruments and is: (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, certain other payables and accruals, amounts due to related parties, and interest-bearing bank loans.

#### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

#### Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

### Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

### Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

### Revenue recognition

#### Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

#### (a) Sale of GPGPU products

Revenue from sale of GPGPU products primarily arises from sale of GPGPU chips and accelerators which is recognised at the point in time when control of the products is transferred to the customer and the collection of the consideration is probable, generally on the acceptance of the products.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Revenue recognition (Continued)

#### Revenue from contracts with customers (Continued)

(b) *Sale of AI computing solutions*

Revenue from sale of AI computing solutions, which usually include multiple elements of hardware, software and associated services.

The solutions provide the customer with a combination of hardware, software, deployment and professional services as the Group provides significant integration services to integrate the hardware and the software to meet the customer's unique specifications and are accounted for as one performance obligation. Solutions revenue derived from hardware and software is recognised at a point in time upon acceptance by customer.

#### Other income

Interest income is recognised on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

#### Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

#### Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

#### Share-based payments

The Company operates an employee share scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. Further details of which are given in note 31 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Share-based payments (Continued)

Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

### Other employee benefits

#### Social pension plans

The Group has social pension plans for its employees arranged by local government labour and security authorities. The Group makes contributions on a monthly basis to the social pension plans. The contributions are charged to profit or loss as they become payable in accordance with the rules of the social pension plans. The Group's liability in respect of these funds is limited to the contributions payable in each reporting period.

#### Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include a housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in each reporting period.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

### Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### Judgements

##### Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has accumulated tax losses of RMB5,498,060,000 (2024: RMB4,465,169,000) carried forward for the year ended 31 December 2025. These losses related to the entities of the Group that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB891,554,000 (2024:RMB717,244,000) for the year ended 31 December 2025. Further details on deferred taxes are disclosed in note 27 to the financial statements.

##### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

##### Provision for expected credit losses on trade and bills receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade and bills receivables and contract assets. The provision rates are based on the ageing or credit rating of groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### Estimation uncertainty (Continued)

##### Provision for expected credit losses on trade and bills receivables and contract assets (Continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade and bills receivables and contract assets is disclosed in note 18 and note 19 to the financial statements.

##### Fair value of financial instruments

Certain financial instruments of the Group, including the unlisted equity investments and private fund investments have been valued based on appropriate valuation techniques including the latest transaction price and asset-based valuation as detailed in note 37 to the financial statements. The fair value of the unlisted equity investments at 31 December 2025 was RMB60,729,000 (2024: RMB92,452,000). Further details are included in note 16 and note 20 to the financial statements.

##### Write-down of inventories

The Group's inventories are stated at the lower of cost and net realisable value. The Group writes down its inventories based on estimates of the realisable value with reference to the ageing and conditions of the inventories, together with the economic circumstances on the marketability of such inventories. Inventories will be reviewed annually for write-down, if appropriate. Further details of the inventories are set out in note 17 to the financial statements.

### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that is the sale of and development of GPGPU products and AI computing solutions. Management reviews the overall results and financial position of the Group as a whole based on the same accounting policies set out in note 2.4. Accordingly, the Group has only a single operating segment and no further analysis of the single segment is presented.

#### Geographical information

##### Revenue from external customers

	2025 RMB'000	2024 RMB'000
Chinese mainland	1,033,362	539,511
Hong Kong	244	—
<b>Total</b>	<b>1,033,606</b>	<b>539,511</b>

The revenue information of continuing operations above is based on the locations of the customers.

As non-current assets of the Group were located in the PRC during the year, no geographical information is presented.

#### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

##### Information about major customers

The major customers from which the revenue amounted to 10% or more of the Group's revenue for the year are set out below:

	2025 RMB'000	2024 RMB'000
Customer A	166,732	*
Customer B	*	242,181

\* Representing the amounts less than 10% of the Group's total revenue.

#### 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	1,033,606	539,511

##### Revenue from contracts with customers

###### (i) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
<b>Types of goods or services</b>		
Sale of GPGPU products	922,642	369,635
Sale of AI computing solutions	96,066	166,213
Others	14,898	3,663
<b>Total</b>	<b>1,033,606</b>	<b>539,511</b>
<b>Timing of revenue recognition</b>		
Goods or service transferred at a point in time	1,033,606	539,511

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 RMB'000	2024 RMB'000
Sale of GPGPU products	17,998	13,528

## 5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

### Revenue from contracts with customers (Continued)

#### (ii) Performance obligations

Information about the Group's performance obligations is summarised below:

##### *Sale of GPGPU products*

The performance obligation is satisfied upon the acceptance of GPGPU chips and accelerators by customers and payment is generally due within 30 to 270 days from delivery, except for certain sales orders, where payment in advance is required.

##### *Sale of AI computing solutions*

The performance obligation is satisfied upon the acceptance of solutions by customers and payment is generally due within 30 to 270 days from delivery, except for certain sales orders, where payment in advance is required.

##### *Others*

Others primarily include technical service income and software license income. Based on the terms of contracts, the performance obligation is satisfied at the point in time when control of the services or software is transferred to the customer. Payment is generally due within 30 to 180 days from acceptance by customers.

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year.

### Other income and gains

An analysis of other income and gains is as follows:

	2025 RMB'000	2024 RMB'000
Government grants related to		
—Assets (i)	14,635	10,094
—Income	56,338	28,979
Interest income	22,792	4,125
Gain on disposal of structured deposits	930	—
Fair value gains, net		
—Financial assets at fair value through profit or loss	—	844
Others	2,331	943
<b>Total</b>	<b>97,026</b>	<b>44,985</b>

- (i) The Group has received certain government grants mainly related to electronic equipment and licensed IP. The grants related to assets were recognised in profit or loss over the useful lives of the relevant assets. Details of these grants related to assets are set out in note 28.

## 6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	<i>Notes</i>	<b>2025</b> RMB'000	2024 RMB'000
Cost of inventories sold*		<b>475,613</b>	274,427
Depreciation of property, plant and equipment	13	<b>79,296</b>	70,653
Depreciation of right-of-use assets	14	<b>17,665</b>	14,946
Amortisation of intangible assets	15	<b>76,259</b>	69,374
Lease payments not included in the measurement of lease liabilities	14	<b>207</b>	9
Listing expense		<b>39,863</b>	—
Auditor's remuneration		<b>714</b>	925
Employee benefit expense (including directors', supervisors' and chief executive's remuneration (note 8)):			
— Wages and salaries		<b>534,262</b>	442,539
— Pension scheme contributions		<b>99,781</b>	88,976
— Share-based payment expenses	31	<b>526,090</b>	247,765
		<b>1,160,133</b>	779,280
Foreign exchange differences, net		<b>15,235</b>	476
Impairment of trade and bills receivables, net	18	<b>19,934</b>	18,165
Impairment of prepayments, other receivables and other assets, net	19	<b>(5,699)</b>	13,800
Impairment of long-term trade receivables, net	22	<b>(198)</b>	(121)
Write-down of inventories to net realisable values		<b>1,979</b>	4,792

\* Cost of inventories sold includes write-down of inventories to net realisable values, which is disclosed separately above.

## 7. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>2025</b> RMB'000	2024 RMB'000
Interest on bank loans	<b>17,801</b>	15,754
Interest on lease liabilities	<b>968</b>	906
Interest on long-term payables	<b>1,828</b>	723
Total	<b>20,597</b>	17,383

## 8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	732	—
Other emoluments:		
Salaries, allowances and benefits in kind	8,132	8,639
Performance related bonuses	3,126	2,737
Pension scheme contributions	738	689
Share-based payment expenses	223,554	59,610
Subtotal	235,550	71,675
Total	236,282	71,675

During the year ended 31 December 2025, certain directors were granted restricted shares in respect of their services to the Group, further details of which are set out in note 31 to the financial statements. The fair value of such restricted shares determined as at the date of grant has been recognised in profit or loss over the vesting or service period. The relevant amounts included in the financial statements for the current year are included in the above directors', supervisors' and chief executives' remuneration disclosures.

### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year are set out below:

	2025 RMB'000
Mr. TENG Yong*	213
Mr. LIANG Weidong**	93
Mr. REN Jintao*	213
Ms. WANG Yan*	213
Total	732

\* Mr. TENG Yong, Mr. REN Jintao and Ms. WANG Yan were appointed as the independent non-executive directors on 30 May 2025.

\*\* Mr. LIANG Weidong was appointed as the independent non-executive directors on 30 May 2025. and has tendered his resignation as an independent non-executive director with effect from 28 August 2025.

## 8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

### (b) Directors and supervisors

The remuneration of each of the directors, supervisors and the chief executive of the Company during the year is set out below:

#### Year ended 31 December 2025

		Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share-based payment expenses RMB'000	Total remuneration RMB'000
Executive-Directors:						
Mr. GAI Lujiang	(i)	2,410	960	168	90,603	94,141
Mr. SUN Yile	(iv)	1,427	531	168	14,022	16,148
Mr. LIU Zheng	(v)	1,810	825	168	16,682	19,485
Mr. YANG Lei	(vi)	846	560	96	7,704	9,206
Non-executive Directors :						
Mr. LIM SZE HAN	(viii)	—	—	—	—	—
Mr. WANG Chen	(ix)	—	—	—	—	—
Ms. KOU Xiaoxiao	(x)	—	—	—	—	—
Directors :						
Mr. CAI Quangen	(ii)	35	—	—	11	46
Mr. ZHENG Jinshan	(ii)	—	—	—	—	—
Mr. LIN Xiaoqin	(ii)	—	—	—	—	—
Mr. DIAO Shijing	(iii)	1,000	—	68	91,591	92,659
Mr. SUI Zihang	(vii)	—	—	—	—	—
Subtotal		7,528	2,876	668	220,613	231,685
Supervisors:						
Mr. GUO Xiaopeng	(xi)	—	—	—	—	—
Ms. LIAO Chenxi	(xii)	—	—	—	—	—
Ms. DING Na	(xiii)	604	250	70	2,941	3,865
Ms. ZHANG Liwen	(xiv)	—	—	—	—	—
Subtotal		604	250	70	2,941	3,865
Total		8,132	3,126	738	223,554	235,550

## 8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

### (b) Directors and supervisors (Continued)

The remuneration of each of the directors, supervisors and the chief executive of the Company during the year is set out below: (Continued)

#### Year ended 31 December 2024

		Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share-based payment expenses RMB'000	Total remuneration RMB'000
Directors:						
Mr. GAI Lujiang	(i)	2,410	900	167	13,565	17,042
Mr. CAI Quangen	(ii)	1,243	80	—	4,631	5,954
Mr. DIAO Shijing	(iii)	2,400	900	160	29,147	32,607
Mr. ZHENG Jinshan	(ii)	16	—	28	(1,182)	(1,138)
Mr. LIN Xiaoqin	(ii)	—	—	—	—	—
Mr. SUI Zihang	(vii)	—	—	—	—	—
Mr. LIM SZE HAN	(viii)	—	—	—	—	—
Mr. WANG Chen	(ix)	—	—	—	—	—
Mr. LIU Zheng	(v)	1,810	750	167	13,004	15,731
Ms. KOU Xiaoxiao	(x)	—	—	—	—	—
Subtotal		7,879	2,630	522	59,165	70,196
Supervisors:						
Mr. GUO Xiaopeng	(xi)	—	—	—	—	—
Ms. LIAO Chenxi	(xii)	—	—	—	—	—
Ms. ZHANG Liwen	(xiv)	760	107	167	445	1,479
Subtotal		760	107	167	445	1,479
Total		8,639	2,737	689	59,610	71,675

- (i) Mr. GAI Lujiang was appointed as a director on 19 October 2020 and was re-designated as an executive director on 30 May 2025. He was appointed as the chief executive on 19 April 2023.
- (ii) Mr. CAI Quangen, Mr. ZHENG Jinshan and Mr. LIN Xiaoqin tendered their resignations as directors with effect from 13 January 2025.
- (iii) Mr. DIAO Shijing was the chief executive from 7 May 2021 to 19 April 2023 and has tendered his resignation as a director with effect from 20 May 2025.

## 8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

### (b) Directors and supervisors (Continued)

The remuneration of each of the directors, supervisors and the chief executive of the Company during the year is set out below: (Continued)

- (iv) Mr. SUN Yile was appointed as a director on 13 January 2025 and was re-designated as an executive director on 30 May 2025.
- (v) Mr. LIU Zheng was appointed as a director on 29 December 2023 and was re-designated as an executive director on 30 May 2025.
- (vi) Mr. YANG Lei was appointed as an executive director on 30 May 2025.
- (vii) Mr. SUI Zihang tendered his resignation as a director with effect from 22 May 2025.
- (viii) Mr. LIM SZE HAN tendered his resignation as a non-executive director with effect from 16 June 2025.
- (ix) Mr. WANG Chen was appointed as a director on 31 October 2023 and was re-designated as a non-executive director on 30 May 2025.
- (x) Ms. KOU Xiaoxiao was appointed as a director on 29 December 2023 and was re-designated as a non-executive director on 30 May 2025. She tendered her resignation as a non-executive director with effect from 13 February 2026.
- (xi) Mr. GUO Xiaopeng tendered his resignation as a supervisor with effect from 30 May 2025.
- (xii) Ms. LIAO Chenxi tendered her resignation as a supervisor with effect from 30 May 2025.
- (xiii) Ms. DING Na was appointed as a supervisor on 13 January 2025 and tendered her resignation with effect from 30 May 2025.
- (xiv) Ms. ZHANG Liwen tendered her resignation as a supervisor with effect from 13 January 2025.

There was no arrangement under which a director or a supervisor waived or agreed to waive any remuneration during the year.

## 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four directors (2024: three directors), details of whose remuneration are set out in note 8 to the financial statements.

Details of the remuneration for the remaining one highest (2024: two highest) paid employees who are neither directors, supervisors nor the chief executive of the Company during the year are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	864	2,317
Performance related bonuses	—	480
Pension scheme contributions	—	161
Share incentive plan expenses	41,202	22,034
<b>Total</b>	<b>42,066</b>	24,992

The numbers of non-director, non-supervisors and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	2025	2024
HKD11,000,001 to HKD11,500,000	—	1
HKD15,500,001 to HKD16,000,000	—	1
HKD46,500,001 to HKD47,000,000	1	—
<b>Total</b>	<b>1</b>	2

During the year ended 31 December 2025, restricted shares were granted to one (2024: two) non-director, non-supervisors and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 31 to the financial statements. The fair value of such restricted shares determined as at the date of grant has been recognised in profit or loss over the vesting period. The relevant amounts included in the financial statements for the year are included in the above non-director, non-supervisors and non-chief executive highest paid employees' remuneration disclosures.

## 10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the countries or jurisdictions in which members of the Group are domiciled and operate.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and the Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25% except for the ones which were subject to preferential tax as set out below:

Certain subsidiaries of the Company in the PRC have been approved as High and New Technology Enterprises ("HNTE") under relevant tax rules and regulations, and accordingly, were subjected to a preferential EIT rate of 15% during the year.

Certain subsidiaries of the Company in the PRC have been approved as Small and Micro Enterprises, and accordingly, they were subject to reduced preferential EIT rates of 5% during the year according to the applicable EIT Law.

	2025 RMB'000	2024 RMB'000
Current	—	—
Deferred (note 27)	—	—
<b>Total</b>	<b>—</b>	<b>—</b>

A reconciliation of the tax credit applicable to loss before tax using the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled and operate to the tax expense at the effective tax rate, is as follows:

	2025 RMB'000	2024 RMB'000
Loss before tax	<b>(1,003,656)</b>	(892,433)
Tax at the statutory tax rate of 25%	<b>(250,914)</b>	(223,108)
Effect of different tax rates of the subsidiaries	<b>94,026</b>	90,943
Expenses not deductible for tax*	<b>87,457</b>	37,333
Additional deductible allowance for research and development costs	<b>(97,551)</b>	(82,932)
Effect of deductible temporary difference not recognised	<b>10,518</b>	5,194
Tax losses not recognised	<b>156,464</b>	172,570
<b>Tax charge at the Group's effective rate</b>	<b>—</b>	<b>—</b>

\* Expenses not deductible for tax mainly represent the amount of entertainment expenses exceed the non-deductible share-based payment expenses and the tax-deductible limitation. These expenses are not to be deductible for tax.

## 11. DIVIDENDS

The board of directors did not recommend the payment of any dividend during the year.

## 12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the year.

The weighted average number of ordinary shares outstanding during the year was determined assuming that the Company's paid-in capital had been fully converted into share capital at the same conversion ratio of 1:1 as upon transformation into a joint stock company in January 2025.

The calculation of basic and diluted loss per share amounts is based on:

	2025	2024
<b>Loss</b>		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation (RMB'000)	<b>(1,003,656)</b>	(892,433)
<b>Shares</b>		
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted loss per share calculation	<b>188,918,146</b>	163,822,289

As the Group incurred losses during the year, the potential ordinary shares were not included in the calculation of diluted loss per share amount as the potential ordinary shares had an anti-dilutive effect on the basic loss per share amount. Accordingly, the diluted loss per share amounts for the years ended 31 December 2024 and 2025 were the same as the basic loss per share amounts. The weighted average number of shares was after taking into account the effect of treasury shares held.

### 13. PROPERTY, PLANT AND EQUIPMENT

	Electronic equipment RMB'000	Furniture and others RMB'000	Leasehold improvements RMB'000	Total RMB'000
<b>31 December 2025</b>				
At 1 January 2025:				
Cost	269,237	14,704	20,781	304,722
Accumulated depreciation and impairment	(155,028)	(4,153)	(17,546)	(176,727)
Net carrying amount	114,209	10,551	3,235	127,995
At 1 January 2025, net of accumulated depreciation and impairment	114,209	10,551	3,235	127,995
Additions	115,469	11,611	277	127,357
Transfers from right-of-use assets (note 14)	20,945	—	—	20,945
Disposals	(70)	(130)	—	(200)
Transfers to inventory	(9,145)	—	—	(9,145)
Depreciation provided during the year	(73,269)	(3,038)	(2,989)	(79,296)
At 31 December 2025, net of accumulated depreciation and impairment	168,139	18,994	523	187,656
At 31 December 2025:				
Cost	395,984	26,167	21,057	443,208
Accumulated depreciation and impairment	(227,845)	(7,173)	(20,534)	(255,552)
Net carrying amount	168,139	18,994	523	187,656

### 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Electronic equipment RMB'000	Furniture and others RMB'000	Leasehold improvements RMB'000	Total RMB'000
<b>31 December 2024</b>				
At 1 January 2024:				
Cost	183,383	9,710	19,891	212,984
Accumulated depreciation and impairment	(93,120)	(2,077)	(11,841)	(107,038)
Net carrying amount	90,263	7,633	8,050	105,946
At 1 January 2024, net of accumulated depreciation and impairment	90,263	7,633	8,050	105,946
Additions	88,071	5,005	889	93,965
Disposals	(1,259)	(4)	—	(1,263)
Depreciation provided during the year	(62,866)	(2,083)	(5,704)	(70,653)
At 31 December 2024, net of accumulated depreciation and impairment	114,209	10,551	3,235	127,995
At 31 December 2024:				
Cost	269,237	14,704	20,781	304,722
Accumulated depreciation and impairment	(155,028)	(4,153)	(17,546)	(176,727)
Net carrying amount	114,209	10,551	3,235	127,995

### 14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

#### The Group as a lessee

The Group has lease contracts mainly for various items of buildings and equipment used in its operations. Leases of buildings generally have lease terms 3 years, while equipment generally has lease terms of 3 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

**14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)****The Group as a lessee (Continued)****(a) Right-of-use assets**

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Buildings RMB'000	Equipment RMB'000	Total RMB'000
As at 1 January 2024	8,550	—	8,550
Additions	18,054	29,000	47,054
Depreciation charge	(11,724)	(3,222)	(14,946)
As at 31 December 2024 and 1 January 2025	<b>14,880</b>	<b>25,778</b>	<b>40,658</b>
Additions	<b>8,546</b>	—	<b>8,546</b>
Depreciation charge	<b>(12,832)</b>	<b>(4,833)</b>	<b>(17,665)</b>
Disposals	<b>(279)</b>	—	<b>(279)</b>
Transfer to property, plant and equipment (note13)	—	<b>(20,945)</b>	<b>(20,945)</b>
As at 31 December 2025	<b>10,315</b>	—	<b>10,315</b>

**(b) Lease liabilities**

The carrying amounts of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at the beginning of the year	<b>33,135</b>	5,564
New leases	<b>8,546</b>	41,251
Accretion of interest recognised during the year	<b>968</b>	906
Payments	<b>(31,998)</b>	(14,586)
Disposals	<b>(286)</b>	—
Carrying amount at the end of the year	<b>10,365</b>	33,135
Analysed into:		
Current portion	<b>6,773</b>	17,979
Non-current portion	<b>3,592</b>	15,156

The maturity analysis of lease liabilities is disclosed in note 38 to the financial statements.

**(c) The amounts recognised in profit or loss in relation to leases are as follows:**

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	<b>968</b>	906
Depreciation charge of right-of-use assets	<b>17,665</b>	14,946
Expense relating to leases of short-term leases	<b>207</b>	9
Total amount recognised in profit or loss	<b>18,840</b>	15,861

**(d) The total cash outflow for leases is disclosed in note 33 to the financial statements.**

## 15. INTANGIBLE ASSETS

	Licensed IP RMB'000	Software RMB'000	Total RMB'000
<b>31 December 2025</b>			
At 1 January 2025:			
Cost	283,864	137,055	420,919
Accumulated amortisation	(197,309)	(82,943)	(280,252)
Net carrying amount	86,555	54,112	140,667
Cost at 1 January 2025, net of accumulated amortisation	86,555	54,112	140,667
Additions	19,404	106,025	125,429
Amortisation provided during the year	(40,412)	(35,847)	(76,259)
At 31 December 2025	65,547	124,290	189,837
At 31 December 2025:			
Cost	303,268	240,735	544,003
Accumulated amortisation	(237,721)	(116,445)	(354,166)
Net carrying amount	65,547	124,290	189,837
<b>31 December 2024</b>			
At 1 January 2024:			
Cost	203,596	81,857	285,453
Accumulated amortisation	(159,358)	(51,520)	(210,878)
Net carrying amount	44,238	30,337	74,575
Cost at 1 January 2024, net of accumulated amortisation	44,238	30,337	74,575
Additions	80,268	55,198	135,466
Amortisation provided during the year	(37,951)	(31,423)	(69,374)
At 31 December 2024	86,555	54,112	140,667
At 31 December 2024:			
Cost	283,864	137,055	420,919
Accumulated amortisation	(197,309)	(82,943)	(280,252)
Net carrying amount	86,555	54,112	140,667

## 16. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 RMB'000	2024 RMB'000
Equity investment designated at fair value through other comprehensive income		
— Unlisted equity investment	729	828
Total	729	828

During 2023, the Group invested RMB600,000 for approximately 7.8125% equity interests in a private company, which was established in the PRC and principally engaged in the development of unit chip ecosystem. The investment is not held for trading but for long-term strategic purposes. The fair value of the equity investment at 31 December 2025 was RMB729,000 (2024: RMB828,000).

## 17. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	232,285	33,514
Work in progress	292,574	166,536
Finished goods	181,499	142,593
Contract fulfilment cost	3,407	—
Total	709,765	342,643

## 18. TRADE AND BILLS RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	638,893	435,504
Bills receivable	15,944	—
Impairment	(78,262)	(58,328)
Total	576,575	377,176

The Group's trading terms with its customers are mainly on credit. The credit term is generally one to nine months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control process to minimise credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

## 18. TRADE AND BILLS RECEIVABLES (CONTINUED)

The Group's bills receivable were all aged within six months and were neither past due nor impaired.

An ageing analysis of the Group's trade and bills receivables as at the end of the reporting period, based on the revenue recognition date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	522,714	314,927
1 to 2 years	44,833	30,734
2 to 3 years	9,028	31,515
<b>Total</b>	<b>576,575</b>	<b>377,176</b>

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	58,328	40,163
Impairment losses, net	19,934	18,165
<b>At the end of the year</b>	<b>78,262</b>	<b>58,328</b>

The Group applies the simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the ageing analysis for grouping of customers that have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and bills receivables are written off according to management's approval.

During the year, there was no significant fluctuation of the overall expected credit loss rates, so the Group adopted similar expected credit loss rate.

## 18. TRADE AND BILLS RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Expected credit loss rate (%)	Gross carrying amount RMB'000	Expected credit losses RMB'000	Net carrying amount RMB'000
For credit loss allowance measured individually	100	3,536	(3,536)	—
For credit loss allowance measured by industry				
— High Tech Industries	1.34	99,700	(1,340)	98,360
— Telecommunications	1.89	193,751	(3,666)	190,085
		293,451	(5,006)	288,445
For credit loss allowance measured by aging				
— Up to 1 year	9.32	286,972	(26,752)	260,220
— 1 year to 2 years	31.71	4,302	(1,364)	2,938
— 2 years to 3 years	56.17	20,597	(11,569)	9,028
— More than 3 years	100.00	30,035	(30,035)	—
		341,906	(69,720)	272,186
Total		638,893	(78,262)	560,631

## 18. TRADE AND BILLS RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix: (Continued)

### As at 31 December 2024

	Expected credit loss rate (%)	Gross carrying amount RMB'000	Expected credit losses RMB'000	Net carrying amount RMB'000
For credit loss allowance measured by industry				
— High Tech Industries	1.32	214,898	(2,828)	212,070
— Telecommunications	1.93	30,462	(588)	29,874
		245,360	(3,416)	241,944
For credit loss allowance measured by aging				
— Up to 1 year	19.06	90,165	(17,182)	72,983
— 1 year to 2 years	29.02	43,298	(12,564)	30,734
— 2 years to 3 years	44.40	56,681	(25,166)	31,515
		190,144	(54,912)	135,232
Total		435,504	(58,328)	377,176

As at 31 December 2025, the Group discounted certain bank acceptance bills with commercial banks (collectively, the "Derecognised Bills") with an aggregate carrying amount of RMB44,899,000. The Derecognised Bills had a maturity of one to six months as at 31 December 2025.

In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the accepting banks default (the "Continuing Involvement"). In the opinion of the Directors, the Group has transferred substantially all the risks and rewards relating to the Derecognised Bills and fully derecognised the Derecognised Bills accordingly. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year ended 31 December 2025, no gains or losses were recognised from the Continuing Involvement. The discount of bank acceptance bills have been made evenly throughout the period.

Bills receivable are subject to impairment using the low credit risk simplification under the general approach. At the end of the year, the Group evaluates whether the bills receivable are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the credit ratings of the issuing banks. The Group did not recognise any impairment losses on bills receivable as at 31 December 2025.

## 19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

		2025 RMB'000	2024 RMB'000
<b>Current</b>			
Prepayments	(i)	554,969	104,554
Value-added tax recoverable	(ii)	38,175	63,135
Deposits and other receivables	(iii)	38,903	49,001
Contract assets		3,150	—
Deferred listing expense		3,669	—
		<b>638,866</b>	216,690
Impairment allowance		<b>(8,759)</b>	(13,839)
Total — current		<b>630,107</b>	202,851
<b>Non-current</b>			
Deposits and other receivables	(iii)	1,129	3,306
Prepayment for long-term assets		12,797	10,349
Contract assets		1,339	3,150
		<b>15,265</b>	16,805
Impairment allowance		<b>(45)</b>	(664)
Total — non-current		<b>15,220</b>	16,141

- (i) The Group's prepayments relate to prepayments for processing fees for products and prepayments for research and development activities.
- (ii) The Group's revenue from sales of goods and rendering of services are subject to PRC value-added-tax ("VAT"). Input VAT on purchases can be deducted from output VAT payable.
- (iii) Impairment of other receivables is measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECLs. As of 31 December 2025, other receivables of RMB28,800,000 were categorised in stage 3 and an impairment allowance of RMB6,665,000 was provided based on individual basis. Except for these receivables, the financial assets included in the above balances relate to receivables for which there were no recent history of default and past due amounts. In addition, there is no significant change in the economic factors based on the assessment of the forward-looking information, so the directors of the Company are of the opinion that the ECLs in respect of these balances are minimal.

## 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2025 RMB'000	2024 RMB'000
<b>Non-current</b>			
Unlisted equity investment	(i)	60,000	91,624
Private fund investments	(ii)	16,200	4,915
<b>Total</b>		<b>76,200</b>	96,539

(i) During 2022 and 2023, the Group invested RMB50,000,000 and RMB40,000,000, respectively, for approximately 18% equity interests in a private company, which was established in the PRC and principally engaged in a data infrastructure development project. On 18 August 2025, the Group and the private company entered into a supplemental agreement, agreeing that the Group reduced its investment in the private company by RMB30,000,000, and the funds were received on 16 September 2025. The fair values of the equity investment at 31 December 2025 was RMB60,000,000 (2024: RMB91,624,000).

(ii) During 2024, the Group invested RMB5,000,000 for approximately 14.2857% equity interests in a limited partnership which was established in the PRC. The fair values of the equity investment at 31 December 2025 was RMB6,190,000 (2024: RMB4,915,000).

During 2025, the Group invested RMB10,000,000 for approximately 2% equity interests in a limited partnership which was established in the PRC. The fair value of the equity investment at 31 December 2025 was RMB10,010,000 (2024: Nil).

## 21. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

		2025 RMB'000	2024 RMB'000
Cash and bank balances		1,504,701	313,624
<b>Total</b>		<b>1,504,701</b>	313,624
Less:			
Restricted bank balance		—	61
<b>Cash and cash equivalents</b>		<b>1,504,701</b>	313,563
Denominated in RMB	(i)	983,784	313,553
Denominated in USD		520,917	10
<b>Total</b>		<b>1,504,701</b>	313,563

## 21. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (CONTINUED)

- (i) The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposits rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

## 22. LONG-TERM TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Long-term trade receivables	11,036	26,400
Impairment	(149)	(347)
Total	<b>10,887</b>	26,053
Analysed into:		
Current portion	<b>10,887</b>	26,053

According to the payment terms in the sales contracts of GPGPU products with a customer, instalment repayments are allowed and part of the sales consideration will be collected after one year.

An ageing analysis of the Group's long-term trade receivables at the end of the reporting period, based on the revenue recognition date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
1 to 2 years	—	26,053
2 to 3 years	10,887	—
Total	<b>10,887</b>	26,053

	2025 RMB'000	2024 RMB'000
At the beginning of the year	347	468
Impairment losses, net	(198)	(121)
At the end of the year	<b>149</b>	347

## 22. LONG-TERM TRADE RECEIVABLES (CONTINUED)

Impairment of long-term trade receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses. As at the end of the year, there was no information indicating that the long-term trade receivables had a significant increase in credit risk since initial recognition.

## 23. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	31,123	45,629
1 to 2 years	6	—
2 to 3 years	—	16
<b>Total</b>	<b>31,129</b>	<b>45,645</b>

The trade payables are non-interest-bearing and are normally settled on 30 to 60 day terms.

## 24. OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000
Salary payables	169,707	120,563
Payable for purchase of intangible assets and property, plant and equipment	45,926	27,687
Payable for research and development costs	12,666	15,066
Other tax payables	8,216	7,489
Other payables and accruals	23,317	16,846
<b>Total</b>	<b>259,832</b>	<b>187,651</b>

Other payables are unsecured and non-interest-bearing, repayable within 1 year. The fair values of other payables at the end of the reporting period approximated to their corresponding carrying amounts.

## 25. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	2025 RMB'000	2024 RMB'000
Short-term advances received from customers		
Sale of GPGPU products	126,908	28,756

Contract liabilities include advances received to deliver GPGPU products. The changes in contract liabilities during the year were mainly due to the changes in advances received from customers in relation to the sale of GPGPU products.

## 26. INTEREST-BEARING BANK LOANS

	As at 31 December 2025			As at 31 December 2024		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
<b>Current</b>						
Bank loans — secured	—	—	—	3.10	2025	50,047
Bank loans — unsecured	1.75–2.80	2026	485,417	2.60–3.40	2025	490,449
Current portion of long term bank loans — unsecured	2.25–2.80	2026	158,206	3.10	2025	25,564
Total — current			643,623			566,060
<b>Non-current</b>						
Bank loans — unsecured	2.25–2.80	2027–2028	365,417	3.10–3.20	2026	42,000
Total — non-current			365,417			42,000
Total			1,009,040			608,060

## 26. INTEREST-BEARING BANK LOANS (CONTINUED)

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year or on demand	643,623	566,060
In the second year	345,417	42,000
In the third to fifth years, inclusive	20,000	—
<b>Total</b>	<b>1,009,040</b>	<b>608,060</b>

As at 31 December 2024, the Group's bank borrowings with an amount of RMB50,000,000 were guaranteed by the Company.

## 27. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

### Deferred tax assets

	Lease liabilities RMB'000	Tax losses RMB'000	Total RMB'000
At 1 January 2024	517	584	1,101
Deferred tax credited to profit or loss during the year (note 10)	4,466	757	5,223
Gross deferred tax assets at 31 December 2024 and 1 January 2025	<b>4,983</b>	<b>1,341</b>	<b>6,324</b>
Deferred tax charged to profit or loss during the year (note 10)	<b>(3,282)</b>	<b>(1,147)</b>	<b>(4,429)</b>
Gross deferred tax assets at 31 December 2025	<b>1,701</b>	<b>194</b>	<b>1,895</b>

## 27. DEFERRED TAX (CONTINUED)

### Deferred tax liabilities

	Right-of-use assets RMB'000	Fair value gains RMB'000	Total RMB'000
At 1 January 2024	927	174	1,101
Deferred tax charged to profit or loss during the year (note 10)	5,165	58	5,223
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	<b>6,092</b>	<b>232</b>	<b>6,324</b>
Deferred tax credited to profit or loss during the year (note 10)	<b>(4,390)</b>	<b>(39)</b>	<b>(4,429)</b>
Gross deferred tax liabilities at 31 December 2025	<b>1,702</b>	<b>193</b>	<b>1,895</b>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	—	—
Net deferred tax liabilities recognised in the consolidated statement of financial position	—	—

Deferred tax assets have not been recognised in respect of the following items:

	2025 RMB'000	2024 RMB'000
Deductible temporary differences	<b>377,058</b>	314,478
Tax losses	<b>5,498,060</b>	4,465,169

Deferred tax assets have not been recognised in respect of the above items as they have arisen in the entities of the Group that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the above items can be utilised.

For the year, the Group also had tax losses arising in the Chinese mainland of RMB1,032,891,000 (2024: RMB1,142,513,000) that will expire in two to ten years for offsetting against future taxable profits.

## 28. DEFERRED GOVERNMENT GRANTS

	2025 RMB'000	2024 RMB'000
At the beginning of the year	47,378	61,055
Grants received during the year	78,562	21,337
Amortisation during the year	(14,635)	(10,094)
Released to profit or loss during the year	(40,967)	(24,920)
At the end of the year	<b>70,338</b>	47,378
Analysed into:		
Current portion	<b>3,603</b>	2,272
Non-current portion	<b>66,735</b>	45,106

## 29. LONG-TERM PAYABLES

	2025 RMB'000	2024 RMB'000
Carrying amount at the beginning of the year	45,881	14,224
Additions	52,608	57,141
Accretion of interest recognised during the year	1,828	723
Payments	(49,033)	(26,207)
Carrying amount at the end of the year	<b>51,284</b>	45,881
Analysed into:		
Current portion	<b>40,555</b>	31,592
Non-current portion	<b>10,729</b>	14,289

### 30. PAID-IN CAPITAL/SHARE CAPITAL AND TREASURY SHARES

#### (a) Paid-in capital/share capital

		Numbers of ordinary shares	Paid-in capital/ share capital RMB'000
As at 1 January 2024		N/A	186,216
Capital contribution from shareholders	<i>(i)</i>	N/A	7,598
As at 31 December 2024		<b>N/A</b>	<b>193,814</b>
Issue of ordinary shares upon conversion into a joint stock company	<i>(ii)</i>	<b>193,813,940</b>	<b>—</b>
Issuance of shares	<i>(iii)</i>	<b>35,071,996</b>	<b>35,072</b>
As at 31 December 2025		<b>228,885,936</b>	<b>228,886</b>

- (i) In February 2024, the Company received capital contributions of RMB43,500,000 in cash from Cuihu Tianshu (Zibo) Equity Investment Partnership (Limited Partnership) (翠湖天數(淄博)股權投資合夥企業(有限合夥)), and RMB300,000,000 in cash from Shanghai Linke Zhixin Private Equity Investment Fund Partnership (Limited Partnership) (上海臨科智芯私募投資基金合夥企業(有限合夥)), respectively. As a result, approximately RMB5,884,000 and RMB337,616,000 were credited to the Company's paid-in capital and capital reserves, respectively.

In July 2024, the Company received capital contributions of RMB65,000,000 in cash from Suzhou Industrial Park Yuanhe Dingsheng Equity Investment Partnership (Limited Partnership) (蘇州工業園區元禾鼎盛股權投資合夥企業(有限合夥)), resulting in approximately RMB1,114,000 and RMB63,886,000 were credited to the Company's paid-in capital and capital reserves, respectively.

In August 2024, the Company received capital contributions of RMB35,000,000 in cash from Chengdu Tianfu Yuanhe Jingu Venture Capital Center (Limited Partnership) (成都天府元禾金谷創業投資中心(有限合夥)), resulting in approximately RMB600,000 and RMB34,400,000 were credited to the Company's paid-in capital and capital reserves, respectively.

- (ii) Pursuant to the promoters' agreement dated 27 December 2024 entered into by all the then shareholders and the shareholders' resolutions dated 13 January 2025, all promoters (being all the then Shareholders) agreed to convert the Company from a limited liability company into a joint stock limited company. Upon completion of the conversion, the share capital of the Company was RMB193,813,940 divided into 193,813,940 shares with a nominal value of RMB1.00 each, which were subscribed by all the then shareholders in proportion to their respective equity interests in the Company before the conversion. The conversion was completed on 17 February 2025.

### 30. PAID-IN CAPITAL/SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

#### (a) Paid-in capital/share capital (Continued)

(iii) In March 2025, the Company received capital contributions of RMB95,000,000 in cash from Hunan Xiangjiang New District Guiding No. 5 Equity Investment Partnership (Limited Partnership) (湖南湘江新區引導五號股權投資合夥企業(有限合夥)). As a result, approximately RMB1,627,000 and RMB93,373,000 were credited to the Company's share capital and capital reserves, respectively.

In April 2025, the Company received capital contributions of RMB720,000,000 in cash from Masterwork Holdings Limited. As a result, approximately RMB11,726,000 and RMB708,274,000 were credited to the Company's share capital and capital reserves, respectively.

In May 2025, the Company received capital contributions of RMB144,086,000 in cash from FOCUSTAR CAPITAL INVESTMENT FUND L.P. and RMB108,785,000 in cash from XN Speed International Limited. As a result, approximately RMB4,119,000 and RMB248,752,000 were credited to the Company's share capital and capital reserves, respectively.

In May 2025, the Company received capital contributions of RMB30,192,000 in cash from Interplanetary Pte. Ltd. As a result, approximately RMB493,000 and RMB29,699,000 were credited to the Company's share capital and capital reserves, respectively.

In June 2025, the Company received capital contributions of RMB50,000,000 in cash from Xiamen Zhengmei Enterprise Management Partnership (Limited Partnership) (廈門鉦美企業管理合夥企業(有限合夥)), RMB25,000,000 in cash from Sichuan Culture Industry Investment Fund Partnership (Limited Partnership) (四川文化產業投資基金合夥企業(有限合夥)), RMB30,000,000 in cash from Sichuan Regional Collaborative Development Investment Guidance Fund Partnership (Limited Partnership) (四川區域協同發展投資引導基金合夥企業(有限合夥)), RMB45,000,000 in cash from Mianyang Gaochuang Equity Investment Fund Partnership (Limited Partnership) (綿陽高創股權投資基金合夥企業(有限合夥)), RMB15,000,000 in cash from Ningbo Ruihe Yingfu Venture Capital Partnership (Limited Partnership) (寧波銳合盈孚創業投資合夥企業(有限合夥)), RMB15,000,000 in cash from Ningbo Yingshi Venture Capital Partnership (Limited Partnership) (寧波盈石創業投資合夥企業(有限合夥)), RMB48,000,000 in cash from Nanjing Lanpu High Quality Equity Investment Fund (Limited Partnership) (南京蘭璞高質股權投資基金(有限合夥)), RMB40,000,000 in cash from Nanjing Railway Investment Jushi Hub Economic Industry Investment Fund Partnership (Limited Partnership) (南京鐵投巨石樞紐經濟產業投資基金合夥企業(有限合夥)), RMB30,000,000 in cash from China Insurance Investment Trust Quality (Jiaxing) Equity Investment Partnership (Limited Partnership) (中保投信質力(嘉興)股權投資合夥企業(有限合夥)), RMB24,200,000 in cash from Hunan Bofu Selected Equity Investment Partnership (Limited Partnership) (湖南泊富精選股權投資合夥企業(有限合夥)), RMB22,646,335 in cash from Xiamen Hongshan Yaheng Equity Investment Partnership (Limited Partnership) (廈門紅杉雅恒股權投資合夥企業(有限合夥)), RMB100,000,000 in cash from Shenzhen Digital Future Private Equity Investment Fund Partnership (Limited Partnership) (深圳市數字未來私募股權投資基金合夥企業(有限合夥)), RMB200,000,000 in cash from Quzhou Intelligent Manufacturing Anhe Equity Investment Partnership (Limited Partnership) (衢州智造安合股權投資合夥企業(有限合夥)), RMB180,000,000 in cash from Nanjing Xingna Heyuan Venture Capital Partnership (Limited Partnership) (南京星納赫源創業投資合夥企業(有限合夥)), RMB25,500,000 in cash from Nanjing Xingnafeng Enterprise Management Partnership (Limited Partnership) (南京星納峰企業管理合夥企業(有限合夥)), RMB50,000,000 in cash from Hubei Lihe Jiacheng Investment Co., Ltd. (湖北利禾佳誠投資有限責任公司), RMB50,000,000 in cash from Hainan Zhihua Investment Partnership (Limited Partnership) (海南至華投資合夥企業(有限合夥)), RMB50,000,000 in cash from Shanghai Dalinghao Bay Ceyuan No.2 Venture Capital Partnership (Limited Partnership) (上海大零號灣策源二號創業投資合夥企業(有限合夥)) and RMB50,000,000 in cash from Xi'an Xigaotou Zhiyuan Investment Fund Partnership (Limited Partnership) (西安西高投致遠投資基金合夥企業(有限合夥)). As a result, approximately RMB17,107,000 and RMB1,032,716,000 were credited to the Company's share capital and capital reserves, respectively.

### 30. PAID-IN CAPITAL/SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

#### (b) Treasury shares

	Number of shares	Treasury shares RMB'000
As at 1 January 2024	28,616,000	28,616
Restricted shares vested during the year	(2,587,000)	(2,587)
Shares repurchased	2,933,000	14,817
As at 31 December 2024	<b>28,962,000</b>	<b>40,846</b>
Restricted shares vested during the year	<b>(2,907,000)</b>	<b>(4,142)</b>
Shares repurchased	<b>569,000</b>	<b>1,223</b>
As at 31 December 2025	<b>26,624,000</b>	<b>37,927</b>

The treasury shares are shares held by the Group that have not been granted or vested under its share award schemes. Further details of the share award schemes are given in note 31 to the financial statements.

### 31. SHARE-BASED PAYMENTS

The Company operates share award schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the schemes include the Company's directors, supervisors, senior management and other key employees of the Group who, in the opinion of the board of directors, contribute directly to the overall business performance and sustainable development of the Group.

In order to implement the share award schemes, several limited partnerships were established and designated as employee shareholding platforms to specially hold the shares as awards to the eligible participants as the ultimate beneficial owners.

### 31. SHARE-BASED PAYMENTS (CONTINUED)

The terms and conditions of the restricted shares granted under the share award schemes are summarised as follows:

	Number of shares	Subscription price
<b>Category A</b>		
Granted prior to 31 December 2021	21,273,249	RMB0.00
Granted during the year ended 31 December 2022	349,180	RMB0.00
Granted during the year ended 31 December 2023	819,426	RMB0.00
Granted during the year ended 31 December 2024	9,812,827	RMB0.00
Granted during the year ended 31 December 2025	2,838,723	RMB0.00
<b>Category B</b>		
Granted during the year ended 31 December 2022	1,500,500	RMB3.00
Granted during the year ended 31 December 2023	2,359,748	RMB3.00
Granted during the year ended 31 December 2024	464,100	RMB3.00
Granted during the year ended 31 December 2024	330,000	RMB1.00
Granted during the year ended 31 December 2025	194,947	RMB1.00
<b>Category C</b>		
Granted prior to 31 December 2021	4,063,536	RMB0.00
Granted during the year ended 31 December 2022	69,653	RMB0.00

#### Category A

The restricted shares granted under Category A are subject to service conditions. Specifically, these share incentives require grantee to meet the service condition from the date of grant to the later of (1) the date of successful IPO of the Company (the "Lock-up Period") and (2) the "Service Period", where the shares are either (i) to be released in equal 25% over a period of four years from the grant date, or (ii) are to be released 25% on the secondary anniversary from the grant date, and 25% each on the third and fourth anniversaries from the grant date. After taking into consideration of the best estimation of the IPO timetable, the management determined the vesting period of the relevant restricted shares based on the above service conditions. As such, the share-based payment expenses are amortised during the vesting period.

The fair value of the restricted shares granted with nil subscription price was determined with reference to the financing transaction prices from third parties at that time.

### 31. SHARE-BASED PAYMENTS (CONTINUED)

#### Category A (Continued)

The movements of the outstanding restricted shares during the year were as follows:

	2025 Number of shares '000	2024 Number of shares '000
At 1 January	22,220	16,355
Granted during the year	2,839	9,813
Forfeited during the year	(72)	(147)
Cancelled during the year	—	(1,719)
Vested during the year*	(2,649)	(2,082)
At 31 December	22,338	22,220

Subsequent to 31 December 2025, till the date of approval of this report, no restricted shares were granted or forfeited in respect of the resignation of certain grantees.

- \* In July 2020, the Company granted 2,579,000 restricted shares to one employee with nil subscription price which have service conditions. In April 2024, the Company and the employee reached an agreement that the Company repurchased 1,719,000 restricted shares with nil consideration with the remaining 860,000 restricted shares immediately vested, resulting in the accelerated recognition of unamortised expenses in the current period.
- \* In April 2023, the Company reached agreements with several employees that the Company waived its repurchase right under the original grant agreement which reduced the vesting period from the "Lock-up Period" to the "Service Period". The employees vested 772,000 (2024: 1,222,000) restricted shares during the year.
- \* In 2024, the Company granted 1,877,000 restricted shares to one employee with nil subscription price which have service conditions. In May 2025, the Company reached agreements with the employee whereby the Company waived its repurchase right under the original grant agreement, in consideration of the employee's anticipated departure in June 2025. Consequently, these restricted shares became immediately vested, resulting in the accelerated recognition of unamortised expenses in the current period.

#### Category B

The restricted shares grants under Category B are subject to service conditions with subscription price of RMB1.00 or RMB3.00. Specifically, these share incentives require grantee to meet the service condition from the date of grant to the later of (1) the date of successful IPO of the Company (the Lock-up Period") and (2) the "Service Period", which are either (i) to be released equally over a period of four years from the grant date, or (ii) 50% of which are to be released on the secondary anniversary from the grant date, and 25% each on the third and fourth anniversary from the grant date. After taking into consideration of the best estimation of the IPO timetable, the management determined the vesting period of the relevant restricted shares based on the above service condition. As such, the share-based payment expenses are amortised during the vesting period.

### 31. SHARE-BASED PAYMENTS (CONTINUED)

#### Category B (Continued)

The grantees are required to contribute the subscription price of restricted shares according to the schedule agreed. The employee shareholding platforms have the right to withdraw the granted shares if the employee fails to pay the corresponding price. The fair value of the restricted shares granted under the category was determined by using the Black-Scholes model, taking into account the terms and conditions upon which the shares were granted. The following table lists the fair value at measurement date and the significant inputs to the fair value model used:

	2025	2024
Fair value of per restricted shares at measurement date	<b>RMB61.40/ RMB131.12</b>	RMB58.37
Dividend yield (%)	—	—
Expected volatility (%)	<b>60.00%–62.00%</b>	59.00%–62.00%
Risk-free interest rate (%)	<b>1.55%–1.63%</b>	1.24%–2.34%

The subscription price and remaining contractual life of the share options outstanding as at the end of the reporting period are as follows:

#### 31 December 2025

Number of shares '000	Subscription price RMB per share	Remaining contractual life
<b>3,785</b>	<b>3</b>	<b>0.00–2.50</b>
<b>489</b>	<b>1</b>	<b>0.50–4.00</b>
<b>4,274</b>		

#### 31 December 2024

Number of shares '000	Subscription price RMB per share	Remaining contractual life
4,015	3	1.00–3.50
330	1	1.50–4.00
4,345		

### 31. SHARE-BASED PAYMENTS (CONTINUED)

#### Category B (Continued)

The movements of the outstanding restricted shares during the year were as follows:

	2025 Number of shares '000	2024 Number of shares '000
At 1 January	4,345	3,848
Granted during the year	195	794
Forfeited during the year	(178)	(122)
Vested during the year	(88)	(175)
At 31 December	4,274	4,345

Subsequent to 31 December 2025, till the date of approval of this report, no restricted shares were granted or forfeited in respect of the resignation of certain grantees.

#### Category C

The restricted shares grants under Category C are subject to service conditions. Specifically, these share incentives require grantee to meet the service condition from the date of grant to the later of (1) the date of successful IPO of the Company (the Lock-up Period") and (2) the "Service Period", which are to be released equally over a period of four years from the grant date. For the grantees who meet the Service Period conditions but do not meet the Lock-Up Period conditions, the share-based payment arrangements provide the Group with a choice of settlement for the restricted shares vested according to the condition of Service Period. The Group can choose between settling in cash at share price at least RMB5.21 per share, or issuing equity instruments. Since the Company has no present obligation to settle in cash, the Company accounted for the transaction as an equity-settled share-based payment transaction. As such, the share-based payment expenses are amortised during the Service Period.

The fair value of the restricted shares granted with nil subscription price was determined by referencing the financing transaction prices from third parties at that time.

The movements of the outstanding restricted shares during the year were as follows:

	2025 Number of shares '000	2024 Number of shares '000
At 1 January	211	734
Forfeited during the year	(41)	(193)
Vested during the year	(170)	(330)
At 31 December	—	211

The Group recognised employee benefit expenses of RMB526,090,000 (2024: RMB247,765,000) during the year ended 31 December 2025, in relation to the above three categories' share award schemes.

### 32. RESERVES

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity of the financial statements.

#### Capital reserve

The capital reserve mainly comprises the share premium of the Company and the difference between the aggregate of the net assets of the non-controlling interests acquired and the consideration paid by the Group.

### 33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB8,546,000 (2024: RMB41,251,000) in respect of lease arrangements for buildings and equipment.

#### (b) Changes in liabilities arising from financing activities

##### Year ended 31 December 2025

	Bank loans RMB'000	Lease liabilities RMB'000
At 1 January 2025	608,060	33,135
Changes from financing cash flows	383,179	(31,998)
Disposals	—	(286)
Additions of lease liabilities	—	8,546
Interest expense (note 7)	17,801	968
At 31 December 2025	1,009,040	10,365

##### Year ended 31 December 2024

	Bank loans RMB'000	Lease liabilities RMB'000
At 1 January 2024	492,417	5,564
Changes from financing cash flows	99,889	(14,586)
Additions of lease liabilities	—	41,251
Interest expense (note 7)	15,754	906
At 31 December 2024	608,060	33,135

**33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)****(c) Total cash outflow for leases**

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Within operating activities	<b>207</b>	9
Within financing activities	<b>31,998</b>	20,389
<b>Total</b>	<b>32,205</b>	20,398

**34. COMMITMENTS**

The Group had the following capital commitments at the end of the reporting period.

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Contracted, but not provided for: Purchase of property, plant and equipment and intangible assets	<b>31,313</b>	56,389

**35. RELATED PARTY TRANSACTIONS**

Compensation of key management personnel of the Group:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Salaries, allowances and benefits in kind	<b>17,694</b>	20,406
Performance related bonuses	<b>6,372</b>	5,771
Pension scheme contributions	<b>1,806</b>	1,758
Share-based payment expenses	<b>315,349</b>	110,562
<b>Total</b>	<b>341,221</b>	138,497

### 36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments of the Group as at the end of the reporting period are as follows:

#### Financial assets

As at 31 December 2025

	Financial assets at fair value through profit or loss RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Equity investment at fair value through other comprehensive income	—	729	—	729
Trade and bills receivables	—	5,944	570,631	576,575
Financial assets included in prepayments, other receivables and other assets	—	—	35,717	35,717
Financial assets at fair value through profit or loss	76,200	—	—	76,200
Cash and cash equivalents	—	—	1,504,701	1,504,701
Long-term trade receivables	—	—	10,887	10,887
<b>Total</b>	<b>76,200</b>	<b>6,673</b>	<b>2,121,936</b>	<b>2,204,809</b>

### 36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

#### Financial assets (Continued)

As at 31 December 2024

	Financial assets at fair value through profit or loss RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Equity investment at fair value through other comprehensive income	—	828	—	828
Trade and bills receivables	—	—	377,176	377,176
Financial assets included in prepayments, other receivables and other assets	—	—	40,954	40,954
Financial assets at fair value through profit or loss	96,539	—	—	96,539
Restricted cash	—	—	61	61
Cash and cash equivalents	—	—	313,563	313,563
Long-term trade receivables	—	—	26,053	26,053
<b>Total</b>	<b>96,539</b>	<b>828</b>	<b>757,807</b>	<b>855,174</b>

#### Financial liabilities

As at 31 December 2025

	Financial liabilities at amortised cost RMB'000
Financial liabilities included in other payables and accruals	<b>81,909</b>
Trade payables	<b>31,129</b>
Interest-bearing bank loans	<b>1,009,040</b>
Long-term payables	<b>51,284</b>
Lease liabilities	<b>10,365</b>
<b>Total</b>	<b>1,183,727</b>

### 36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

#### Financial liabilities (Continued)

As at 31 December 2024

	Financial liabilities at amortised cost RMB'000
Financial liabilities included in other payables and accruals	59,599
Trade payables	45,645
Interest-bearing bank loans	608,060
Long-term payables	45,881
Lease liabilities	33,135
<b>Total</b>	<b>792,320</b>

### 37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, time deposits, financial assets included in prepayments and other receivables, trade and bills receivables, trade payables, financial liabilities included in other payables and accruals and current portion of interest-bearing bank loans approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank loans and long-term payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank loans as at the end of the reporting period were assessed to be insignificant. Management has assessed that the fair value of long-term payable approximate to their carrying amount.

### 37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair value of the Group's certain financial instruments including unlisted equity investments and private fund investments was determined by using appropriate valuation techniques including the latest transaction price and the asset-based approach as at 31 December 2025. The Group classifies the fair value of the investments using the latest transaction price as Level 2 and the fair value of the investments using asset-based approach as Level 3. The unobservable inputs in Level 3 valuation include net asset value of the investee companies. A 1% increase/decrease in net asset value would result in a corresponding increase/decrease in the fair value of the investments by RMB169,000 (2024: RMB962,000) as at 31 December 2025. The directors believe that the estimated fair values resulting from the valuation techniques, which are recorded in the consolidated statement of financial position, and the related changes in fair values, are reasonable, and that they were the most appropriate values at the end of the reporting period.

#### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments.

#### Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Equity investment designated at fair value through other comprehensive income	—	—	729	729
Bills receivables	—	5,944	—	5,944
Financial assets at fair value through profit or loss	—	60,000	16,200	76,200
<b>Total</b>	<b>—</b>	<b>65,944</b>	<b>16,929</b>	<b>82,873</b>

### 37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

#### Fair value hierarchy (Continued)

#### Assets measured at fair value: (Continued)

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Equity investment designated at fair value through other comprehensive income	—	—	828	828
Financial assets at fair value through profit or loss	—	—	96,539	96,539
<b>Total</b>	<b>—</b>	<b>—</b>	<b>97,367</b>	<b>97,367</b>

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 for both financial assets and financial liabilities (2024: Nil).

The movements in fair value measurements within Level 3 during the year are as follows:

	2025 RMB'000	2024 RMB'000
Financial instruments		
At 1 January	<b>97,367</b>	91,293
Purchases	<b>10,000</b>	5,000
Total (loss)/gains recognised in profit or loss included in other (expenses)/income	<b>(339)</b>	844
Total (loss)/gains recognised in other comprehensive income	<b>(99)</b>	230
Transfer out of Level 3*	<b>(90,000)</b>	—
<b>At 31 December</b>	<b>16,929</b>	97,367

\* During the year, equity transactions occurred for an unlisted equity investment and therefore the relevant recent transaction price was used to determine the fair value of the respective investments as at 31 December 2025. Consequently, the valuation technique for the relevant financial asset was changed and the fair value measurement was transferred from Level 3 to Level 2.

### 37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

#### Fair value hierarchy (Continued)

Liabilities for which fair values are disclosed:

As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Interest-bearing bank loans	—	1,009,182	—	1,009,182
Total	—	1,009,182	—	1,009,182

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Interest-bearing bank loans	—	608,099	—	608,099
Total	—	608,099	—	608,099

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise cash and cash equivalents and bank borrowings. The main purpose of these financial instruments is to support the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Generally, the senior management of the Company meets regularly to analyse and formulate measures to manage the Group's exposure to these risks. In addition, the board of directors of the Company holds meetings regularly to analyse and approve the proposals made by the senior management of the Company. Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

#### Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in RMB interest rates, with all other variables held constant, of the Group's loss before tax through the impact on floating rate borrowings and of the Group's equity.

	Increase/ (decrease) in basis points	Increase/ (decrease) in loss before tax RMB'000
31 December 2025 RMB	<b>100/(100)</b>	<b>1,595/(1,595)</b>
31 December 2024 RMB	100/(100)	1,923/(1,923)

#### Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations. The Group seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

**38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****Foreign currency risk (Continued)**

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in USD and RMB exchange rates, with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

	<b>(Decrease)/ increase in foreign exchange rate</b> %	<b>(Decrease)/ increase in loss before tax</b> RMB'000
31 December 2025		
If RMB strengthens against USD	<b>5%</b>	<b>25,895</b>
If RMB weakens against USD	<b>(5%)</b>	<b>(25,895)</b>
31 December 2024		
If RMB strengthens against USD	5%	(1,144)
If RMB weakens against USD	(5%)	1,144

**Credit risk**

The Group trades only with recognised and creditworthy third parties and there is no requirement for collateral. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

**Maximum exposure and year-end staging**

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of the reporting period. The amounts presented are gross amounts for financial assets.

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Credit risk (Continued)

#### Maximum exposure and year-end staging (Continued)

31 December 2025

	12-month	Lifetime ECLs			Total
	ECLs	ECLs			
	Stage 1	Stage 2	Stage 3	Simplified	
	RMB'000	RMB'000	RMB'000	approach	RMB'000
				RMB'000	
Trade and bills receivables*	15,944	—	—	638,893	654,837
Financial assets included in prepayments, other receivables and other assets					
— Normal**	15,721	—	—	—	15,721
— Doubtful**	—	—	28,800	—	28,800
Cash and cash equivalents	1,504,701	—	—	—	1,504,701
Long-term trade receivables					
— Normal**	11,036	—	—	—	11,036
<b>Total</b>	<b>1,547,402</b>	<b>—</b>	<b>28,800</b>	<b>638,893</b>	<b>2,215,095</b>

31 December 2024

	12-month	Lifetime ECLs			Total
	ECLs	ECLs			
	Stage 1	Stage 2	Stage 3	Simplified	
	RMB'000	RMB'000	RMB'000	approach	RMB'000
				RMB'000	
Trade and bills receivables*	—	—	—	435,504	435,504
Financial assets included in prepayments, other receivables and other assets					
— Normal**	15,657	—	—	—	15,657
— Doubtful**	—	—	39,800	—	39,800
Restricted cash	61	—	—	—	61
Cash and cash equivalents	313,563	—	—	—	313,563
Long-term trade receivables					
— Normal**	26,400	—	—	—	26,400
<b>Total</b>	<b>355,681</b>	<b>—</b>	<b>39,800</b>	<b>435,504</b>	<b>830,985</b>

**38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****Credit risk (Continued)****Maximum exposure and year-end staging (Continued)**

\* For trade and bills receivables which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 to the financial statements.

\*\* The credit quality of the financial assets included in prepayments, other receivables and other assets and long-term receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables, other receivables and long-term trade receivables are respectively disclosed in note 18, note 19 and note 22 to the financial statements.

At the end of the reporting period, the Group had certain concentrations of credit risk as 28% (2024: 37%) and 59% (2024: 58%) of the Group's trade and bills receivables and long-term trade receivables were due from the Group's largest customer and five largest customers, respectively.

**Liquidity risk**

The Group monitors its exposure to liquidity risk by regularly monitoring short-term and long-term liquidity requirements, as well as compliance with borrowing agreements to ensure that adequate cash reserves and readily realisable liquidity are maintained.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2025			
	On demand RMB'000	Within 1 year RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade payables	10,551	20,578	—	31,129
Financial liabilities included in other payables and accruals	51,798	30,111	—	81,909
Interest-bearing bank loans	—	661,141	354,150	1,015,291
Long-term payables	8,000	33,652	11,055	52,707
Lease liabilities	—	6,985	3,681	10,666
<b>Total</b>	<b>70,349</b>	<b>752,467</b>	<b>368,886</b>	<b>1,191,702</b>

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Liquidity risk (Continued)

	As at 31 December 2024			Total RMB'000
	On demand RMB'000	Within 1 year RMB'000	1 to 5 years RMB'000	
Trade payables	29,666	15,979	—	45,645
Financial liabilities included in other payables and accruals	59,385	214	—	59,599
Interest-bearing bank loans	—	602,269	42,543	644,812
Long-term payables	—	32,871	14,444	47,315
Lease liabilities	—	19,610	15,188	34,798
<b>Total</b>	<b>89,051</b>	<b>670,943</b>	<b>72,175</b>	<b>832,169</b>

#### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, by pricing services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group monitors capital on the basis of the asset-liability ratio. This ratio is calculated as total liabilities divided by total assets.

	2025 RMB'000	2024 RMB'000
Total assets	<b>3,911,992</b>	1,685,175
Total liabilities	<b>1,558,896</b>	996,506
<b>Asset-liability ratio</b>	<b>39.8%</b>	59.1%

**39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY**

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>168,254</b>	111,713
Right-of-use assets	<b>3,622</b>	38,272
Intangible assets	<b>150,663</b>	90,168
Financial assets at fair value through profit or loss	<b>16,200</b>	4,915
Equity investment designated at fair value through other comprehensive income	<b>729</b>	828
Prepayments, other receivables and other assets	<b>14,162</b>	15,199
Investments in subsidiaries	<b>353,339</b>	90,000
<b>Total non-current assets</b>	<b>706,969</b>	351,095
<b>CURRENT ASSETS</b>		
Inventories	<b>672,514</b>	293,788
Trade and bills receivables	<b>511,469</b>	195,002
Prepayments, other receivables and other assets	<b>482,359</b>	132,171
Due from related parties	<b>609,955</b>	593,779
Restricted cash	<b>—</b>	61
Cash and cash equivalents	<b>1,371,882</b>	298,313
<b>Total current assets</b>	<b>3,648,179</b>	1,513,114
<b>CURRENT LIABILITIES</b>		
Trade payables	<b>32,897</b>	42,052
Other payables and accruals	<b>178,682</b>	126,196
Contract liabilities	<b>108,957</b>	17,712
Deferred government grants	<b>1,248</b>	2,272
Lease liabilities	<b>3,656</b>	16,123
Long-term payables due within one year	<b>27,573</b>	9,737
Interest-bearing bank loans	<b>603,576</b>	506,003
Due to related parties	<b>606,524</b>	343,063
<b>Total current liabilities</b>	<b>1,563,113</b>	1,063,158
<b>NET CURRENT ASSETS</b>	<b>2,085,066</b>	449,956
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>2,792,035</b>	801,051

### 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	2025 RMB'000	2024 RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank loans	365,417	42,000
Deferred government grants	53,360	24,006
Lease liabilities	252	15,133
Long-term payables	10,729	9,307
Total non-current liabilities	429,758	90,446
Net assets	2,362,277	710,605
EQUITY		
Paid-in capital/Share capital	228,886	193,814
Reserves (Note)	2,133,391	516,791
Total equity	2,362,277	710,605

### 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Capital reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive (loss)/income RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	3,056,129	(2)	558,149	(2,876,947)	737,329
Loss for the year	—	—	—	(900,813)	(900,813)
Other comprehensive income for the year:					
Changes in fair value of equity investment at fair value through other comprehensive income, net of tax	—	230	—	—	230
Total comprehensive loss for the year	—	230	—	(900,813)	(900,583)
Capital injection	435,902	—	—	—	435,902
Expense in relation to capital injection	(3,622)	—	—	—	(3,622)
Share-based payment expenses	—	—	247,765	—	247,765
At 31 December 2024	3,488,409	228	805,914	(3,777,760)	516,791
At 1 January 2025	<b>3,488,409</b>	<b>228</b>	<b>805,914</b>	<b>(3,777,760)</b>	<b>516,791</b>
Loss for the year	—	—	—	(1,016,412)	(1,016,412)
Other comprehensive loss for the year:					
Changes in fair value of equity investment at fair value through other comprehensive loss, net of tax	—	(99)	—	—	(99)
Total comprehensive loss for the year	—	(99)	—	(1,016,412)	(1,016,511)
Issuance of shares	2,112,815	—	—	—	2,112,815
Share issue expenses	(5,794)	—	—	—	(5,794)
Conversion into a joint-stock company	(2,555,069)	—	(507,458)	3,062,527	—
Share-based payment expenses	—	—	526,090	—	526,090
At 31 December 2025	<b>3,040,361</b>	<b>129</b>	<b>824,546</b>	<b>(1,731,645)</b>	<b>2,133,391</b>

### 40. EVENTS AFTER THE REPORTING PERIOD

Except for the subsequent listing event, as disclosed in note 1, there were no significant events subsequent to 31 December 2025.

### 41. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2026.

# DEFINITIONS

In this report, the following expressions have the meanings set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of our Company
“China” or “the PRC”	the People’s Republic of China, excluding, for the purpose of this report (unless otherwise indicated), the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and the Taiwan Region
“Company”, “our Company” or “the Company”	Shanghai Iluvatar CoreX Semiconductor Co., Ltd. (上海天數智芯半導體股份有限公司) (formerly known as 上海天數智芯半導體有限公司), a joint stock company with limited liability established in China on December 29, 2015
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of our Company
“Global Offering”	the offer of H Shares for subscription as described in the Prospectus
“Group”, “our Group”, “the Group”, “we”, “us” or “our”	our Company and its subsidiaries, or our Company and any one or more of its subsidiaries, as the context may require
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“H Share(s)”	shares in the share capital of our Company with a nominal value of RMB1.0 each, which are subscribed for and traded in HK dollars and are listed on the Stock Exchange
“HKFRS”	Hong Kong Financial Reporting Standards
“HKFRS Accounting Standards”	HKFRS Accounting Standards, which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations as issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC

## Definitions

“Hong Kong dollars”, “HK dollars”, “HKD” or “HK\$”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“IP”	intellectual property
“Listing”	the listing of our H Shares on the Main Board of the Stock Exchange on January 8, 2026
“Listing Date”	January 8, 2026, being the date on which dealings in our H Shares first commence on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Board
“Prospectus”	the prospectus in relation to the Global Offering issued by the Company dated December 30, 2025
“R&D”	research and development
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the year ended December 31, 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares in the capital of our Company with a nominal value of RMB1.0 each, comprising the Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of our Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules

“treasury share(s)”	has the meaning ascribed thereto under the Listing Rules
“United States” or “U.S.”	the United States of America, its territories, its possessions, and all areas subject to its jurisdiction
“Unlisted Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and paid up in Renminbi and are unlisted shares which are currently not listed or traded on any stock exchange
“U.S. dollars” or “USD”	United States dollars, the lawful currency of the United States
“%”	per cent

#### **GLOSSARY**

“AI”	artificial intelligence, referring to computer systems or software designed to perform tasks that typically require human intelligence, particularly learning from data, recognizing patterns, making predictions, generating content and supporting decision-making
“CPU”	central processing unit, referring to the primary processor of a computer that executes instructions, performs arithmetic and logic operations, and controls the operation of hardware and software systems

## Definitions

“GPGPU”	general-purpose computing on graphics processing units, referring to the use of GPUs to perform computational tasks beyond graphics rendering, particularly in parallel processing applications
“GPU”	graphics processing unit, a microprocessor designed to handle graphic-related tasks, which has also become one of the primary microprocessors used for accelerated computing in the AI era

By order of the Board

**Shanghai Iluvatar CoreX Semiconductor Co., Ltd.**

上海天數智芯半導體股份有限公司

**Mr. Gai Lujiang**

*Chairperson of the Board*

Hong Kong, April 27, 2026

*As at the date of this report, the Board comprises Mr. Gai Lujiang, Mr. Sun Yile, Mr. Liu Zheng and Mr. Yang Lei as executive Directors, Mr. Wang Chen as non-executive Director, and Dr. Teng Yong, Mr. Ren Jintao and Dr. Wang Yan as independent non-executive Directors.*